



European Lingerie Group AB informs on new terms of the Standstill Agreement

European Lingerie Group AB (“**ELG**” or “**Company**” and together with its subsidiaries from time to time, the “**Group**”) had previously announced, that on 29 July 2020 ELG and its principal shareholders had reached a standstill agreement and signed a respective standstill letter (“**Standstill Letter**”) with certain holders of the Bonds, representing approximately 60 per cent of the Total Nominal Amount of the Bonds (the “**Bondholder Committee**”), regarding ELG’s defaults under the Terms and Conditions as well as a cooperation between ELG and the Bondholder Committee to explore and execute a potential restructuring of the Group and the Bonds, with regard to the terms and conditions (the “**Terms and Conditions**”) for ELG’s up to EUR 60,000,000 senior secured floating rate bonds due 2021 with ISIN SE0010831792 (the “**Bonds**”). Capitalised terms used but not defined herein shall have the meanings assigned to them in the Terms and Conditions. More information regarding the terms of the Standstill Letter can be found in ELG’s press release from 30 July 2020.

ELG is pleased to announce that the process for potential investment into the Group as well as bond restructuring is progressing well. In addition, due to considerable progress in the investment process, ELG and its principal shareholders have reached an agreement with the Bondholder Committee on a standstill period extension to accommodate the timeframe required to complete the investment process with any one of the potential investors.

ELG hereby informs that the standstill period is extended to accommodate the investment process deadlines with a requirement to sign binding investment agreement by mid-December at the latest and full closing of transaction in January 2021 at the latest. Furthermore, subject to the conditions of the Standstill Letter, including the conditions for the extension of the standstill period, the Bondholder Committee has confirmed that it will not instruct the Agent to accelerate the Bonds and/or enforce the Transaction Security under the Terms and Conditions or the Security Documents, as applicable, due to (in addition to the defaults mentioned in the press release from 30 July 2020):

- the Company’s failure to comply with the Maintenance Test requirements for the third and fourth quarter 2020, which will constitute Event of Defaults under Clause 14.2 (Maintenance Test); and
- the Company’s failure to pay Interest in respect of the Bonds in accordance with paragraph (b) of Clause 8 on the Interest Payment Date for the Interest Period ending on 22 November 2020 which will constitute an Event of Default under Clause 14.1 (Non-payment).

The amendments, extensions and waivers above are subject to the Group’s and principal shareholder continued cooperation with Bondholders’ Committee for finalization of the investment process as well as certain milestones being satisfied throughout the investment process. The standstill period may be further extended or, if certain conditions of the standstill agreement are not met, lapse prior to the end of January 2021.

It is noted that the completion of any restructuring measures agreed upon during the Standstill Period is subject to the approval of a Written Procedure to be held in accordance with the Terms and Conditions.

“We are satisfied with the progress of the investment process into ELG and see a good opportunity to complete the investment process in the set timeframe. We thank the bondholders’ committee for the constructive and speedy cooperation that is required in the process like this. Overall the Group’s operational performance has also improved in the third quarter 2020 with textile segment and online business exceeding the third quarter 2019 sales results. This further provides solid base to complete the investment and restructuring process. We once again thank our cooperation partners, financiers, suppliers, clients and customers, and above all – our employees and management of the Group companies who supports and leads the business during the turbulent times,” said Baiba Birzniece, Head of Strategy, M&A and Investor Relations.

This information is information that European Lingerie Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 15:30 CET on 16 October 2020.

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European Lingerie Group AB (ELG) is a fully vertically integrated intimate apparel and lingerie group with main production located in the Baltics, Hungary and Germany and with sales worldwide in 46 countries and online. The Group produces fabrics for lingerie garments under the brand Lauma Fabrics and supplies leading lingerie manufacturers in Europe and rest of the world. The Group designs, manufactures and sells branded its own premium lingerie under the brands Conturelle, Felina and Senselle. ELG also owns Dessus-Dessous, the largest online retailer of lingerie and swimwear in France. The Group is headquartered in Stockholm, Sweden. More information available at www.elg-corporate.com.