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**EUROPEAN LINGERIE
GROUP**



EUROPEAN LINGERIE GROUP AB

**QUARTERLY REPORT – SIX MONTHS
AND SECOND QUARTER
1 JANUARY 2020 – 30 JUNE 2020**

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MANAGEMENT REPORT

MANAGEMENT REPORT

General information

European Lingerie Group AB (the "Parent" and together with its subsidiaries the "Group") is a Public Limited Liability Company domiciled in Sweden. At 30 June 2020 the Group had 20 wholly owned subsidiaries, a representative office located in Russia and a joint venture company located in Latvia.

Type of operations

European Lingerie Group AB is fully vertically integrated intimate apparel and lingerie group, which produces lace and fabrics for largest lingerie brands under Lauma Fabrics brand name, medical textiles under Lauma Medical brand name, as well as designs, manufactures and distributes branded premium lingerie garments under Conturelle, Felina and Senselle brands. It has successfully embarked upon a growth strategy involving international merger & acquisition targets and building size, and is today a renowned and strong player in the European intimate apparel industry.

The Group is headquartered in Sweden, European Union. The Group operates its own production facilities in Latvia, Hungary, Belarus and Germany. It trades in 46 countries and its markets include Germany, Austria, France, Italy, Spain, Belgium, Netherlands, Finland, Denmark, Switzerland, Sweden, Norway, Slovakia, Slovenia, Portugal, Poland, Czech Republic, Greece, Hungary, UK and Baltic States in Europe and USA, Canada, China, Australia and New Zealand, Georgia, Iceland, Sri Lanka, Morocco, Israel, Lebanon, Russia and CIS countries in the rest of the world.

The combined turnover of Group's entities for 2019 exceeded EUR 77 million and the combined workforce was over 1,200 people.

Short description of the Company's activities in the reporting quarter

The COVID-19 pandemic, which started in December 2019 in Wuhan, China and later spread with alarming speed to the rest of the world, infecting millions of people, brought economic activity in the first and the second quarter of 2020 to a near-standstill as countries imposed tight restrictions on movement to halt the spread of the virus. The economic damage is already evident and represents the largest economic shock the world

has experienced in decades. Although the restrictions imposed by governments were temporary, these events had a negative impact also on the Group's financial position and results of operations in 6 months 2020. Furthermore, countries are concerned about the second wave of COVID-19, which may bring new restrictions and rules in place and hurt economies further.

As a result of pandemic, revenue in 6 months 2020 for European Lingerie Group was 18.6% lower than in 6 months 2019. The drop in traditional textile and lingerie products was larger, but the Group was able to outweigh part of it with additional business from sewing protective masks as well as trading imported medical masks and respirators. This gave large support to the Group in covering its operating costs during the down-time period.

As response measures to the volume drop, the management also initiated several cost saving actions to save the profitability. These were implemented across all the Group's companies according to the available state supports in the countries of operations and contractual possibilities. The measures taken were downtime initiation for the employees, reduction of the number of employees where possible, reduction of production volumes with subcontractors to maximize internal capacity utilisation, initiation of alternative business opportunities, i.e. production of protective masks, cancellation or putting on hold of all possible contracts and costs as well as application for state subsidies and state supported loans. These actions allowed the Group to restart production in June 2020 when lock-down measures in the countries were fully or partially released and when the customers restarted their operations and restarted their orders from the Group.

Online retail of the Group continued working as normal during the lock-down period and sales were even higher than in the same period last year.

As announced on the website and in the Annual Report 2019, in July 2020 the Group reached an agreement on a standstill with the Bondholder Committee (representing approximately 60 per cent of the Total Nominal Amount of the Bonds) regarding ELG's defaults under the Terms and Conditions as well as a cooperation between the ELG and the Bondholder Committee to explore and execute a potential restructuring of the Group and

the Bonds. The long stop date for the standstill is 30 November 2020 (the "Standstill Period"), however the Standstill Period may be extended or, if certain conditions of the standstill agreement are not met, lapse any time prior to such date.

Provided that certain conditions are met, the Bondholder Committee has agreed to the following undertakings during the Standstill Period:

- not to instruct Intertrust (Sweden) AB (the "Agent") to accelerate the Bonds due to ELG's failure to (a) comply with the Maintenance Test covenant for Q3 and Q4 2019 as well as Q1 and Q2 2020, (b) pay Interest in respect of the Bonds on the Interest Payment Date for the Interest Period ending on 22 May 2020 and on 22 August 2020, (c) comply with Clause 11.1(a)(i) (*Information from the Issuer*) due to the fact that ELG has not timely delivered the Audited Financial Report for the financial year 2019, and (d) timely announce the intra-group transfer of shares of Felina GmbH from Felina International AG to E[L]B GmbH;
- to waive any breach of (a) Clause 13.4 (*Financial Indebtedness*) due to the planned additional aid loans and (b) Clause 13.8 (*Negative Pledge*) due to the additional security to be provided in respect of these loans.

The management and the shareholders believe that the reached agreement is the best way forward to resolve its complex situation, caused mainly by COVID-19, with respect to the Bond obligations of the Group and anticipate constructive cooperation to continue with the Bondholder Committee going forward.

Financial highlights of the reporting quarter

Selected financial indicators

Selected financial indicators of the Group were calculated on the basis of the consolidated interim financial statements of European Lingerie Group AB for 6 months 2020, Q2 2020 and 6 months 2019, Q2 2019.

Summarized selected financial indicators of the Group for 6 months 2020 compared to 6 months 2019, Q2 2020 compared to Q2 2019 and 30.06.2020 compared to 30.06.2019 and 31.12.2019 were as follows:

In thousands of EUR	6 months 2020	6 months 2019	Change
Revenue	32,651	40,109	-18.6%
Normalised operating profit ¹	92	2,761	-96.7%
Normalised EBITDA ²	1,999	4,628	-56.8%
Normalised net loss ³	(1,726)	425	-506.1%
Operating cash flow for the period	3,753	1,016	269.4%

In thousands of EUR	Q2 2020	Q2 2019	Change
Revenue	15,690	19,038	-17.6%
Normalised operating profit ¹	610	1,022	-40.3%
Normalised EBITDA ²	1,517	1,944	-22.0%
Normalised net profit/(loss) ³	(362)	(28)	1,192.9%
Operating cash flow for the period	3,133	1,004	212.1%

¹ Normalised operating profit is calculated as the profit of the Group before interest and tax for the relevant period, and adjusted, if necessary, for one-off and non-recurring items.

² Normalised EBITDA is calculated as the profit of the Group before interest, tax, depreciation and amortisation for the relevant period, and adjusted, if necessary, for one-off and non-recurring items.

³ Normalised net profit/(loss) is calculated as the net profit of the Group for the relevant period adjusted, if necessary, for one-off and non-recurring items.

In thousands of EUR	30.06. 2020	30.06. 2019	31.12. 2019	Change to 30.06. 2019	Change to 31.12. 2019
Total assets	71,629	73,223	70,386	-2.2%	1.8%
Total current assets	39,666	40,638	37,798	-2.4%	4.9%
Cash and cash equivalents	6,023	2,185	1,365	175.7%	341.2%
Total current liabilities	59,975	18,659	56,387	221.4%	6.4%
Adjusted current liabilities ⁴	20,392	18,659	17,107	9.3%	19.2%
Gross interest-bearing debt ⁵	50,464	46,156	46,996	9.3%	7.4%
Net interest-bearing debt ⁶	44,441	43,971	45,631	1.1%	-2.6%

⁴ Adjusted total current liabilities at 30 June 2020 exclude bond liabilities in the amount of EUR 39,583 thousand classified as short-term (31 December 2019: EUR 39,280 thousand, 30 June 2019: EUR 0).

⁵ Gross interest-bearing debt includes non-current and current loans and borrowings.

⁶ Net interest-bearing debt is calculated as gross interest-bearing debt less cash and cash equivalents.

Marginal analysis, %	6 months 2020	6 months 2019	Change
Normalised operating profit margin	0.3%	6.9%	-6.6%
Normalised EBITDA margin	6.1%	11.5%	-5.4%
Normalised net profit margin	-5.3%	1.1%	-6.4%

Marginal analysis, %	Q2 2020	Q2 2019	Change
Normalised operating profit margin	3.9%	5.4%	-1.5%
Normalised EBITDA margin	9.7%	10.2%	-0.5%
Normalised net profit margin	-2.3%	-0.1%	-2.2%

Financial ratios	30.06.2020	30.06.2019	31.12.2019
ROA (return on assets) ⁷	-1.8%	0.9%	1.3%
Adjusted current ratio ⁸	1.9	2.2	2.2
Adjusted quick ratio ⁹	1.0	1.0	1.0
12 months rolling normalised EBITDA ¹⁰	6,200	10,511	8,829
Net debt/EBITDA ¹¹	7.2	4.2	5.2

⁷ ROA (return on assets) is calculated as the 12 months normalised net profit divided by the average total assets for the relevant period.

⁸ Adjusted current ratio is calculated as total current assets divided by adjusted total current liabilities.

⁹ Adjusted quick ratio is calculated as total current assets excluding inventories divided by adjusted total current liabilities.

¹⁰ 12 months rolling normalised EBITDA is EBITDA for the period from 1 July 2019/2018 to 30 June 2020/2019 and from 1 January 2019 to 31 December 2019

¹¹ Net debt/EBITDA is calculated as net interest-bearing debt divided by 12 months rolling normalised EBITDA

Financial performance

Financial performance of the Group was analysed on the basis of the reported financial information of European Lingerie Group AB for 6 months 2020, Q2 2020 and for 6 months 2019, Q2 2019.

The Group's sales amounted to EUR 32,651 thousand in 6 months 2020 (Q2 2020: EUR 15,690 thousand), representing a 18.6% decrease as compared to sales of 6 months 2019 (17.6% decrease to Q2 2019). In 6 months 2020, the decrease in sales was mainly a result of COVID-19 outbreak followed by partial deferral of orders by customers to later months as well as significant reduction of orders during the lock-down period. In addition to that, due to introduction of a smaller Felina swimwear collection in 2020, revenue of swimwear was also lower in 6 months 2020 than in the same period last year.

Profitability margins in 6 months 2020 were below previous year which is explained by COVID-19 outbreak and shortfall in revenue which made it difficult to cover part of the fixed costs. The drop in Q2 2020 profitability though was partly outweighed by the additional business from protective masks, state subsidies received for the down-time payments to employees and strict cost control during the lock-down period.

Normalised EBITDA in 6 months 2020 amounted to EUR 1,999 thousand (Q2 2020: EUR 1,517 thousand) and decreased by 56.8% compared to 6 months 2019 (22.0% decrease to Q2 2019). Normalised EBITDA margin in 6 months 2020 and 6 months 2019 was 6.1% and 11.5% respectively (Q2 2020 and Q2 2019: 9.7% and 10.2% respectively).

Normalised net profit in 6 months 2020 amounted to a loss of EUR 1,726 thousand (Q2 2020: loss of EUR 362 thousand), compared to normalised net profit of EUR 425 thousand in 6 months 2019 (Q2 2019: net loss of EUR 28 thousand). Decrease in net profit is as well explained by the reasons described above.

Normalised net profit margin in 6 months 2020 and 6 months 2019 was -5.3% and 1.1% respectively (-2.3% and -0.1% in Q2 2020 and Q2 2019 respectively).

Financial position

Financial position of the Group at 30 June 2020 and 30 June 2019 was consolidated position as per the consolidated interim financial statements of European Lingerie Group AB for 6 months 2020 and 6 months 2019 respectively. Financial position of the Group at 31 December 2019 was consolidated position as per the consolidated annual financial statements for the year 2019.

At 30 June 2020 consolidated total assets amounted to EUR 71,629 thousand representing a decrease of 2.2% as compared to the statement of financial position at 30 June 2019 (increase of 1.8% as compared to the statement of financial position at 31 December 2019).

Inventories balance decreased by 5.0% compared to the balance at 30 June 2019 (by 2.0% compared to the balance at 31 December 2019). The decrease was a result of reduction in production volumes after initiated downtime and continuing sales made from warehouse stock.

Prepayments increased by 30.0% compared to the balance at 30 June 2019 (by 30.0% compared to the balance at 31 December 2019) as a result of limited liquidity situation in the supply chain after the lock-down period which forced some of the suppliers to request advance payments for subsequent shipments of goods or provision of services.

Current trade and other receivables decreased by 24.5% and 17.4% compared to the balance at 30 June 2019 and 31 December 2019 respectively as a result of lower sales in 6 months 2020 and additional allowance for expected credit losses rec-

ognised. Higher allowance for expected credit loss is a result of the bad economic cycle statistics applied for the calculations in 2020.

Cash and cash equivalents increased by EUR 3,838 thousand and EUR 4,658 thousand compared to 30 June 2019 and 31 December 2019 mainly as a result of improvements in working capital and strict control over payments made.

Loans and borrowings at 30 June 2020 increased by EUR 4,308 thousand compared to 30 June 2019 (EUR 3,468 thousand compared to 31 December 2019), which is explained by the increase in the utilised credit line facilities and additional leases recognised after renegotiation of lease terms and conclusion of new lease agreements for new time frames.

Current trade and other payables at 30 June 2020 were EUR 12,570 thousand and decreased by EUR 735 thousand compared to 30 June 2019 (increased by EUR 1,057 thousand compared to 31 December 2019). Increase compared to the end of 2019 is partly seasonal and partly a result of slower payment speed to creditors to safeguard liquidity in this turbulent period.

Sales

Sales structure of the Group was calculated on the basis of the reported financial information of European Lingerie Group AB for 6 months 2020, Q2 2020 and 6 months 2019, Q2 2019.

Sales by markets

Core operating markets for European Lingerie Group are Germany, Spain, France, Poland, Benelux countries, Baltic countries, Russia, Belarus, Italy and Ukraine. Group's sales in its core markets in 6 months 2020 were 87.2% of its total sales against 84.0% in 6 months 2019 (90.6% in Q2 2020 against 85.0% in Q2 2019).

<i>In thousands of EUR</i>	6 months 2020	6 months 2019	Change, %	6 months 2020, % of sales	6 months 2019, % of sales
Baltic countries ¹²	6,929	4,777	45.0%	21.2%	11.9%
Germany	5,716	8,791	-35.0%	17.5%	21.9%
France	5,040	3,331	51.3%	15.4%	8.3%
Russia	3,018	5,267	-42.7%	9.2%	13.1%
Benelux countries ¹³	2,048	2,794	-26.7%	6.3%	7.0%
Belarus	1,426	2,942	-51.5%	4.4%	7.3%
Spain	1,420	1,540	-7.8%	4.3%	3.8%
Poland	1,221	2,389	-48.9%	3.7%	6.0%
Italy	1,013	1,119	-9.5%	3.1%	2.8%
Ukraine	635	733	-13.4%	1.9%	1.8%
Other markets	4,185	6,426	-34.9%	13.0%	16.1%
Total	32,651	40,109	-18.6%	100.0%	100.0%

<i>In thousands of EUR</i>	Q2 2020	Q2 2019	Change, %	Q2 2020, % of sales	Q2 2019, % of sales
Baltic countries ¹²	4,635	2,517	84.1%	29.5%	13.2%
France	3,263	1,441	126.4%	20.8%	7.6%
Germany	2,410	4,693	-48.6%	15.4%	24.7%
Russia	1,140	2,471	-53.9%	7.3%	13.0%
Benelux countries ¹³	882	1,362	-35.2%	5.6%	7.2%
Italy	789	363	117.4%	5.0%	1.9%
Poland	381	1,130	-66.3%	2.4%	5.9%
Belarus	275	1,423	-80.7%	1.8%	7.5%
Spain	263	404	-34.9%	1.7%	2.1%
Ukraine	170	385	-55.8%	1.1%	2.0%
Other markets	1,482	2,849	-48.0%	9.4%	14.9%
Total	15,690	19,038	-17.6%	100.0%	100.0%

¹²Latvia, Estonia and Lithuania

¹³Belgium, the Netherlands and Luxembourg

As a result of COVID-19 outbreak, sales in all markets operated by the Group demonstrated a decrease, except Baltic countries and France.

Sales in the Baltic countries increased by 45.0% in 6 months 2020 compared to previous year (Q2 2020: increased by 84.1%) as a result of sales of medical masks and respirators, which were imported from China.

Sales in France increased by 51.3% in 6 months 2020 and by 126.4% in Q2 2020 compared to previous year. Such an outstanding growth was caused by two factors. Firstly, Felina's Hungarian production facility concluded a contract for sewing protective masks for a French customer. Sec-

only, switch of demand from traditional shopping to online during the lock-down period resulted in higher sales achieved by the Group's online retailer – Dessus-Dessous S.A.S.

Sales in Italy decreased by 9.5% in 6 months 2020 and increased by 117.4% in Q2 2020 compared to previous year. Q2 growth is explained by sales of medical masks imported by the Group from China. Like for like sales change (excluding medical masks impact) was a decrease of 54.6% in 6 months 2020 and a decrease of 8.6% in Q2 2020.

An average decrease in dropping key markets was 36.7% in 6 months 2020 and 53.5% in Q2 2020 with Russia, Belarus, and Poland being the worst dropping regions. The higher drop in Russia was a result of tighter restrictions on movement imposed by the government in the region together with complete closure of stores except for pharmacies and grocery shops for 2 months. Belarus and Poland suffered from the same effect as large portion of lingerie ready garments produced in these countries are exported to Russia for retail.

Sales in Ukraine decreased by 13.4% in 6 months 2020 and by 55.8% in Q2 2020 compared to previous year. The lower year-to-date drop is explained by Senselle by Felina lingerie sales in the region, which commenced in Q4 2019.

Sales in Spain decreased by 7.8% in 6 months 2020 and by 34.9% in Q2 2020 compared to previous year. 6 months drop was not as dramatic as Q2 as a result of renegotiation of consignment arrangement with the largest customer in Spain at the end of 2019, whereby part of the goods, which were previously delivered under the consignment arrangement would be delivered as standard purchases in the future and the goods still held by the customer under the previous arrangement would be bought out by it upon conclusion of the new agreement. The deal resulted in additional revenue in the amount of EUR 460 thousand recognised in January 2020.

Sales by business segments

The Group has the following two strategic divisions, which are its reportable segments. These divisions offer different products and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment:

Reportable segments	Operations
Textiles	Manufacturing, processing and wholesale of textiles
Lingerie	Manufacturing, processing, wholesale and retail (including online) of lingerie products

The Group's sales results by business segments were as follows:

In thousands of EUR	6 months 2020	6 months 2019	Change, %	6 months 2020, % of sales	6 months 2019, % of sales
Textiles	15,673	17,903	-12.5%	45.4%	43.2%
Lingerie	17,826	22,785	-21.8%	54.6%	56.8%
Intercompany eliminations	(848)	(579)	-	-	-
Total	32,651	40,109	-18.6%	100.0%	100.0%

In thousands of EUR	Q2 2020	Q2 2019	Change, %	Q2 2020, % of sales	Q2 2019, % of sales
Textiles	7,637	8,985	-15.0%	46.0%	46.8%
Lingerie	8,465	10,137	-16.5%	54.0%	53.2%
Intercompany eliminations	(412)	(84)	-	-	-
Total	15,690	19,038	-17.6%	100.0%	100.0%

During 6 months and Q2 2020, both textiles and lingerie segment demonstrated a decrease. Lingerie segment suffered more from COVID-19 in Q1 2020 as it was hit immediately upon the closure of retail stores in most of our core markets. Textile segment felt the reduction 2 weeks later when stopped retail sales hit lingerie manufacturers and brands and these decided to temporarily stop their production as well. In both segments the drop in sales was partially outweighed by the additional sales of imported medical masks and respirators carried out during the lock-down period in the textile segment and by additional income from sewing protective masks in the lingerie segment.

Investments

During 6 months 2020 the Group invested into property plant and equipment and intangible assets EUR 338 thousand compared to EUR 1,400 thousand in 6 months 2019. Q2 2020 investments amounted to EUR 174 thousand compared to EUR 928 thousand in Q2 2019. The main investments during Q2 2020 related to Magento and Open ERP platform migration project in Dessus-Dessous S.A.S. which was started in 2019 and is planned to be completed in the second half of 2020.

Further development of the Group

The management is confident that the measures being implemented by the Group for recovering lost sales volumes and improving profitability margins will show the results in the coming quarters. The Group expects to come back to pre-pandemic levels of revenue in the next 1 to 1.5 years, but with healthier profitability margins than historically. The Group appreciates the patience and cooperation of

its customers, suppliers, employees and financiers. All implemented measures, as well as the general approach by the Group and its companies, are targeted at a long-term sustainability of the business as well as its positioning for the period of revived demand. The Group's business model is based on providing high-quality products in relatively short lead times, sourced locally. This is the fundament that is stable as many short-term disruptions come and go.

Normalised EBITDA and normalized net profit calculation

In thousands of EUR	6 months 2020	6 months 2019	Q2 2020	Q2 2019
Reported EBITDA	1,281	4,625	1,125	2,068
Adjusted by:				
Costs related to the contemplated restructuring of the Group	179	-	137	-
Transaction costs:				
Bond change / amendment related costs	421	-	222	-
Acquisition of subsidiary	-	4	-	-
Net loss on disposal of intangible assets and property, plant and equipment	31	90	31	-
Gain on disposal of subsidiary	-	(217)	-	(217)
Capital raise related costs	37	-	2	-
Other	50	126	-	93
Normalised EBITDA	1,999	4,628	1,517	1,944
Reported net profit/(loss)	(2,675)	146	(859)	(44)
Normalisation adjustments	1,021	278	545	16
Tax effect on normalization adjustments	(72)	1	(48)	-
Normalised net profit/(loss)	(1,726)	425	(362)	(28)

Commentary on the calculation of normalised EBITDA and net profit

For purposes to illustrate the normalized and sustainable EBITDA and net profit of the Group the following adjustments regarding events that are not expected to be recurring are made:

- *Costs related to the contemplated restructuring of the Group* in 2020 related to consulting and legal expenses related to further restructuring measures plan preparation for the Group.
- *Transaction costs* in 2020 related to renegotiation of the Bond Terms and Conditions as well as establishment and registration of additional collateral requested by the bondholders. 2019 transaction costs related to acquisition of Yustina OOO (renamed to Senselle OOO).
- *Capital raise related costs* included mainly legal costs related to potential equity or subordinated debt attraction projects.
- *Other costs* in 2020 included various consulting costs related to the potential investment projects. Other costs in 2019 included costs related to the establishment of the new subsidiary in Germany - Brafetch GmbH, which was later divested by the Group.
- *Normalisation adjustments for net profit* in 2020 and 2019 included interest expense related to the amortization of transaction costs on bonds issue.



**EUROPEAN LINGERIE
GROUP AB**

**CONDENSED
INTERIM
FINANCIAL
STATEMENTS**

FOR THE SIX MONTHS AND
SECOND QUARTER ENDED
30 JUNE 2020 (UNAUDITED)

INFORMATION ON THE COMPANY

Name of the company	<i>European Lingerie Group AB</i>
Legal status of the company	<i>Public Limited Liability Company</i>
Number, place and date of registration	<i>559135-0136, Stockholm, 23 November 2017</i>
Legal and postal address	<i>C/O Rödl & Partner Nordic AB, Drottninggatan 95 A, Stockholm, 113 60 Sweden</i>
Corporate website	<i>www.elg-corporate.com</i>
Core activities	<i>Manufacturing, processing, wholesale and retail of textiles and lingerie products</i>
Members of the Board and their positions	<i>Carl Oscar Edgren, Chairman of the Board Indrek Rahumaa, Member of the Board Dmitry Ditchkovsky, Board Member</i>
Managing director	<i>Indrek Rahumaa</i>
Financial year	<i>1 January 2020 – 31 December 2020</i>
Reporting period	<i>1 January 2020 – 30 June 2020</i>
Information on shareholders	<i>From 26 April 2019 and until 7 January 2020: Helike Holdings OU (71.18%), Bryum Capial Ltd (24.72%), SIA Silver Invest (1.80%), SIA Ievades Nozares (1.60%), Tuida Holding AB (0.40%) and Amorvero Holding OU (0.30%)</i> <i>From 7 January 2020 and until 26 February 2020: Helike Holdings OU (71.18%), Bryum Capial Ltd (24.72%), SIA Silver Invest (1.80%), Pohja-Balti Usaldusfond (1.60%), Tuida Holding AB (0.40%) and Amorvero Holding OU (0.30%)</i> <i>From 26 February 2020: Helike Holdings OU (70.35%), Bryum Capial Ltd (25.55%), SIA Silver Invest (1.80%), Põhja-Balti Usaldusfond (1.60%), Tuida Holding AB (0.40%) and Amorvero Holding OU (0.30%)</i>
Information on the subsidiaries	<i>SIA European Lingerie Group (100.0% from 19 February 2018) Felina France S.a.r.l. (100.0% from 16 May 2018) Senselle OOO (100% from 2 January 2019)</i>
Auditors	<i>Ernst & Young AB Jakobsbergsgatan 24 111 44 Stockholm, Sweden</i>

Condensed consolidated statement of profit or loss and other comprehensive income

For the six months and second quarter ended 30 June

<i>In thousands of EUR</i>	<i>Note</i>	6 months 2020	6 months 2019 Restated*	Q2 2020	Q2 2019 Restated*
Revenue	4,5	32,651	40,109	15,690	19,038
Other operating income	6	1,066	1,087	770	602
Changes in inventories of finished goods and work in progress		1,080	2,370	(4,512)	615
Raw materials and services		(14,264)	(15,916)	(2,921)	(7,089)
Employee benefits expense	7	(11,020)	(13,526)	(4,337)	(6,692)
Depreciation and amortisation		(1,907)	(1,867)	(907)	(922)
(Impairment loss)/reversal of impairment loss on trade and other receivables		(598)	8	(366)	24
Other operating expenses	8	(7,634)	(9,507)	(3,199)	(4,430)
Operating profit/ (loss)		(626)	2,758	218	1,146
Finance income	9	946	264	350	77
Finance costs	10	(3,005)	(2,277)	(1,368)	(1,115)
Net finance costs		(2,059)	(2,013)	(1,018)	(1,038)
Profit/ (loss) before income tax		(2,685)	745	(800)	108
Income tax (expense) / benefit	11	10	(599)	(59)	(152)
Profit/(loss) for the period attributable to the owners of the Parent Company		(2,675)	146	(859)	(44)
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Foreign operations – foreign currency translation differences		(493)	179	137	34
Other comprehensive income, net of tax		(493)	179	137	34
Total comprehensive income		(3,168)	325	(722)	(10)

* Refer to Note 3 for the explanation of the figures restated in 6 months and Q2 2019

Condensed consolidated statement of financial position

<i>In thousands of EUR</i>	<i>Note</i>	30 June 2020	31 December 2019	30 June 2019
Assets				
Property, plant and equipment	12	10,053	11,066	11,914
Intangible assets		14,487	14,573	14,921
Right-of-use assets		4,926	4,306	3,380
Deferred tax assets		1,760	1,926	1,959
Other receivables	14	737	717	411
Total non-current assets		31,963	32,588	32,585
Inventories	13	20,064	20,471	21,127
Corporate tax assets		218	280	303
Trade and other receivables	14	12,266	14,854	16,242
Contract assets		56	29	118
Prepayments		1,039	799	663
Cash and cash equivalents		6,023	1,365	2,185
Total current assets		39,666	37,798	40,638
Total assets		71,629	70,386	73,223
Equity				
Share capital	15	60	60	60
Reserves	15	(709)	(216)	(153)
Retained earnings		1,733	4,408	5,284
Total equity		1,084	4,252	5,191
Liabilities				
Loans and borrowings	16	3,712	2,666	41,384
Net employee defined benefit liability		3,271	3,336	3,749
Deferred income		368	449	455
Provisions		225	221	220
Other payables	17	80	92	-
Deferred tax liabilities		2,914	2,983	3,565
Total non-current liabilities		10,570	9,747	49,373
Loans and borrowings	16	46,752	44,330	4,772
Trade and other payables	17	12,570	11,513	13,305
Contract liabilities		341	192	157
Corporate income tax liabilities		86	191	174
Provisions		51	46	37
Deferred income		175	115	214
Total current liabilities		59,975	56,387	18,659
Total liabilities		70,545	66,134	68,032
Total equity and liabilities		71,629	70,386	73,223

Condensed consolidated statement of changes in equity

For the six months ended 30 June 2020

Attributable to owners of the Parent Company

<i>In thousands of EUR</i>	Share capital	Translation reserve	Retained earnings	Total equity
Balance at 31 December 2019	60	(216)	4,408	4,252
Total comprehensive income				
Profit for the period	-	-	(2,675)	(2,675)
Other comprehensive income	-	(493)	-	(493)
Total comprehensive income	-	(493)	(2,675)	(3,168)
Balance at 30 June 2020	60	(709)	1,733	1,084

For the six months ended 30 June 2019

Attributable to owners of the Parent Company

<i>In thousands of EUR</i>	Share capital	Translation reserve	Retained earnings	Total equity
Balance at 31 December 2018	60	(332)	5,086	4,814
Total comprehensive income				
Profit for the period	-	-	146	146
Other comprehensive income	-	179	-	179
Total comprehensive income	-	179	146	325
Contributions and distributions				
Equity-settled share-based payment	-	-	52	52
Total contributions and distributions	-	-	52	52
Balance at 30 June 2019	60	(153)	5,284	5,191

Condensed consolidated statement of cash flows

For the six months and second quarter ended 30 June

<i>In thousands of EUR</i>	<i>Note</i>	6 months 2020	6 months 2019	Q2 2020	Q2 2019
Cash flows from operating activities					
Profit/(loss) for the reporting period		(2,675)	146	(859)	(44)
Adjustments for:					
Depreciation		1,545	1,493	727	736
Amortization		362	374	180	186
Impairment loss/(reversal of impairment loss) on trade and other receivables		598	(8)	366	(24)
Income from government grants		(540)	(122)	(502)	(63)
Finance income	9	(23)	(33)	(11)	(12)
Finance costs	10	2,079	2,092	1,027	1,053
Foreign exchange gains	9	(923)	(231)	(339)	(65)
Foreign exchange losses	10	926	185	341	62
Net loss on disposal of property, plant and equipment		32	90	32	-
Equity-settled share-based payment transactions		-	52	-	-
Gain on disposal of subsidiary		-	(217)	-	(217)
Gain on bargain purchase		-	(22)	-	-
Gain on termination of lease agreement		(69)	-	(61)	-
Income tax expense/(benefit)	11	(10)	599	59	152
Changes in:					
Inventories		407	(2,119)	5,154	(230)
Trade and other receivables		2,291	(1,922)	1,931	2,329
Contract assets		(27)	(92)	(8)	(45)
Prepayments		(240)	276	80	89
Trade and other payables		890	2,860	(501)	(1,633)
Contract liabilities		149	(135)	(4,402)	(134)
Provisions		9	(67)	17	(7)
Net employee defined benefit liability		(93)	(94)	(46)	(47)
Cash generated from operating activities		4,688	3,105	3,185	2,086
Interest paid		(972)	(1,763)	(62)	(870)
Income taxes paid		37	(326)	10	(212)
Net cash from operating activities		3,753	1,016	3,133	1,004

Condensed consolidated statement of cash flows (continued)

For the six months and second quarter ended 30 June

<i>In thousands of EUR</i>	<i>Note</i>	6 months 2020	6 months 2019	Q2 2020	Q2 2019
Cash flows from investing activities					
Interest received		3	10	1	-
Proceeds from sale of property, plant and equipment		1	7	-	-
Cash disposed on disposal of subsidiary		-	(2)	-	(2)
Acquisition of subsidiary net of cash acquired		(51)	9	(21)	-
Acquisition of property, plant and equipment and intangible assets		(338)	(1,400)	(174)	(928)
Net cash used in investing activities		(385)	(1,376)	(194)	(930)
Cash flows from financing activities					
Proceeds from bank loans		576	-	305	-
Change in bank overdraft		1,673	1,546	187	218
Payment of finance lease liabilities		(660)	(487)	(290)	(246)
Proceeds from grants and donations		535	-	535	-
Repayment of factoring		(448)	(58)	(768)	(7)
Net cash from/(used in) financing activities		1,676	1,001	(31)	(35)
Net increase in cash and cash equivalents		5,044	641	2,908	39
Cash and cash equivalents at 1 January / 1 April		1,365	1,335	2,961	2,101
Effect of movement in exchange rates on cash held		(386)	209	154	45
Cash and cash equivalents at 30 June		6,023	2,185	6,023	2,185



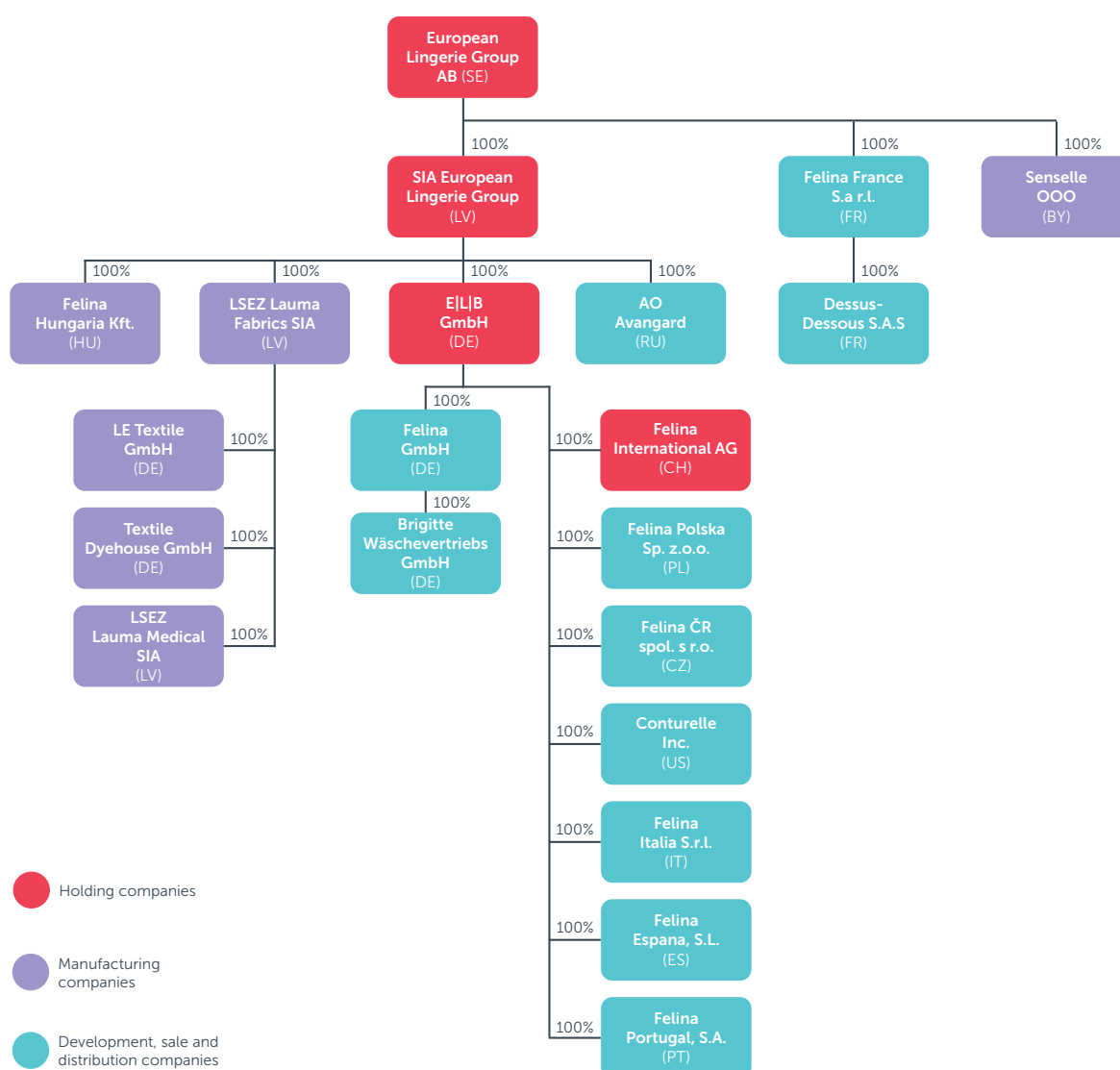
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. Reporting entity

European Lingerie Group AB is a company domiciled in Sweden. These condensed consolidated interim financial statements ("interim financial statements") as at and for the six months and second quarter ended 30 June 2020 comprise the

Parent company and its subsidiaries (together referred to as "the Group"). The Group is primarily involved in manufacturing, processing, wholesale and retail of textiles and lingerie products.

At 30 June 2020, the Group structure was as follows:



The list of Parent's subsidiaries included in the consolidated financial statements was as follows:

Subsidiary	Place of incorporation and operations	Proportion of ownership interest at		Principal activity
		30 June 2020	31 December 2019	
SIA European Lingerie Group	Latvia	100%	100%	Holding Company
LSEZ Lauma Fabrics SIA	Latvia	100%	100%	Production and wholesale
LE Textile GmbH	Germany	100%	100%	Knitting and design development
Textile Dyehouse GmbH	Germany	100%	100%	Dyeing and finishing services
E L B GmbH	Germany	100%	100%	Holding Company
Felina International AG	Switzerland	100%	100%	Holding Company
Felina Italia S.r.l.	Italy	100%	100%	Wholesale
Felina France S.a r.l.	France	100%	100%	Wholesale
Felina GmbH	Germany	100%	100%	Production and wholesale
Brigitte Wäschevertriebs GmbH	Germany	100%	100%	Retail
Felina Espana S.L.	Spain	100%	100%	Wholesale
Felina Hungaria Kft.	Hungary	100%	100%	Production
Felina Polska Sp. z o.o.	Poland	100%	100%	Retail and wholesale
Felina ČR spol. s.r.o.	Czech Republic	100%	100%	Wholesale
Felina Portugal S.A.	Portugal	100%	100%	Wholesale
Conturelle Inc.	USA	100%	100%	Wholesale
AO Avangard	Russia	100%	100%	Wholesale
Dessus-Dessous S.A.S	France	100%	100%	Online retail
Senselle OOO	Belarus	100%	100%	Production and wholesale
LSEZ Lauma Medical SIA	Latvia	100%	100%	Production and wholesale

2. Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 Interim financial reporting and should be read in conjunction with the Group's last annual financial statements as at and for the period ended 31 December 2019 ('last annual financial statements'). The accounting and measurement policies, as well as the assessment bases, applied in the last annual financial statements have also been applied in these interim financial statements. The interim financial

statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

These interim financial statements were authorised for issue by the Company's Board of Directors on 31 August 2020.

The interim financial statements are presented in euro, which is the Parent's functional and reporting currency. All financial information has been drawn up in thousands of euros and all the figures have been rounded to the nearest thousand, unless indicated otherwise.

Exchange rates used for the conversion of subsidiary financial information were as follows:

	30 June 2020	Average for 6 months 2020
1 EUR/CHF	1.0651	1.0642
1 EUR/PLN	4.4560	4.4120
1 EUR/HUF	356.5800	345.2600
1 EUR/CZK	26.7400	26.3330
1 EUR/USD	1.1198	1.1020
1 EUR/RUB	79.6300	76.6692
1 EUR/BYN	2.7036	2.5711

	31 December 2019	30 June 2019	Average for 6 months 2019
1 EUR/CHF	1.0854	1.1105	1.1295
1 EUR/PLN	4.2568	4.2496	4.2920
1 EUR/HUF	330.5300	323.3900	320.4200
1 EUR/CZK	25.4080	25.4470	25.6850
1 EUR/USD	1.1234	1.1380	1.1298
1 EUR/RUB	69.9563	71.5975	73.7444
1 EUR/BYN	2.3524	2.3251	2.3948

3. Restatements of comparatives

Commission income in the amount of EUR 64 thousand and license income in the amount of EUR 60 thousand had been reclassified from 'other operating income' line item in the statement of profit or loss and OCI to 'revenue' line item in 6 months 2019 (Q2 2019: commission income of EUR 45 thousand and license income of EUR 30 thousand) in order to comply with 6 months and Q2 2020 classification.

Additionally, transportation income in the amount of EUR 224 thousand had been reclassified from 'other operating income' line item in the statement of profit or loss and OCI in 6 months 2019 (Q2 2019: EUR 104 thousand) and instead netted with related transportation expenses within 'other operating expenses' line item in 6 months and Q2 2019 in order to comply with 6 months and Q2 2020 classification. The Group sometimes arranges for the delivery of goods for its customers at its own cost and afterwards recharges those transportation costs to customers without charging additional margin on that. Since the Group acts as an agent in these transactions respective transportation in-

come and costs were netted.

The reclassifications have been made by restating each of the affected line items for the prior period. The following table summarises the impacts on the Group's consolidated statement of profit or loss and OCI.

For the six months ended 30 June 2019

In thousands of EUR	As previously reported	Adjustments	As restated
Revenue	39,985	124	40,109
Other operating income	1,435	(348)	1,087
Other operating expenses	(9,731)	224	(9,507)
Profit for the period	146	-	146
Total comprehensive income	325	-	325

For the second quarter ended 30 June 2019

In thousands of EUR	As previously reported	Adjustments	As restated
Revenue	18,963	75	19,038
Other operating income	781	(179)	602
Other operating expenses	(4,534)	104	(4,430)
Profit for the period	(44)	-	(44)
Total comprehensive income	(10)	-	(10)

4. Segment information

The Group has the following two strategic divisions, which are its reportable segments. These divisions offer different products and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Textiles	Manufacturing, processing and wholesale of textiles
Lingerie	Manufacturing, processing, wholesale and retail (including online) of lingerie products

Two divisions are integrated through the sale of textiles to lingerie segment for the production of lingerie products. Inter-segment pricing is determined on an arm's length basis.

Primary monitored measures include segment rev-

enues, segment EBITDA (which is defined as profit before depreciation, amortisation, finance income/ costs and income tax expense) and segment net profit. These measures are included in internal management reports.

Information related to each reportable segment is set out below. Unallocated items refer to the activities of holding companies (European Lingerie Group AB, SIA European Lingerie Group and E|L|B GmbH).

6 months 2020

<i>In thousands of EUR</i>	Textiles	Lingerie	Total segments	Unallocated	Consolidation adjustments	Total
External revenues	14,825	17,826	32,651	-	-	32,651
Intersegment revenue	848	-	848	-	(848)	-
Total revenue	15,673	17,826	33,499	-	(848)	32,651
Other operating income	546	530	1,076	356	(366)	1,066
Changes in inventories of finished goods and work in progress	1,112	(32)	1,080	-	-	1,080
Raw materials and services	(9,578)	(5,495)	(15,073)	-	809	(14,264)
Employee benefits expense	(3,474)	(7,039)	(10,513)	(507)	-	(11,020)
Depreciation and amortisation	(707)	(1,191)	(1,898)	(9)	-	(1,907)
Impairment loss on trade and other receivables	(261)	(337)	(598)	-	-	(598)
Other operating expenses	(2,536)	(4,680)	(7,216)	(785)	367	(7,634)
Operating profit	775	(418)	357	(945)	(38)	(626)
Interest income	34	106	140	158	(275)	23
Other finance income	481	441	922	1	-	923
Interest expense	(89)	(171)	(260)	(1,960)	289	(1,931)
Other finance costs	(517)	(554)	(1,071)	(3)	-	(1,074)
Income tax	(54)	61	7	3	-	10
Net profit / (loss)	630	(535)	95	(2,746)	(24)	(2,675)
Operating profit	775	(418)	357	(945)	(38)	(626)
Depreciation and amortisation	707	1,191	1,898	9	-	1,907
EBITDA	1,482	773	2,255	(936)	(38)	1,281
Segment assets	27,000	43,934	70,934	695	-	71,629
Segment liabilities	8,457	20,171	28,628	41,917	-	70,545
Capital expenditure	40	298	338	-	-	338
Number of employees at reporting date	503	696	1,199	7	-	1,206

Q2 2020

<i>In thousands of EUR</i>	Textiles	Lingerie	Total segments	Unallocated	Consolidation adjustments	Total
External revenues	7,225	8,465	15,690	-	-	15,690
Intersegment revenue	412	-	412	-	(412)	-
Total revenue	7,637	8,465	16,102	-	(412)	15,690
Other operating income	337	438	775	278	(283)	770
Changes in inventories of finished goods and work in progress	(3,308)	(1,204)	(4,512)	-	-	(4,512)
Raw materials and services	(1,929)	(1,415)	(3,344)	-	423	(2,921)
Employee benefits expense	(1,130)	(2,920)	(4,050)	(287)	-	(4,337)
Depreciation and amortisation	(315)	(587)	(902)	(5)	-	(907)
Impairment loss on trade and other receivables	(119)	(247)	(366)	-	-	(366)
Other operating expenses	(862)	(2,261)	(3,123)	(358)	282	(3,199)
Operating profit	311	269	580	(372)	10	218
Interest income	19	52	71	78	(138)	11
Other finance income	169	170	339	-	-	339
Interest expense	(45)	(63)	(108)	(988)	145	(951)
Other finance costs	(208)	(208)	(416)	(1)	-	(417)
Income tax	(8)	(53)	(61)	2	-	(59)
Net profit / (loss)	238	167	405	(1,281)	17	(859)
Operating profit	311	269	580	(372)	10	218
Depreciation and amortisation	315	587	902	5	-	907
EBITDA	626	856	1,482	(367)	10	1,125
Segment assets	27,000	43,934	70,934	695	-	71,629
Segment liabilities	8,457	20,171	28,628	41,917	-	70,545
Capital expenditure	16	158	174	-	-	174
Number of employees at reporting date	503	696	1,199	7	-	1,206

6 months 2019 Restated*

<i>In thousands of EUR</i>	Textiles	Lingerie	Total segments	Unallocated	Consolidation adjustments	Total
External revenues	17,324	22,785	40,109	-	-	40,109
Intersegment revenue	579	-	579	-	(579)	-
Total revenue	17,903	22,785	40,688	-	(579)	40,109
Other operating income	437	445	882	1,114	(909)	1,087
Changes in inventories of finished goods and work in progress	617	1,753	2,370	-	-	2,370
Raw materials and services	(8,032)	(8,475)	(16,507)	-	591	(15,916)
Employee benefits expense	(4,676)	(8,635)	(13,311)	(215)	-	(13,526)
Depreciation and amortisation	(801)	(1,066)	(1,867)	-	-	(1,867)
(Impairment loss)/reversal of impairment loss on trade and other receivables	49	(41)	8	-	-	8
Other operating expenses	(3,308)	(5,984)	(9,292)	(469)	254	(9,507)
Operating profit	2,189	782	2,971	430	(643)	2,758
Interest income	23	147	170	212	(349)	33
Other finance income	109	116	225	6	-	231
Interest expense	(93)	(194)	(287)	(1,948)	332	(1,903)
Other finance costs	(77)	(295)	(372)	(2)	-	(374)
Income tax	(71)	(505)	(576)	(23)	-	(599)
Net profit	2,080	51	2,131	(1,325)	(660)	146
Operating profit	2,189	782	2,971	430	(643)	2,758
Depreciation and amortisation	801	1,066	1,867	-	-	1,867
EBITDA	2,990	1,848	4,838	430	(643)	4,625
Segment assets	27,004	45,673	72,677	546	-	73,223
Segment liabilities	8,545	19,842	28,387	39,645	-	68,032
Capital expenditure	1,093	305	1,398	2	-	1,400
Number of employees at reporting date	526	804	1,330	7	-	1,337

* Refer to Note 3 for explanation of the restated figures for 6 months 2019 and Q2 2019.

Q2 2019 Restated*

<i>In thousands of EUR</i>	Textiles	Lingerie	Total segments	Unallocated	Consolidation adjustments	Total
External revenues	8,901	10,137	19,038	-	-	19,038
Intersegment revenue	84	-	84	-	(84)	-
Total revenue	8,985	10,137	19,122	-	(84)	19,038
Other operating income	210	205	415	505	(318)	602
Changes in inventories of finished goods and work in progress	(26)	607	581	-	34	615
Raw materials and services	(3,931)	(3,254)	(7,185)	-	96	(7,089)
Employee benefits expense	(2,379)	(4,199)	(6,578)	(114)	-	(6,692)
Depreciation and amortisation	(333)	(589)	(922)	-	-	(922)
(Impairment loss)/reversal of impairment loss on trade and other receivables	23	1	24	-	-	24
Other operating expenses	(1,492)	(2,799)	(4,291)	(232)	93	(4,430)
Operating profit	1,057	109	1,166	159	(179)	1,146
Interest income	11	109	120	107	(215)	12
Other finance income	5	59	64	1	-	65
Interest expense	(46)	(107)	(153)	(987)	178	(962)
Other finance costs	(10)	(142)	(152)	(1)	-	(153)
Income tax	(9)	(156)	(165)	13	-	(152)
Net profit	1,008	(128)	880	(708)	(216)	(44)
Operating profit	1,057	109	1,166	159	(179)	1,146
Depreciation and amortisation	333	589	922	-	-	922
EBITDA	1,390	698	2,088	159	(179)	2,068
Segment assets	27,004	45,673	72,677	546	-	73,223
Segment liabilities	8,545	19,842	28,387	39,645	-	68,032
Capital expenditure	837	90	927	1	-	928
Number of employees at reporting date	526	804	1,330	7	-	1,337

* Refer to Note 3 for explanation of the restated figures for 6 months 2019 and Q2 2019.

The assets and liabilities have been presented with eliminations and consolidation adjustments allocated to specific segments.

In presenting the geographic information, segment revenue was based on the geographic location of customers and segment assets were based on the geographic location of the assets. For information on segment revenue by geographic location of customers refer to Note 5 (ii).

Non-current non-financial assets

<i>In thousands of EUR</i>	30 June 2020	31 December 2019
Germany	11,059	10,540
Latvia	8,310	8,923
France	5,961	5,959
Hungary	2,258	2,569
Russia	981	981
Poland	821	882
Other countries	76	91
Total	29,466	29,945

Non-current assets exclude financial instruments and deferred tax assets.

5. Revenue

(i) Revenue streams

The Group generates revenue primarily from the sale of textiles and lingerie products (see Note 4). The Group is also involved in provision of cutting and garment sewing services as well as in provision of fabrics dyeing and finishing services.

<i>In thousands of EUR</i>	6 months 2020	6 months 2019 Restated*
Sales of goods, wholesale	26,135	35,562
Sales of goods, retail	4,508	4,011
Rendering of services	1,889	412
Sales commissions	79	64
License income	40	60
Total revenue from contracts with customers	32,651	40,109

* Refer to Note 3 for explanation of the restated figures for 6 months 2019 and Q2 2019.

<i>In thousands of EUR</i>	Q2 2020	Q2 2019 Restated*
Sales of goods, wholesale	11,673	17,015
Sales of goods, retail	2,215	1,748
Rendering of services	1,743	200
Sales commissions	49	45
License income	10	30
Total revenue from contracts with customers	15,690	19,038

* Refer to Note 3 for explanation of the restated figures for 6 months 2019 and Q2 2019.

(ii) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographic markets. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 4).

6 months 2020

<i>In thousands of EUR</i>	Textiles	Lingerie	Total
Baltic States	6,908	21	6,929
Germany	914	4,802	5,716
France	342	4,698	5,040
Russia	1,802	1,216	3,018
The Netherlands	16	1,423	1,439
Belarus	1,417	9	1,426
Spain	4	1,416	1,420
Poland	616	605	1,221
Italy	538	475	1,013
Ukraine	446	189	635
Belgium, Luxembourg	53	556	609
Morocco	608	-	608
Swiss, Liechtenstein	-	494	494
Great Britain	154	243	397
Austria	88	213	301
Sweden	58	68	126
Other countries	861	1,398	2,259
External revenue as reported in Note 4	14,825	17,826	32,651

6 months 2019 Restated*

<i>In thousands of EUR</i>	Textiles	Lingerie	Total
Baltic States	4,677	100	4,777
Germany	1,431	7,360	8,791
France	478	2,853	3,331
Russia	2,745	2,522	5,267
The Netherlands	44	1,990	2,034
Belarus	2,930	12	2,942
Spain	29	1,511	1,540
Poland	1,106	1,283	2,389
Italy	98	1,021	1,119
Ukraine	704	29	733
Belgium, Luxembourg	72	688	760
Morocco	1,348	-	1,348
Swiss, Liechtenstein	-	534	534
Great Britain	154	320	474
Austria	225	315	540
Sweden	57	66	123
Other countries	1,226	2,181	3,407
External revenue as reported in Note 4	17,324	22,785	40,109

* Refer to Note 3 for explanation of the restated figures for 6 months 2019 and Q2 2019.

Q2 2020

<i>In thousands of EUR</i>	Textiles	Lingerie	Total
Baltic States	4,625	10	4,635
France	126	3,137	3,263
Germany	165	2,245	2,410
Russia	761	379	1,140
Italy	500	289	789
The Netherlands	4	623	627
Poland	81	300	381
Belarus	266	9	275
Spain	-	263	263
Belgium, Luxemburg	14	241	255
Morocco	216	-	216
Swiss, Liechtenstein	-	185	185
Ukraine	132	38	170
Great Britain	41	111	152
Austria	41	77	118
Sweden	15	37	52
Other countries	238	521	759
External revenue as reported in Note 4	7,225	8,465	15,690

Q2 2019 Restated*

<i>In thousands of EUR</i>	Textiles	Lingerie	Total
Baltic States	2,456	61	2,517
France	192	1,249	1,441
Germany	711	3,982	4,693
Russia	1,515	956	2,471
Italy	52	311	363
The Netherlands	14	1,037	1,051
Poland	572	558	1,130
Belarus	1,423	-	1,423
Spain	16	388	404
Belgium, Luxemburg	38	273	311
Morocco	697	-	697
Swiss, Liechtenstein	-	214	214
Ukraine	374	11	385
Great Britain	63	131	194
Austria	100	48	148
Sweden	45	38	83
Other countries	633	880	1,513
External revenue as reported in Note 4	8,901	10,137	19,038

* Refer to Note 3 for explanation of the restated figures for 6 months 2019 and Q2 2019.

6. Other operating income

<i>In thousands of EUR</i>	6 months 2020	6 months 2019 Restated*
Government grants	540	122
Rental income from property leases	312	289
Gain on termination of lease agreement	69	-
Income from sales of non-core materials	17	48
Proceeds from bad debts previously written off	12	7
Gain on disposal of subsidiary	-	217
Gain on sale of property, plant and equipment	-	7
Gain on bargain purchase	-	22
Other income from non-core activities	116	375
Total	1,066	1,087

* Refer to Note 3 for explanation of the restated figures for 6 months 2019 and Q2 2019.

<i>In thousands of EUR</i>	Q2 2020	Q2 2019 Restated*
Government grants	502	63
Rental income from property leases	142	123
Gain on termination of lease agreement	61	-
Income from sales of non-core materials	6	30
Proceeds from bad debts previously written off	2	5
Gain on disposal of subsidiary	-	217
Gain on sale of property, plant and equipment	-	-
Gain on bargain purchase	-	22
Other income from non-core activities	57	142
Total	770	602

* Refer to Note 3 for explanation of the restated figures for Q1 2019.

7. Employee benefits expense

<i>In thousands of EUR</i>	6 months 2020	6 months 2019
Wages and salaries	8,690	10,656
Social security contributions	2,084	2,399
Expenses related to post-employment defined benefit plans	4	4
Other employee benefits	242	467
Total	11,020	13,526

<i>In thousands of EUR</i>	Q2 2020	Q2 2019
Wages and salaries	3,303	5,292
Social security contributions	967	1,192
Expenses related to post-employment defined benefit plans	2	2
Other employee benefits	65	206
Total	4,337	6,692

8. Other operating expenses

<i>In thousands of EUR</i>	6 months 2020	6 months 2019 Restated*
Sales and marketing	1,637	2,367
Professional services	1,249	465
Utilities	1,191	1,632
Change in write downs to net realizable value for obsolete and slow-moving inventories	719	677
Storage, transportation and packaging	599	772
Repair and maintenance	384	428
IT and communication	223	342
Bank services	165	177
Expense relating to short-term leases	147	267
Travel expenses	144	411
Insurance	124	115
Car park related costs	35	63
Loss on disposal of property, plant and equipment	32	97
Expenses related to share-based payment arrangements	-	52
Real estate tax	18	33
Other taxes	103	124
Other operating expenses	864	1,485
Total	7,634	9,507

* Refer to Note 3 for explanation of the restated figures for 6 months 2019 and Q2 2019.

<i>In thousands of EUR</i>	Q2 2020	Q2 2019 Restated*
Sales and marketing	695	1,130
Professional services	658	267
Utilities	324	674
Change in write downs to net realizable value for obsolete and slow-moving inventories	427	310
Storage, transportation and packaging	271	403
Repair and maintenance	145	210
IT and communication	85	167
Bank services	75	91
Expense relating to short-term leases	76	122
Travel expenses	21	228
Insurance	53	43
Car park related costs	10	31
Loss on disposal of property, plant and equipment	32	-
Expenses related to share-based payment arrangements	-	-
Real estate tax	16	31
Other taxes	48	67
Other operating expenses	263	656
Total	3,199	4,430

* Refer to Note 3 for explanation of the restated figures for 6 months 2019 and Q2 2019.

9. Finance income

<i>In thousands of EUR</i>	6 months 2020	6 months 2019
Interest income under the effective interest method on:		
Trade and other receivables	23	33
Total interest income arising from financial assets measured at amortised cost	23	33
Foreign exchange gains	923	231
Finance income – other	923	231
Total	946	264

<i>In thousands of EUR</i>	Q2 2020	Q2 2019
Interest income under the effective interest method on:		
Trade and other receivables	11	12
Total interest income arising from financial assets measured at amortised cost	11	12
Foreign exchange gains	339	65
Finance income – other	339	65
Total	350	77

10. Finance costs

<i>In thousands of EUR</i>	6 months 2020	6 months 2019
Interest expense on financial liabilities measured at amortised cost	2,047	2,047
Foreign exchange losses	926	185
Interest expense on net employee defined benefit liability	28	35
Fines and penalties	4	10
Total	3,005	2,277

<i>In thousands of EUR</i>	Q2 2020	Q2 2019
Interest expense on financial liabilities measured at amortised cost	1,010	1,028
Foreign exchange losses	341	62
Interest expense on net employee defined benefit liability	14	18
Fines and penalties	3	7
Total	1,368	1,115

EUR 2,047 thousand of interest expense in 6 months 2020 (Q2 2020: EUR 1,010 thousand) consist of EUR 1,744 thousand (Q2 2020: EUR 857 thousand) of interest expense on loans and borrowings and EUR 303 thousand (Q2 2020: EUR 153 thousand) of interest expense related to the amortisation of transaction costs on bonds issue which were deducted from the bond nominal value.

EUR 2,047 thousand of interest expense in 6 months 2019 (Q2 2019: EUR 1,028 thousand) consist of EUR 1,763 thousand (Q2 2019: EUR 879 thousand) of interest expense on loans and borrowings, EUR 275 thousand (Q2 2020: EUR 140 thousand) of interest expense related to the amortisation of transaction costs on bonds issue which were deducted from the bond nominal value and EUR 9 thousand (Q2 2019: EUR 9 thousand) of interest expense on trade and other payables.

11. Income tax expense

The income tax rate applied to the Parent in 2020 was 21.4% (2019: 21.4%).

The major components of income tax expense for the period ended 30 June are:

<i>In thousands of EUR</i>	6 months 2020	6 months 2019
Current tax expense/ (benefit)		
Current period	(111)	378
Deferred tax expense		
Origination and reversal of temporary differences	101	221
Income tax expense/ (benefit) reported in profit or loss	(10)	599

<i>In thousands of EUR</i>	Q2 2020	Q2 2019
Current tax expense/ (benefit)		
Current period	(58)	84
Deferred tax expense		
Origination and reversal of temporary differences	117	68
Income tax expense/ (benefit) reported in profit or loss	59	152

12. Property, plant and equipment

During the six months and the second quarter ended 30 June 2020, the Group acquired assets with a cost of EUR 57 thousand and EUR 18 thousand respectively (6 months and Q2 2019: EUR 1,246 thousand and EUR 876 thousand respectively).

Assets with a net book value of EUR 58 thousand were disposed by the Group during 6 months and Q2 2020 (6 months 2019: EUR 97 thousand; Q2 2019: none), resulting in a net loss on disposal of EUR 32 thousand (6 months 2019: EUR 97 thousand; Q2 2019: none).

13. Inventories

<i>In thousands of EUR</i>	30 June 2020	31 December 2019
Finished goods	12,566	11,851
Raw materials and consumables	5,629	6,691
Work in progress	1,744	1,803
Right to recover returned goods	125	126
Total	20,064	20,471

14. Trade and other receivables

<i>In thousands of EUR</i>	30 June 2020	31 December 2019
Financial trade and other receivables		
Trade receivables	13,056	14,941
Loans to related parties (Note 18)	839	819
Trade receivables due from related parties (Note 18)	584	623
Other receivables due from related parties (Note 18)	421	431
Other receivables	265	429
Allowance for trade and other receivables	(1,635)	(1,065)
Allowance for trade and other receivables due from related parties (Note 18)	(737)	(737)
Allowance for loans to related parties (Note 18)	(102)	(102)
	12,691	15,339
Non-financial trade and other receivables		
VAT receivable	126	189
Social contributions receivable	48	2
Other taxes receivable	1	6
Deferred expenses	137	35
	312	232
Total	13,003	15,571
Non-current	737	717
Current	12,266	14,854
Total	13,003	15,571

Trade receivables at 30 June 2020 in the gross amount of EUR 13,056 thousand (31 December 2019: EUR 14,941 thousand) mostly comprise receivables for goods sold.

The Group sold with recourse trade receivables to a factoring company with cash proceeds. These trade receivables were not derecognised from the statement of financial position, because the Group retains substantially all of the risks and rewards – primarily credit risk. The amount received on transfer was recognised as secured other loans (see Note 16).

The following information shows the carrying amount of trade receivables that have been transferred but have not been derecognised and the associated liabilities.

<i>In thousands of EUR</i>	30 June 2020	31 December 2019
Carrying amount of trade receivables transferred to a factoring company	284	720
Carrying amount of associated liabilities	241	698

15. Capital and reserves

Share capital

<i>Number of shares</i>	30 June 2020	31 December 2019
Opening balance	60,000	60,000
Issued for cash	-	-
In issue at 30 June / 31 December – fully paid	60,000	60,000
Nominal value of one share, EUR	1	1

The Parent Company has one series of shares. All shares have equal rights to dividends and the Parent Company's residual assets.

Nature and purpose of reserves

As at 30 June 2020 reserves include translation reserve in the amount of EUR -709 thousand which comprises all foreign currency differences arising from the translation of the financial statements of foreign operations (31 December 2019: EUR -216 thousand).

16. Loans and borrowings

<i>In thousands of EUR</i>	30 June 2020	31 December 2019
Non-current liabilities		
Lease liabilities	3,388	2,532
Long-term secured bank loans	215	134
Other long-term loans	109	-
Total	3,712	2,666
Current liabilities		
Bonds	40,677	39,616
Short-term secured bank loans	4,426	2,678
Current portion of lease liabilities	977	1,231
Other loans from related parties (Note 18)	313	-
Secured other loans	241	698
Current portion of long-term secured bank loans	112	32
Current portion of other long-term loans	6	-
Short-term unsecured bank loans	-	75
Total	46,752	44,330

As the Group hasn't received a waiver in respect of maintenance test covenant default as of 31 December 2019 and 30 June 2020, the Group reclassified the bonds under the short-term loans and borrowings at 31 December 2019 and 30 June 2020.

Secured other loans represent amounts received from factoring companies, see Note 14.

Other long-term loans include interest free loan received by Felina Polska Sp. z o.o from Polski Fund Rozwoju to overcome the negative consequences of COVID-19. The loan matures in May 2023 and is repayable in equal parts starting from June 2021. 75% of the loan may be forgiven by the Fund and is not due for repayment by Felina Polska Sp. z o.o depending on the fulfilment of the following criteria:

- 25% of the loan may be forgiven if the company continues the business during 12 months following the loan issuance;
- 25% of the loan may be forgiven if the company keeps the average number of employees during 12 months following the loan issuance;
- Up to 25% of the loan may be forgiven depending on the loss in sales during 12 months following the loan issuance.

17. Trade and other payables

<i>In thousands of EUR</i>	30 June 2020	31 December 2019
Financial trade and other payables		
Trade payables	6,758	7,086
Trade payables to related parties (Note 18)	47	-
Accrued expenses	2,162	1,823
Payables to personnel	783	667
Other payables to related parties (Note 18)	12	-
Other payables	826	552
	10,588	10,128
Non-financial trade and other payables		
Refund liabilities	359	349
VAT payable	464	376
Personal income tax payable	286	277
Social contributions payable	922	454
Other taxes payable	31	21
	2,062	1,477
Total	12,650	11,605
Non-current	80	92
Current	12,570	11,513
Total	12,650	11,605

Other current payables include deferred payment payable for acquisition of Dessus-Dessous S.A.S. in the amount of EUR 51 thousand at 31 December 2019 (30 June 2020: none).

18. Related parties

Transactions with key management personnel

Key management personnel compensation for 6 months and Q2 2020 amounted to EUR 604 thousand and EUR 387 thousand respectively (6 months and Q2 2019: EUR 413 thousand and EUR 229 thousand respectively) and comprised only short-term employee benefits in the form of salaries and social contributions.

Other related party transactions

<i>In thousands of EUR</i>	Transaction values for 6 months 2020	Transaction values for 6 months 2019	Transaction values for Q2 2020	Transaction values for Q2 2019	Balance outstanding at 30 June 2020	Balance outstanding at 31 December 2019
Sales of goods and services						
Joint ventures	24	24	9	9	-	-
Other related parties	297	1	292	1	-	-
Purchases of goods and services						
Shareholders	-	9	-	-	-	-
Other related parties	408	220	357	159	-	-
Gain on disposal of subsidiary						
Shareholders	-	217	-	217	-	-
Interest income accrued during the year						
Joint ventures	18	21	9	11	-	-
Shareholders	2	2	1	1	-	-
Other related parties	2	-	2	-	-	-
Interest expense accrued during the year						
Shareholders	13	-	10	-	-	-
Loans received						
Shareholders	300	-	100	-	-	-
Trade and other receivables						
Shareholders	-	-	-	-	25	25
Joint ventures	-	-	-	-	3	6
Other related parties	-	-	-	-	977	1,023
Allowance for trade and other receivables						
Other related parties	-	-	-	-	(737)	(737)
Trade and other payables						
Other related parties	-	-	-	-	59	-
Loans receivable, gross amount						
Joint ventures	-	-	-	-	525	525
Shareholders	-	-	-	-	134	134
Allowance for loans receivable						
Joint ventures	-	-	-	-	(102)	(102)
Interest receivable						
Joint ventures	-	-	-	-	166	148
Shareholders	-	-	-	-	14	12
Loans payable						
Shareholders	-	-	-	-	300	-
Interest payable						
Shareholders	-	-	-	-	13	-

All outstanding balances with the related parties are priced on an arm's length basis and are to be settled in cash within six months of the reporting date except as indicated below. None of the balances is secured.

The Group received a loan from shareholder, He-like Holdings OU, in the amount of EUR 300 thou-

sand during 6 months 2020 (Q2 2020: EUR 100 thousand). The loan matures on the date falling 7 calendar days after the final redemption date of the Bonds, as specified by the Terms as of relevant time and carries the interest rate of 15% per annum. The loan is subordinated to the bonds.

PARENT COMPANY FINANCIAL INFORMATION

General information

The Parent of the Group is European Lingerie Group AB (previously Goldcup 15769 AB). The name of the Parent was changed on 29 January 2018.

Type of operations

The Company carries out holding operations through investing in and managing assets involved in manufacturing, processing, wholesale and retail of textiles and lingerie products. The assets of the Parent Company consist of shares in SIA European Lingerie Group, Felina France S.a.r.l, and Senselle OOO as of 30 June 2020. Net loss of European Lingerie Group AB for 6 months and Q2 2020 was EUR 1,400 thousand and EUR 733 thousand respectively (6 months and Q2 2019: loss of EUR 804 thousand and EUR 444 thousand respectively).

Accounting Principles

The interim financial statements of the Parent Company are prepared in accordance with accounting principles generally accepted in Sweden, applying RFR 2 issued by the Swedish Financial Reporting Board and the Annual Accounts Act (1995: 1554). RFR 2 requires the Parent Company to use similar accounting principles as for the Group, i.e. IFRS to the extent allowed by RFR 2. The Parent Company's accounting principles, including accounting for intragroup receivables and their impairment, do not in any material respect deviate from the Group accounting principles described in Note 2.

Condensed Parent Company statement of profit or loss and other comprehensive income

For the six months and second quarter ended 30 June

<i>In thousands of EUR</i>	<i>Note</i>	6 months 2020	6 months 2019 Restated*	Q2 2020	Q2 2019 Restated*
Revenue	20	82	58	41	29
Other operating income		42	102	-	100
Employee benefits expense	21	(65)	(61)	(33)	(35)
Other operating expenses		(714)	(283)	(364)	(218)
Operating loss		(655)	(184)	(356)	(124)
Finance income	22	1,151	1,217	576	606
Finance costs	23	(1,899)	(1,837)	(955)	(926)
Net finance costs		(748)	(620)	(379)	(320)
Loss before income tax		(1,403)	(804)	(735)	(444)
Income tax expense		3	-	2	-
Loss for the period		(1,400)	(804)	(733)	(444)
Total comprehensive income		(1,400)	(804)	(733)	(444)

* Refer to Note 19 for the explanation of the figures restated in 6 months and Q2 2019.

Condensed Parent Company statement of financial position

<i>In thousands of EUR</i>	<i>Note</i>	30 June 2020	31 December 2019
Assets			
Shares in subsidiaries		46,328	46,328
Receivables from Group companies	24	33,615	33,277
Total non-current assets		79,943	79,605
Receivables from Group companies	24	94	166
Other receivables	24	343	208
Prepaid expenses and accrued income		3	31
Cash and cash equivalents		26	6
Total current assets		466	411
Total assets		80,409	80,016
Equity			
Restricted equity			
Share capital		60	60
Non-restricted equity			
Shareholder contribution		43,500	43,500
Net income		(5,769)	(4,369)
Total equity		37,791	39,191
Liabilities			
Loans and borrowings		723	723
Deferred tax liabilities		9	13
Total non-current liabilities		732	736
Loans and borrowings	25	39,883	39,280
Liabilities to Group companies	26	281	158
Other liabilities	26	585	195
Accrued expenses and deferred income	26	1,137	456
Total current liabilities		41,886	40,089
Total liabilities		42,618	40,825
Total equity and liabilities		80,409	80,016

Condensed Parent Company statement of changes in equity

For the six months ended 30 June 2020

<i>In thousands of EUR</i>	Restricted equity	Non-restricted equity		Total equity
	Share capital	Shareholder contribution	Net income	
Balance at 31 December 2019	60	43,500	(4,369)	39,191
Total comprehensive income				
Loss for the period	-	-	(1,400)	(1,400)
Total comprehensive income	-	-	(1,400)	(1,400)
Balance at 30 June 2020	60	43,500	(5,769)	37,791

For the six months ended 30 June 2019

<i>In thousands of EUR</i>	Restricted equity	Non-restricted equity		Total equity
	Share capital	Shareholder contribution	Net income	
Balance at 31 December 2018	60	43,500	(2,419)	41,141
Total comprehensive income				
Loss for the period	-	-	(804)	(804)
Total comprehensive income	-	-	(804)	(804)
Balance at 30 June 2019	60	43,500	(3,223)	40,337

Condensed Parent Company statement of cash flows

For the six months and second quarter ended 30 June

<i>In thousands of EUR</i>	<i>Note</i>	6 months 2020	6 months 2019	Q2 2020	Q2 2019
Cash flows from operating activities					
Loss for the reporting period		(1,400)	(804)	(733)	(444)
Adjustments for:					
Finance income	22	(1,150)	(1,215)	(576)	(605)
Finance costs	23	1,898	1,835	955	925
Foreign exchange gains	22	(1)	(2)	-	(1)
Foreign exchange losses	23	1	2	-	1
Income tax expense		(3)	-	(2)	-
Changes in:					
Other receivables		(63)	(164)	30	(90)
Prepaid expenses and accrued income		29	101	21	92
Other liabilities		406	46	203	95
Cash used in operating activities		(283)	(201)	(102)	(27)
Interest paid		(809)	(1,559)	-	(767)
Net cash used in operating activities		(1,092)	(1,760)	(102)	(794)
Cash flows from investing activities					
Interest received		-	119	-	102
Acquisition of subsidiary		-	(44)	-	(3)
Loans issued		(10)	(373)	-	(293)
Proceeds from repayment of loans issued		822	1,594	20	522
Net cash from investing activities		812	1,296	20	328
Cash flows from financing activities					
Proceeds from loans and borrowings		300	426	100	426
Net cash from financing activities		300	426	100	426
Net (decrease) / increase in cash and cash equivalents		20	(38)	18	(40)
Cash and cash equivalents at 1 January / 1 April		6	40	8	42
Cash and cash equivalents at 30 June		26	2	26	2

NOTES TO THE CONDENSED PARENT COMPANY INTERIM FINANCIAL STATEMENTS

19. Restatement of comparatives

Management fee income from Group companies in the amount of EUR 58 thousand and EUR 29 thousand have been reclassified from 'other operating income' line item in the statement of profit or loss and OCI to 'revenue' line item in 6 months 2019 and Q2 2019 respectively in order to comply with 6 months 2020 and Q2 2020 classification. The reclassification has been done by restating each of the affected line items for 6 months 2019 and Q2 2019. The following table summarises the impacts on the Parent's statement of profit or loss and OCI.

6 months 2019

<i>In thousands of EUR</i>	As previously reported	Adjustments	As Restated
Revenue	-	58	58
Other operating income	160	(58)	102
Loss for the period	(804)	-	(804)
Total comprehensive income	(804)	-	(804)

Q2 2019

<i>In thousands of EUR</i>	As previously reported	Adjustments	As Restated
Revenue	-	29	29
Other operating income	129	(29)	100
Loss for the period	(444)	-	(444)
Total comprehensive income	(444)	-	(444)

20. Revenue

Revenue of the Parent includes management fee income received from the Group companies in the amount of EUR 82 thousand and EUR 41 thousand for 6 months and Q2 2020 (6 months 2019: EUR 58 thousand; Q2 2019: EUR 29 thousand).

21. Employee benefits expense

<i>In thousands of EUR</i>	6 months 2020	6 months 2019
Wages and salaries	53	50
Social security contributions	12	11
Total	65	61

<i>In thousands of EUR</i>	Q2 2020	Q2 2019
Wages and salaries	27	28
Social security contributions	6	7
Total	33	35

As of 30 June 2020, the Parent Company employed 2 people (31 December 2019: 2 people), all of whom are members of the Board of Directors. For details on Board remuneration and related social security costs in the reporting period refer to Note 27.

22. Finance income

<i>In thousands of EUR</i>	6 months 2020	6 months 2019
Interest income under the effective interest method on:		
Receivables from Group companies	1,150	1,215
Total interest income arising from financial assets measured at amortised cost	1,150	1,215
Foreign exchange gains	1	2
Finance income – other	1	2
Total	1,151	1,217

<i>In thousands of EUR</i>	Q2 2020	Q2 2019
Interest income under the effective interest method on:		
Receivables from Group companies	576	605
Total interest income arising from financial assets measured at amortised cost	576	605
Foreign exchange gains	-	1
Finance income – other	-	1
Total	576	606

23. Finance costs

<i>In thousands of EUR</i>	6 months 2020	6 months 2019
Interest expense on financial liabilities measured at amortised cost	1,898	1,835
Foreign exchange losses	1	2
Total	1,899	1,837

<i>In thousands of EUR</i>	Q2 2020	Q2 2019
Interest expense on financial liabilities measured at amortised cost	955	925
Foreign exchange losses	-	1
Total	955	926

EUR 1,898 thousand of interest expense in 6 months 2020 (Q2 2020: EUR 955 thousand) consist of EUR 1,595 thousand (Q2 2020: EUR 802 thousand) of interest expense on loans and borrowings and EUR 303 thousand (Q2 2020: EUR 153 thousand) of interest expense related to the amortisation of transaction costs on bonds issue which were deducted from the bond nominal value.

EUR 1,835 thousand of interest expense in 6 months 2019 (Q2 2019: EUR 925 thousand) consist of EUR 1,560 thousand (Q2 2019: EUR 785 thousand) of interest expense on loans and borrowings and EUR 275 thousand (Q2 2020: EUR 140 thousand) of interest expense related to the amortisation of transaction costs on bonds issue which were deducted from the bond nominal value.

24. Other receivables

<i>In thousands of EUR</i>	30 June 2020	31 December 2019
Financial trade and other receivables		
Loans to Group companies (Note 27)	33,615	33,277
Other receivables due from related parties (Note 27)	195	195
Other receivables from Group Companies (Note 27)	94	166
Other receivables	5	5
	33,909	33,643
Non-financial trade and other receivables		
VAT receivable	29	6
Deferred expenses	114	2
	143	8
Total	34,052	33,651
Non-current	33,615	33,277
Current	437	374
Total	34,052	33,651

25. Loans and borrowings

Loans and borrowings for the six months ended 30 June 2020 comprise secured bonds in the amount of EUR 39,583 thousand (31 December 2019: EUR 39,280 thousand), loans from Group Companies in the amount of EUR 723 thousand (31 December 2019: EUR 723 thousand) and loan from shareholder in the amount of EUR 300 thousand (31 December 2019: none). Refer to Note 18 for details on loan from shareholder.

26. Other liabilities

<i>In thousands of EUR</i>	30 June 2020	31 December 2019
Financial trade and other payables		
Accrued interest on bonds	1,094	336
Other payables to Group companies (Note 27)	281	158
Payables to personnel	148	103
Accrued interest on loans from Group companies (Note 27)	30	15
Accrued interest on loans from related parties (Note 27)	13	-
Other accrued expenses	-	105
Other payables to related parties (Note 27)	12	-
Other payables to third parties	378	65
	1,956	782
Non-financial trade and other payables		
Personal income tax payable	17	10
Social contributions payable	30	17
	47	27
Total	2,003	809
Non-current	-	-
Current	2,003	809
Total	2,003	809

27. Related parties

Transactions with key management personnel

Key management personnel compensation for 6 months and Q2 2020 amounted to EUR 64 thousand and EUR 32 thousand (6 months and Q2 2019: EUR 61 thousand and EUR 35 thousand respectively) and comprised only short-term employee benefits in the form of salaries and social contributions.

and EUR 32 thousand (6 months and Q2 2019: EUR 61 thousand and EUR 35 thousand respectively) and comprised only short-term employee benefits in the form of salaries and social contributions.

Other related party transactions

<i>In thousands of EUR</i>	Transaction values for 6 months 2020	Transaction values for 6 months 2019	Transaction values for Q2 2020	Transaction values for Q2 2019	Balance outstanding at 30 June 2020	Balance outstanding at 31 December 2019
Sales of goods and services						
Subsidiaries	124	58	41	27	-	-
Purchases of goods and services						
Shareholders	-	9	-	-	-	-
Subsidiaries	196	31	136	18	-	-
Other related parties	105	77	54	64	-	-
Interest income accrued during the period						
Subsidiaries	1,150	1,215	576	605	-	-
Interest expense accrued during the period						
Subsidiaries	14	2	7	2	-	-
Shareholders	13	-	10	-	-	-
Loans granted						
Subsidiaries	10	373	-	293	-	-
Loans received						
Shareholders	300	-	100	-	-	-
Subsidiaries	-	425	-	425	-	-
Other receivables						
Shareholders	-	-	-	-	25	25
Subsidiaries	-	-	-	-	94	166
Other related parties	-	-	-	-	170	170
Loans receivable						
Subsidiaries	-	-	-	-	28,228	28,579
Interest receivable						
Subsidiaries	-	-	-	-	5,387	4,698
Loans payable						
Shareholders	-	-	-	-	300	-
Subsidiaries	-	-	-	-	-	723
Interest payable						
Shareholders	-	-	-	-	13	-
Subsidiaries	-	-	-	-	30	15
Other payables						
Subsidiaries	-	-	-	-	281	158
Other related parties	-	-	-	-	12	-

As the Parent Company carries out holding operations through investing in and managing assets, all loans issued and outstanding as of 30 June 2020 are intra-group loans.

All related party transactions of the Group have been made on market terms in all material aspects.

STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors of European Lingerie Group AB has reviewed and approved condensed consolidated and Parent Company interim financial statements for the six months and the second quarter ended 30 June 2020.

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act and give a true and fair view of the consolidated and Parent Company financial position, financial performance and cash flows.

Stockholm, 31 August 2020

Carl Oscar Edgren
Chairman of the Board

Dmitry Ditchkovsky
Board member

Indrek Rahumaa
Board member, CEO

E | L | G

**EUROPEAN LINGERIE
GROUP**

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