

Press Release

Sint-Baafs-Vijve, 3 March 2021, 7:45 p.m. CET
Inside information
For immediate publication

Support for the exchange offer, with 99.22% of the notes validly tendered at expiration

Announcement of results of participation in the Exchange Offer, Consent Solicitation and Scheme Solicitation for our Senior Secured Notes

Balta is pleased to announce it has received sufficient support for its previously announced exchange offer (the “Exchange Offer”) to implement it without the need to apply a scheme of arrangement. The offer expired on 3 March 2021.

Eligible holders of the 7.75% Senior Secured Notes due 2022 (the “Existing Notes”) issued by LSF9 Balta Issuer S.à r.l (the “Issuer”) have validly tendered (and not validly withdrawn) €233,061,300 in aggregate principal amount (representing 99.22%) of the Existing Notes, in the previously announced Exchange Offer, to exchange their Existing Notes for new Senior Secured Notes with a maturity of 31 December, 2024 (the “New Notes”) or cash and to vote in favour of certain amendments to the terms of the Existing Notes and the indenture governing the Existing Notes (the “Existing Indenture”) by way of the previously announced consent solicitation (the “Consent Solicitation”).

The Results of Participation by Eligible Holders

At the Expiration Date, the principal amounts of Existing Notes set forth in the table below were validly tendered in the Exchange Offer and not validly withdrawn (and consents in the Consent Solicitation were thereby validly given and not validly revoked).

Title of Existing Notes	Common Codes / ISINs	Issuer	Aggregate Principal Amount Outstanding of Existing Notes	Existing Notes Tendered by Expiration Date	
				Aggregate Principal Amount	Percentage
7.75% Senior Secured Notes due 2022	Regulation S Notes: 126591748 / XS1265917481	LSF9 Balta Issuer S.à r.l	€234,900,000	Opting for Notes Consideration: €232,818,300	Opting for Notes Consideration: 99.11%
	Rule 144A Notes: 126596863 / XS1265968633			Opting for Cash Consideration: €243,000	Opting for Cash Consideration: 0.10%
				Total: €233,061,300	Total: 99.22%

The requisite consents under the Existing Indenture were earlier received to (i) remove substantially all of the covenants and other obligations and certain events of default under the Existing Indenture that could be removed with the consent of holders of Existing Notes representing a majority of the aggregate principal amount outstanding of the Existing Notes and (ii) amend the Existing Indenture and the Existing Notes such that (A) all of the guarantors of the Existing Notes will be released from their obligations under their guarantees of the Existing Notes, (B) all of the liens in the collateral granted for the benefit of the holders of the Existing Notes will be released, (C) the interest rate applicable to the Existing Notes will be reduced to 3.00% per annum and (D) the maturity date of the Existing Notes will be extended to 31 December, 2030 (the “Proposed Amendments”).

On 17 February, 2021, supplemental indentures to the Existing Indenture setting forth the Proposed Amendments were executed, and the Proposed Amendments became effective. The Proposed Amendments will only become operative on the Settlement Date.

The Exchange Offer is proposed to be settled on 8 March 2021.

Additional Information

The full details, including terms and conditions, of the Exchange Offer, Consent Solicitation and Scheme Solicitation are provided in the exchange offer, consent solicitation and scheme solicitation memorandum, dated 2 February, 2021 (the “Exchange Offer Memorandum”). Capitalized terms used but not defined in this announcement have the meanings given to them in the Exchange Offer Memorandum.

The Exchange Offer Memorandum will continue to be made available to all Eligible Holders through the exchange and tabulation agent:

Lucid Issuer Services Limited
Address: Tankerton Works, 12 Argyle Walk, WC1H 8HA, London, UK
Telephone: +44 207 704 0880
Email: balta@lucid-is.com
Attention: Sunjeeve Patel / Paul Kamminga

If you have any questions about the Exchange Offer, Consent Solicitation and Scheme Solicitation, you should contact Lucid Issuer Services Limited.

If you have any questions on financial matters relating to the Exchange Offer, Consent Solicitation and Scheme Solicitation, you should contact:

Moelis & Company
Address: MOELIS & COMPANY, First Floor, Condor House, 10 St. Paul’s Churchyard, London EC4M 8AL
Email: Charles.Noel-Johnson@moelis.com / Daniel.Gibney@moelis.com
Attention: Charles Noel-Johnson / Daniel Gibney

For other information, please contact

Maarten Van Hoecke
Corporate Finance & Investor Relations Director
Investor.Relations@baltagroup.com

About Balta

Balta is a leading manufacturer of textile floor coverings, selling to over 136 countries worldwide. The Balta divisions are Balta Rugs (Balta home), Balta Residential Carpets & Tiles (under the brands Balta carpets, ITC and Balta carpet tiles), Balta Commercial Carpets & Tiles (under the brands modulyss, arc edition and Bentley), and Balta Non-Woven (under the brand Captiqs). Balta employs nearly 4,000 people in 10 manufacturing sites and distribution centres in Belgium, Turkey and the United States.

Important notice

This press release does not constitute an offer to sell or the solicitation of an offer to buy the New Notes or any other security in any jurisdiction and shall, in any circumstance, not constitute an offer, solicitation or sale in the United States or in any jurisdiction in which, or to any persons to whom, such offering, solicitation or sale would be unlawful. The New Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any U.S. state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state and local securities laws. Accordingly, the New Notes will be offered and sold only to (i) qualified institutional buyers in accordance with Rule 144A under the Securities Act, (ii) institutional "accredited investors" (within the meaning of Rule 501(a)((1), (2), (3), (7), (8), (9), (12) or (13), under the Securities Act and (ii) to non-U.S. persons outside the United States in offshore transactions in accordance with Regulation S under the Securities Act.

Promotion of the New Notes in the United Kingdom is restricted by the Financial Services and Markets Act 2000 (the "FSMA"), and accordingly, the New Notes are not being promoted to the general public in the United Kingdom. This announcement is only addressed to and directed at persons who (i) are outside the United Kingdom, (ii) have professional experience in matters relating to investments (being investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order")), (iii) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Promotion Order, or (iv) to the extent that doing so does not prejudice the lawful distribution of the announcement to the foregoing, are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any New Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). The New Notes will only be available to relevant persons and this announcement must not be acted on or relied on by anyone who is not a relevant person.

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MIFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MIFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). The offer and sale of the New Notes will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of securities. Consequently, no key information document required by Regulation (EU) no 1286/2014 (as amended, the "PRIIPS Regulation") for offering or selling the New Notes or otherwise making them available to retail investors in the EEA or the United Kingdom has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the EEA or the United Kingdom may be unlawful under the PRIIPS Regulation. References to regulations or directives include, in relation to the United Kingdom, those regulations or directives as they form part of U.K. domestic law by virtue of the European Union (Withdrawal) Act 2018 or have been implemented in U.K. domestic law, as appropriate.

Rounding adjustments have been made in calculating some of the financial information included in this press release. As a result, figures shown as totals may not be exact arithmetic aggregations of the figures that precede them.

This press release may include projections and other "forward-looking" statements. Any such projections or statements reflect the current views of the issuer about further events and financial performance. No assurances can be given that such events or performance will occur as projected and actual results may differ materially from these projections.

This announcement may constitute a public disclosure of inside information by Balta under Regulation (EU) 596/2014 (16 April 2014).