

NOTICE TO BONDHOLDERS

CBR FASHION FINANCE B.V.

€450,000,000 5½% Senior Secured Notes due 2022 (the “Notes”)

(ISIN: XS1709349119 / XS1709347923)

(COMMON CODE: 170934911 / 170934792)

Kirchhorst, Germany, March 16, 2020. CBR Fashion Finance B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands (the “Issuer”), and CBR Service GmbH, a limited liability company organized under the laws of Germany (“CBR” and together with its subsidiaries, “CBR Group”), announced today audited results for the year ended December 31, 2019 and a trading update for the two months ended February 29, 2020.

Christian Rudlof, CFO of CBR Group, says: “We are very satisfied with the result that CBR Group has delivered in 2019, which shows that the changes we have initiated in recent years are resulting in the intended effects. We feel well-positioned for the challenges ahead and believe that we will continue to deliver good results.”

Audited Annual Results

CBR Group’s audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (“IFRS”), as well as the requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code.

On January 1, 2019, CBR Service GmbH adopted IFRS 16, Leases (“IFRS 16”). CBR Group’s audited consolidated financial statements as of and for the year ended December 31, 2018 have not been restated for the application of IFRS 16. Instead, those financial statements reflect the application of IAS 17, the accounting standard in effect at that time. Therefore, due to the adoption of the new accounting standard and the impact of accounting policy changes, CBR Group’s audited consolidated financial information as of and for the year ended December 31, 2018 is not directly comparable with its audited consolidated financial information as of and for the year ended December 31, 2019. In order to facilitate a comparison of Adjusted EBITDA on the same accounting basis, this announcement includes an adjustment to disapply IFRS 16 for all periods after January 1, 2019.

Summary

Based on CBR Group’s audited consolidated financial statements as of and for the year ended December 31, 2019:

Revenue for the year ended December 31, 2019 was €606.5 million, an increase of €41.3 million, or 7.3%, from €565.2 million for the year ended December 31, 2018. The increase was driven by growth in both brands and all channels.

- **Wholesale.** Revenue for the Wholesale channel for the year ended December 31, 2019 was €443.8 million, an increase of €12.8 million, or 3.0%, from €431.0 million for the year ended December 31, 2018. This increase was primarily due to CBR Group’s focus on product and service quality and an expansion in customer retail space in which its products were displayed.

- *eCommerce*. Revenue for the eCommerce channel for the year ended December 31, 2019 was €99.6 million, an increase of €21.0 million, or 26.7%, from €78.6 million for the year ended December 31, 2018. This growth was primarily driven by a shift in consumer shopping preferences toward eCommerce. The number of visits to CBR Group's online shops (which it calculates as the number of requests at its websites) increased from 35.1 million for the year ended December 31, 2018 to 36.9 million for the year ended December 31, 2019.
- *Own Retail*. Revenue for the Own Retail channel for the year ended December 31, 2019 was €63.1 million, an increase of €7.5 million, or 13.5%, from €55.6 million for the year ended December 31, 2018. This increase was driven primarily by better merchandise management and selective expansion of CBR Group's Own Retail store (including Outlet stores) footprint to 101 stores, from 99 as of December 31, 2018. CBR Group's like-for-like revenue growth in the year ended December 31, 2019 was 8.5% for Own Retail stores and 13.1% for Outlet stores.

Adjusted EBITDA for the year ended December 31, 2019 was €152.5 million, an increase of €45.0 million, or 41.9%, from €107.4 million for the year ended December 31, 2018. This increase in Adjusted EBITDA reflects an increase in sales in both of brands and all channels, and also reflects decreases in expenses driven mainly by more favorable purchasing conditions resulting from the lower price of raw materials, improved sourcing practices and better pricing from CBR Group's streamlined supplier base, as well as decreased personnel costs resulting from a headcount reduction, driven mainly by cost base and operational efficiency improvements, including the centralization and pooling of internal functions.

Unaudited Trading Update

Based on the preliminary results from CBR Group's unaudited management accounts and information currently available, CBR Group estimates that, for the two months ended February 29, 2020 compared to the two months ended February 28, 2019:

- revenue increased by €7.7 million to €93.6 million due to strong like-for-like revenue growth and lower markdowns;
- like-for-like Wholesale pre-orders for the first six collections in 2020 increased by 2.9%; and
- Adjusted EBITDA increased by €3.7 million to €21.8 million.

CBR Group's preliminary results for the two months ended February 29, 2020 are derived from its accounting records. This information has not been audited, reviewed or compiled, nor have any procedures been performed by its independent auditors with respect thereto. Accordingly, you should not place undue reliance on such unaudited preliminary financial results, and no opinion or any other form of assurance is provided with respect thereto. CBR Group's preliminary unaudited financial results are based upon a number of assumptions and judgments that are subject to inherent uncertainties and are subject to change, and are not intended to be a comprehensive statement of its financial or operational results for the two months ended February 29, 2020.

Recent Developments

Despite the coronavirus (COVID-19) outbreak announced in December 2019, CBR Group's order values for the first six collections of 2020 have increased by 3%. In the first two months of 2020, revenue in all channels increased compared to the first two months of 2019. Revenue in the Wholesale channel has been largely unaffected by the coronavirus outbreak because sales are made to retailers on a

wholesale basis. With regard to the B2C channels, revenue in the eCommerce channel has shown significant growth, while traffic is beginning to decrease in the Own Retail channel, which may impact revenue. To date, the coronavirus outbreak has not had a significant impact on CBR Group's production volumes for the first three collections. As the coronavirus outbreak evolves, CBR Group continues to strategically place orders with suppliers while also assessing the impact of the outbreak on its distribution channels.

Management's Discussion and Analysis of Liquidity and Capital Resources

CBR Group's principal source of funds for the year ended December 31, 2019 was cash generated from its operating activities. As of December 31, 2019, CBR Group had cash and cash equivalents of €105.6 million and no cash drawings under its revolving credit facility.

CBR Group believes that its operating cash flows and borrowing capacity will be sufficient to meet its requirements and commitments for the next twelve months.

CBR Group continues to review its capital structure and liquidity on an ongoing basis to evaluate dividend and/or upstream loan opportunities. In addition, CBR Group continually assesses the capital markets for strategic opportunities to refinance its indebtedness as well as to engage in opportunistic bond buyback programs, to be executed through prepayments, open market repurchases, redemptions or otherwise.

CBR Group's working capital was in line with expectations, having represented 2.7% of revenues as of December 31, 2019, compared to 2.8% of revenues as of December 31, 2018.

CBR Group's capital expenditure was in line with expectations, having represented 2.3% of revenues as of December 31, 2019, compared to 1.6% of revenues as of December 31, 2018.

Shareholder Loans

In connection with the acquisition of CBR Group by Alteri Investors, which was completed on March 15, 2018, the shareholder loan claims of the previous owner, EQT, were transferred to Alteri StyleCayman 2 Ltd. and three corresponding new shareholder loan agreements on the same terms and conditions as the previously existing shareholder loan agreements were entered into by Alteri StyleCayman 2 Ltd. and CBR. Later, on October 18, 2019, the three shareholder loan agreements were consolidated into a single loan in the principal amount of €102.6 million from Alteri Style Cayman 2 Ltd. to CBR. The interest rate on the shareholder loan is 5.17% per year. The shareholder loan is unsecured and is not due for repayment until after the maturity of the Notes.

On October 18, 2019, CBR Group transferred its interest and loan repayment claims (totaling €103.4 million) associated with its upstream loans by way of a distribution in kind, in each case, based on its net debt at the time of distribution being below 3.25 times its consolidated EBITDA for the twelve months ended September 30, 2019.

Other Related Party Transactions

In the ordinary course of business, CBR Group may enter into transactions with portfolio companies or affiliates of Alteri Investors. CBR Group does not consider these transactions to be material to it, either individually or in the aggregate. CBR Group's transactions with its affiliates are subject to the affiliate transactions covenant under the indenture governing the Notes and the agreement governing its revolving credit facility.

In January 2020, CBR Group made a distribution to Alteri Investors in the amount of €41.5 million.

About CBR Group

CBR Group is a leading fashion company in the women's mainstream fashion segment with operations in 19 countries across Europe, with its two independent and distinct brands, Street One and CECIL. CBR Group currently holds a top three position in terms of market share (by retail sales) in the German womenswear market.

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This announcement includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "aims," "targets," "anticipates," "expects," "intends," "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this announcement and include statements regarding CBR Group's intentions, beliefs or current expectations concerning, among other things, its results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which it operates, other statements relating to its future business performance and general economic, regulatory and market trends and other circumstances relevant to its business.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and CBR Group's actual results of operations, financial condition and liquidity and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this announcement. In addition, even if CBR Group's results of operations, financial condition and liquidity, and the development of the industry in which it operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods.

CBR Group undertakes no obligation, and does not expect, to publicly update or revise any forward-looking statement to reflect actual results, changes in assumptions based on new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to CBR Group or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this announcement.

In addition to disclosing results that are determined in accordance with IFRS, CBR Group also discloses non-IFRS results of operations that exclude certain income items and charges. These results are provided as a complement to results provided in accordance with IFRS and are used to make operational decisions, to determine employee compensation, to forecast future operational results and for comparison with CBR Group's business plan, historical operating results and the operating results of CBR Group's competitors. Management believes these non-IFRS performance measures provide useful supplemental information for investors, allowing greater transparency to the information used by management in its operational decision making and in the review of CBR Group's financial and operational performance, as well as facilitating meaningful comparisons of CBR Group's results in the current period compared with those in prior and future periods. The non-IFRS performance measures discussed in this press release may not be comparable to similarly titled measures used by other

companies. The presentation of non-IFRS measures is not meant to be considered in isolation, as a substitute for, or superior to, financial measures or information provided in accordance with IFRS.

This announcement contains information that prior to its disclosure may have constituted inside information under European Union Regulation 596/2014 on market abuse.

The distribution of this announcement into certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This announcement is for information only and does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for securities in the United States or any other jurisdiction. No money, securities or other consideration is being solicited, and, if sent in response to the information contained herein, will not be accepted.

None of the securities referred to in this communication have been registered under the U.S. Securities Act of 1933, as amended, and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirement. This announcement is not a public offering in the United Kingdom or an offer of securities to the public in any other European Economic Area member state that has implemented Regulation (EU) 2017/1129 (together with any applicable implementing measures in any member state, the "Prospectus Regulation").

Conference Call

CBR Group will hold a conference call to discuss its results for the year ended December 31, 2019 and certain forward-looking information on Tuesday, March 17, 2020 at 3:00 p.m. CET. A recording of the conference call will also be available on CBR Group's website. Details on how to access the conference call or the recording thereof will be provided upon request to CBR Group's investor relations contact at: ir@cbr.de