

Press Release

Sint-Baafs-Vijve, 17 March 2022, 7:00 a.m. CET
Inside information
For immediate publication

Consent to the disposal, with 22.73% of the notes validly exchanged in the exchange offer and 75.56% of the notes validly tendered in the tender offer at the early tender deadline

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

Balta is pleased to announce that it has received a positive response to the previously announced tender offer, exchange offer and consent solicitation (the “Tender Offer, Exchange Offer and Consent Solicitation”). The Tender Offer, Exchange Offer and Consent Solicitation was launched in preparation of and is conditioned upon the completion of the sale of Balta’s Rugs, Residential polypropylene and Non-Woven businesses, together with the Balta brand, pursuant to a binding agreement entered into on 28 November 2021 (the “Disposal”).

As a result of the successful Tender Offer, Exchange Offer and Consent Solicitation, Balta has received consent to the Disposal and consent to certain amendments to the Indenture (as defined below).

The settlement of the Tender Offer, Exchange Offer and Consent Solicitation is conditioned upon the closing of the Disposal and other customary conditions. The offer remains open until 30 March 2022.

Eligible Holders of the Senior Secured Notes due 2024 (the “Notes”) issued by LSF9 Balta Issuer S.à r.l. (the “Offeror”) have validly exchanged (and not validly withdrawn) €53,469,766 in aggregate principal amount (representing 22.73%) of the Notes for new senior secured notes due 2024 (the “New Notes”) and validly tendered (and not validly withdrawn) €177,716,865 in aggregate principal amount (representing 75.56%) of the Notes. In connection with the Tender Offer and Exchange Offer, Eligible Holders of €231,186,630 in aggregate principal amount (representing 98.29%) of the Notes voted in favour of certain amendments to the terms of the Notes and the indenture governing the Notes (the “Indenture”) by way of the previously announced Consent Solicitation. As a result of the holders of more than 90% of the principal amount of the Notes participating in the Tender Offer and/or Exchange Offer, the Offeror will not exchange any Notes for New Notes and the Notes will remain outstanding as a single tranche, as amended by the Proposed Amendments (as defined below).

The Results of Early Participation by Eligible Holders

As of the Early Tender Deadline, the principal amounts of Notes set forth in the table below were validly exchanged in the Exchange Offer (and not validly withdrawn) and tendered in the Tender Offer (and not validly withdrawn). As a result, consents in the Consent Solicitation were thereby validly given (and not validly withdrawn).

| Title of Notes | Common Codes / ISINs | Issuer | Aggregate Principal Amount Outstanding of Notes | Notes Exchanged and Tendered By Early Tender Deadline | |
|-------------------------------|--|----------------------------|---|--|---|
| | | | | Aggregate Principal Amount | Percentage |
| Senior Secured Notes due 2024 | XS2312156115 / 231215611 (Regulation S) XS2312157196 / 231215719 (Rule 144A) XS2312157519 / 231215751 (Regulation D) | LSF9 Balta Issuer S.à r.l. | €235,198,028 | Opting to exchange pursuant to the Exchange Offer: €53,469,766 Opting to tender pursuant to the Tender Offer: €177,716,865 Total: €231,186,630 | Opting to exchange pursuant to the Exchange Offer: 22.73% Opting to tender pursuant to the Tender Offer: 75.56% Total: 98.29% |

The requisite consents under the Indenture have been received to:

- The Proposed 50% Amendments, which will amend the Indenture to waive the application of the Asset Sales, Offer to Repurchase Upon Change of Control and Merger, Consolidation or Sale of Assets covenants in the Indenture in order to make clear that the Disposal is permitted under the Indenture; and
- The Proposed 90% Amendments, which will amend the Indenture to decrease the redemption price of the Notes during the period on or after March 15, 2023 to (but excluding) the date of redemption, to 100% of the principal amount thereof plus accrued and unpaid interest and Additional Amounts (the Proposed 90% Amendments and, together with the Proposed 50% Amendments, the “Proposed Amendments”). As a result of Noteholders approving the Proposed 90% Amendments, the Offeror will also make certain credit enhancing amendments to the Indenture (the “Credit Enhancing Amendments”).

On 16 March 2022, supplemental indentures to the Indenture setting forth the Proposed Amendments and the Credit Enhancing Amendments were executed. The Proposed Amendments and the Credit Enhancing Amendments will only become operative on the Settlement Date.

The settlement of the Tender Offer, Exchange Offer and Consent Solicitation is conditioned upon the closing of the Disposal and other customary conditions.

Additional Information

The full details, including terms and conditions, of the Tender Offer, Exchange Offer and Consent Solicitation are provided in the tender offer, exchange offer and consent solicitation memorandum, dated 3 March 2022 (the "Tender Offer, Exchange Offer and Consent Solicitation Memorandum"). Capitalized terms used but not defined in this announcement have the meanings given to them in the Tender Offer, Exchange Offer and Consent Solicitation Memorandum.

The Tender Offer, Exchange Offer and Consent Solicitation Memorandum will continue to be made available to all Eligible Holders through the Tender and Information Agent:

Lucid Issuer Services Limited
Address: The Shard, 32 London Bridge Street, SE1 9SG, London, UK
Telephone: +44 207 704 0880
Email: balta@lucid-is.com
Webpage: <https://deals.lucid-is.com/balta>
Attention: Jacek Kusion/ Paul Kamminga

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

For other information, please contact

Margo Desmedt
Communication manager
Investor.Relations@baltagroup.com

About Balta

Balta is a leading manufacturer of textile floor coverings, selling to over 125 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 centers 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 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 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.



This press release, the Tender Offer, Exchange Offer and Consent Solicitation Memorandum and any other documents or materials relating to the Tender Offer, Exchange Offer and Consent Solicitation are not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended (the “FSMA”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is only directed at and may only be communicated to (1) persons who have professional experience in matters relating to investments, being “investment professionals” as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); (2) persons who fall within Article 43(2) of the Order; (3) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order; or (4) any other persons to whom these documents and/or materials may lawfully be communicated. Any investment or investment activity to which the Tender Offer, Exchange Offer and Consent Solicitation Memorandum relates is available only to such persons or will be engaged in only with such persons and other persons should not rely on it.

The distribution of the Tender Offer, Exchange Offer and Consent Solicitation Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession the Tender Offer, Exchange Offer and Consent Solicitation Memorandum comes are required by the Offeror and the Tender and Information Agent to inform themselves about, and to observe, any such restrictions.

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 Offeror 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).

