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**EUROPEAN LINGERIE
GROUP**



EUROPEAN LINGERIE GROUP AB

QUARTERLY REPORT – FIRST QUARTER

1 JANUARY 2021 – 31 MARCH 2021

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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 31 March 2021 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.

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 2020 exceeded EUR 63 million and the combined workforce was over 1,000 people.

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

The first quarter of 2021 continued to be a challenging quarter for the Company. Most of its main markets were still hit by COVID-19 lockdowns and traditional shopping was restricted throughout the whole Europe. We are pleased to acknowledge that the management of the Group companies is responding quickly to the new reality and keeps managing the situation accordingly. In these difficult circumstances, the management focuses on the long term continuity of the Group's business and supports key strategic customers through difficult times.

Irrespective of the COVID-19 imposed challenges,

the Company has shown sufficient financial stability throughout the reporting quarter and continues to deliver good results.

As a result of the global continuing pandemic, revenue in the first quarter 2021 for European Lingerie Group was 21.2% lower than in the first quarter 2020. The textile segment performed almost on the level of previous year, but the lingerie segment still suffered due to continuous severe restrictions in most of the countries, which directly affected our customers – retailers. Despite the difficult quarter for the lingerie segment, European governments have recently announced gradual release of the lockdown restrictions, including re-opening of stores, which will inevitably lead to the recovering of the turnover in the coming months and moving closer to pre-COVID level of business.

In respect of costs and profitability, the Group is still in the process of implementing various cost saving initiatives and improvements in the processes, functions and digitalisation. Therefore, all measures which have already been done and the ones which are on the way, helped the Group to minimize losses and maintain stable liquidity throughout the reporting period.

As previously announced by the Company on several occasions, a lengthy restructuring process of the Company's bonds was carried out since the end of 2019. As the result, in April 2021 the Group and its major shareholders signed an agreement with the Bondholder Committee (representing approximately 64 per cent of the total bond amount), AS Rietumu Banka as the lender and its affiliated company RB SIA as equity investor on a restructuring of ELG and its Bonds, under which the Bonds will be repaid with EUR 21 million in cash and the remaining nominal amount of EUR 19 million of the Bonds plus accrued and unpaid interest will be written down to zero.

After a competitive bid process during the standstill period with several investors showing an interest in the ELG group and placing bids on ELG and/or the ELG group, it has been concluded by the Bondholder Committee and ELG that the best cash compensation offered is the offer received from the lender and the equity investor. Considering the structure of alternative offers and timing and prospects on potential return on any alternative non-cash compensation offered by other bidders,

the offer received from the lender and the equity investor, was also for other reasons considered the strongest offer.

In May 2021 the proposed restructuring was also approved by the holders of the Bonds through a written procedure in accordance with the Terms and Conditions. Closing of the restructuring, including repayment to the holders of the Bonds according to the above, is expected to occur in June 2021. The restructuring includes the following:

- the equity investor will acquire 30% of shares in SIA European Lingerie Group (SIA ELG), a subsidiary of European Lingerie Group AB (ELG AB), and certain receivables of ELG AB from ELG SIA for the total purchase price of EUR 4.5 million;
- the lender will provide a loan to the Group of EUR 22.5 million. The loan will be secured by an extensive security package over the SIA ELG group's assets (including real estates, assets, machinery, shares, trademarks, receivables, etc);
- The proceeds from the loan and the equity investment amount to in total EUR 27 million. EUR 21 million will be used to repay the Bonds, EUR 2 million will be used to refinance a bank loan issued to the ELG group's German subsidiary and the remainder of the proceeds will be used for working capital needs and transaction costs.

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 Q1 2021 and Q1 2020.

The financial restructuring of the Company's bond liabilities was approved in May 2021 and will be completed after the closing of the transaction in June 2021. Therefore, the financial position presented in this report does not include yet the results of the changes in the Bond Terms and Conditions and final settlement. The bond liability is recorded at full nominal amount and accrued interest in current liabilities.

Summarized selected financial indicators of the Group for Q1 2021 compared to Q1 2020 and 31.03.2021 compared to 31.12.2020 were as follows:

In thousands of EUR	Q1 2021	Q1 2020	Change
Revenue	13,366	16,961	-21.2%
Normalised operating profit ¹	(1,162)	(518)	124.3%
Normalised EBITDA ²	(331)	482	-168.7%
Normalised net profit/(loss) ³	(2,318)	(1,364)	69.9%
Operating cash flow for the period	(1,234)	620	-299.0%

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	31.03.2021	31.03.2020	31.12.2020	Change to 31.03.2020	Change to 31.12.2020
Total assets	62,744	75,951	64,265	-17.4%	-2.4%
Total current assets	32,437	44,224	34,614	-26.7%	-6.3%
Cash and cash equivalents	3,351	2,961	5,915	13.2%	-43.3%
Total current liabilities	62,653	64,551	61,104	-2.9%	2.5%
Adjusted current liabilities ⁴	22,653	25,121	21,200	-9.8%	6.9%
Gross interest-bearing debt ⁵	52,442	48,951	51,901	7.1%	1.0%
Net interest-bearing debt ⁶	49,091	45,990	45,986	6.7%	6.8%

⁴ Adjusted total current liabilities exclude bond liabilities in the amount of EUR 40,000 thousand classified as short-term (31 December 2020: EUR 39,904 thousand, 31 March 2020: EUR 39,430).

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, %	Q1 2021	Q1 2020	Change
Normalised operating profit margin	-8.7%	-3.1%	-5.6%
Normalised EBITDA margin	-2.5%	2.8%	-5.3%
Normalised net profit margin	-17.3%	-8.0%	-9.3%

Financial ratios	31.03.2021	31.03.2020	31.12.2020
ROA (return on assets) ⁷	-10.4%	-1.1%	-9.3%
Adjusted current ratio ⁸	1.4	1.8	1.6
Adjusted quick ratio ⁹	0.7	0.8	0.8
12 months rolling normalised EBITDA ¹⁰	3,141	6,627	3,954
Net debt/EBITDA ¹¹	15.6	6.9	11.6

⁷ ROA (return on assets) is calculated as the 12 months rolling 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 April 2020 to 31 March 2021, from 1 April 2019 to 31 March 2020 and from 1 January 2020 to 31 December 2020

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 Q1 2021 and for Q1 2020.

The Group's sales amounted to EUR 13,366 thousand in Q1 2021, representing a 21.2% decrease as compared to sales of Q1 2020). In Q1 2021, the decrease in sales was mainly a result of COVID-19 outbreak and continued closure of stores in majority of the Group's main markets. In addition to that, due to imposed restrictions on travel and shopping, the Group made the decision not to introduce Felina swimwear collection in 2021 as well as reduced its lingerie collection for Spring/Summer 2021. As a result of that, revenue in Q1 2021 was lower as well than in the same period last year. These were temporary decisions in order to focus on the best selling products and save on working capital in the short-terms. The swimwear collection will be reinstated in 2022 and the lingerie collection enlarged again.

In the reporting quarter, the textiles segment was able to achieve almost the same level of revenue as in Q1 2020 due to much lower or no lockdown restrictions imposed in the main sales markets of the segment.

Profitability margins in Q1 2021 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 profitability though was partly outweighed by state subsidies received for the down-time payments to employees and working capital needs and strict cost control during the lock-down periods.

Normalised EBITDA in Q1 2021 amounted to a loss of EUR 331 thousand and decreased by 168.7% compared to Q1 2020. Normalised EBITDA margin in Q1 2021 and Q1 2020 was -2.5% and 2.8% respectively.

Normalised net profit in Q1 2021 amounted to a loss of EUR 2,318 thousand compared to a loss of EUR 1,364 thousand in Q1 2020. Decrease in net profit is as well explained by the reasons described above. Normalised net profit margin in Q1 2021 and Q1 2020 was -17.3% and -8.0% respectively.

Financial position

Financial position of the Group at 31 March 2021, 31 March 2020 and 31 December 2020 was consolidated position as per the consolidated interim financial statements of European Lingerie Group AB for Q1 2021, Q1 2020 and 12 months 2020 respectively.

At 31 March 2021 consolidated total assets amounted to EUR 62,744 thousand representing a decrease of 2.4% as compared to the statement of financial position at 31 December 2020.

Inventories balance remained at the level of 31 December 2020 with a decrease of 0.9%.

Current trade and other receivables increased by 6.4% compared to the balance at 31 December 2020 which is a seasonal growth due to delivery of new season collections.

Cash and cash equivalents decreased by EUR 2,564 thousand compared to 31 December 2020 mainly as a result of cash used in operating activities and coverage of operating losses.

Loans and borrowings at 31 March 2021 increased by EUR 541 thousand compared to 31 December 2020, which is explained by accrual of interest on bonds.

Current trade and other payables at 31 March 2021 were EUR 10,484 thousand and increased by EUR 1,006 thousand compared to 31 December 2020 as a result of additional working capital built for the production and recovery of textile segment operations.

Sales

Sales structure of the Group was calculated on the basis of the reported financial information of European Lingerie Group AB for Q1 2021 and Q1 2020.

Sales by markets

Core operating markets for European Lingerie Group are Germany, Spain, France, Poland, Bene-

lux countries, Baltic countries, Russia, Belarus, Italy and Ukraine. Group's sales in its core markets in Q1 2021 were 80.2% of its total sales against 84.1% in Q1 2020.

The Group's sales results by markets were as follows:

In thousands of EUR			Q1 2021, Q1 2020,		
	Q1 2021	Q1 2020	Change, %	% of sales	% of sales
Baltic countries ¹²	2,056	2,294	-10.4%	15.4%	13.5%
Germany	1,871	3,306	-43.4%	14.0%	19.5%
France	1,673	1,777	-5.9%	12.5%	10.5%
Russia	1,671	1,878	-11.0%	12.5%	11.1%
Belarus	1,266	1,151	10.0%	9.5%	6.8%
Poland	826	840	-1.7%	6.2%	5.0%
Benelux countries ¹³	628	1,166	-46.1%	4.7%	6.9%
Ukraine	432	465	-7.1%	3.2%	2.7%
Spain	174	1,157	-85.0%	1.3%	6.8%
Italy	120	224	-46.4%	0.9%	1.3%
Other markets	2,649	2,703	-2.0%	19.8%	15.9%
Total	13,366	16,961	-21.2%	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 in Q1, except Belarus.

Sales in the Baltic countries, Germany, France, Benelux, Poland, Spain, Italy and Ukraine were below previous year due to restrictions and lockdowns imposed in the countries during the second and third wave of COVID-19.

Sales in Russia decreased by 11.0% in Q1 2021. This was a result of unequal sales rounds by the largest customers there. Furthermore, due to imposed lockdown back in March 2020 in the whole Europe, some Russian customers chose to order more in order to ensure sufficient product availability during the lockdown and difficulties in transporting the goods at that period of time.

Belarus was the only increasing region – by 10% in Q1 2021. Partially this is a result of switching of Asian, Turkish and European supplies of materials to Lauma Fabrics as it is still hard to get goods from those suppliers on time as well as transportation costs from Asia have increased almost 5 times.

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			Q1 2021, Q1 2020,		
	Q1 2021	Q1 2020	Change, %	% of sales	% of sales
Textiles	8,014	8,036	-0.3%	57.2%	44.8%
Lingerie	5,717	9,361	-38.9%	42.8%	55.2%
Intercompany eliminations	(365)	(436)			
Total	13,366	16,961	-21.2%	100.0%	100.0%

During Q1 2021, textiles segment was at the level of previous year while lingerie segment demonstrated a decrease of 38.9%. Lingerie segment suffered more from COVID-19 as the closure of retail stores was reinstated in most of our core markets during the second and third COVID wave.

Investments

During Q1 2021, the Group invested into property plant and equipment and intangible assets EUR 1,515 thousand compared to EUR 164 thousand in Q1 2020. The main investments were made by LSEZ Lauma Fabrics SIA and related to the advance payment made for the melt blown equipment. The equipment is planned to be delivered in summer 2021 and will produce the melt blown fabrics, which is widely used in filtration products, masks and respirators for medical and industrial use, disposable medical garbs, sanitary products, oil and liquid absorbents and many others.

Further development of the Group

This pandemic will continue to have an impact on our business in 2021, as customers are less ready to place orders. They do show a lot of appreciation for our direct and transparent communication and our willingness to work in partnership to overcome this crisis. This goodwill we have built up and a number of targeted investments to add new dimensions to the partnership with our customers strengthen our confidence in the future. Furthermore, we have started adding new business lines to our Group in order to split the business risk and grow the revenue and profit quicker, which should pay back in the coming periods.

Normalised EBITDA and normalized net profit calculation

<i>In thousands of EUR</i>	Q1 2021	Q1 2020
Reported EBITDA	(1,062)	156
Adjusted by:		
Costs related to the contemplated restructuring costs of the Group	181	42
Bond change / amendment / restructuring related costs	550	199
Capital raise related costs	-	35
Other	-	50
Normalised EBITDA	(331)	482
Reported net loss	(3,089)	(1,816)
Normalisation adjustments	827	476
Tax effect on normalization adjustments	(56)	(24)
Normalised net loss	(2,318)	(1,364)

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* comprised consulting and legal expenses related to further restructuring measures plan preparation for the Group as well as accrued costs for potential business model transformation.
- *Bond change / amendment / restructuring related costs* included renegotiation of the Bond Terms and Conditions, establishment and registration of additional collateral requested by the bondholders as well as restructuring of the bonds through an investment process.
- *Capital raise related costs* in 2020 included mainly legal costs related to potential equity and debt attraction projects.
- *Other costs* in 2020 included various consulting costs related to the potential investment projects.
- *Normalisation adjustments for net profit* in Q1 2021 and Q1 2020 included interest expense related to the amortization of transaction costs on bonds issue.



**EUROPEAN LINGERIE
GROUP AB**

**CONDENSED
INTERIM
FINANCIAL
STATEMENTS**

FOR THE FIRST QUARTER ENDED
31 MARCH 2021 (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 2021 – 31 December 2021</i>
Reporting period	<i>1 January 2021 – 31 March 2021</i>
Information on shareholders	<i>From 26 February 2020: Helike Holdings OU (70.35%), Bryum Capial Ltd (25.55%), SIA Silver Invest (1.80%), Pohja-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 until 13 April 2021) Senselle OOO (100% from 2 January 2019 until 28 April 2021)</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 first quarter ended 31 March

<i>In thousands of EUR</i>	<i>Note</i>	Q1 2021	Q1 2020
Revenue	3,4	13,366	16,961
Other operating income	5	699	296
Changes in inventories of finished goods and work in progress		206	5,592
Raw materials and services		(5,527)	(11,343)
Employee benefits expense	6	(5,168)	(6,683)
Depreciation and amortisation		(831)	(1,000)
(Impairment loss)/reversal of impairment loss on trade and other receivables		(32)	(232)
Other operating expenses	7	(4,606)	(4,435)
Operating loss		(1,893)	(844)
Finance income	8	158	596
Finance costs	9	(1,135)	(1,637)
Net finance costs		(977)	(1,041)
Loss before income tax		(2,870)	(1,885)
Income tax (expense)/benefit	10	(219)	69
Loss for the period attributable to the owners of the Parent Company		(3,089)	(1,816)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		72	(630)
		72	(630)
Other comprehensive income, net of tax		72	(630)
Total comprehensive income		(3,017)	(2,446)

Condensed consolidated statement of financial position

<i>In thousands of EUR</i>	<i>Note</i>	31 March 2021	31 December 2020
Assets			
Property, plant and equipment	11	10,680	9,533
Intangible assets		13,939	14,049
Right-of-use assets		4,380	4,709
Deferred tax assets		508	709
Trade and other receivables	13	800	651
Total non-current assets		30,307	29,651
Inventories	12	16,614	16,773
Corporate tax assets		51	159
Trade and other receivables	13	11,795	11,084
Contract assets		17	26
Prepayments		609	657
Cash and cash equivalents		3,351	5,915
Total current assets		32,437	34,614
Total assets		62,744	64,265
Equity			
Share capital	14	60	60
Reserves	14	(1,136)	(1,208)
Retained earnings		(9,402)	(6,313)
Total equity		(10,478)	(7,461)
Liabilities			
Loans and borrowings	15	3,554	3,552
Net employee defined benefit liability		3,217	3,258
Deferred income		400	385
Provisions		160	158
Other payables	16	61	68
Deferred tax liabilities		3,177	3,201
Total non-current liabilities		10,569	10,622
Loans and borrowings	15	48,888	48,349
Trade and other payables	16	10,484	9,478
Contract liabilities		238	320
Corporate income tax liabilities		177	168
Provisions		2,681	2,687
Deferred income		185	102
Total current liabilities		62,653	61,104
Total liabilities		73,222	71,726
Total equity and liabilities		62,744	64,265

Condensed consolidated statement of changes in equity

For the first quarter ended 31 March 2021

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 2020	60	(1,208)	(6,313)	(7,461)
Total comprehensive income				
Loss for the period	-	-	(3,089)	(3,089)
Other comprehensive income	-	72	-	72
Total comprehensive income	-	72	(3,089)	(3,017)
Balance at 31 March 2021	60	(1,136)	(9,402)	(10,478)

For the first quarter ended 31 March 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				
Loss for the period	-	-	(1,816)	(1,816)
Other comprehensive income	-	(630)	-	(630)
Total comprehensive income	-	(630)	(1,816)	(2,446)
Balance at 31 March 2020	60	(846)	2,592	1,806

Condensed consolidated statement of cash flows

For the first quarter ended 31 March

<i>In thousands of EUR</i>	<i>Note</i>	Q1 2021	Q1 2020
Cash flows from operating activities			
Loss for the reporting period		(3,089)	(1,816)
Adjustments for:			
Depreciation		670	818
Amortization		161	182
Impairment loss / (reversal of impairment loss) on trade and other receivables		32	232
Income from government grants		(464)	(38)
Finance income	8	(12)	(12)
Finance costs	9	973	1,052
Foreign exchange gains	8	(146)	(584)
Foreign exchange losses	9	162	585
Gain on termination of lease agreement		-	(8)
Income tax expense/(benefit)	10	219	(69)
Changes in:			
Inventories		159	(4,747)
Trade and other receivables		(737)	360
Contract assets		9	(19)
Prepayments		48	(320)
Trade and other payables		1,019	1,391
Contract liabilities		(82)	4,551
Provisions		(4)	(8)
Net employee defined benefit liability		(46)	(47)
Cash generated from / (used in) operating activities		(1,128)	1,503
Interest paid		(84)	(910)
Income taxes paid		(22)	27
Net cash from / (used in) operating activities		(1,234)	620
Cash flows from investing activities			
Interest received		2	2
Proceeds from sale of property, plant and equipment		-	1
Acquisition of subsidiary net of cash acquired		-	(30)
Acquisition of property, plant and equipment and intangible assets		(1,515)	(164)
Net cash used in investing activities		(1,513)	(191)
Cash flows from financing activities			
Proceeds from bank loans		200	271
Change in bank overdraft		(565)	1,486
Repayment of borrowings		(32)	-
Payment of finance lease liabilities		(306)	(370)
Proceed from grants and donations		487	-
Receipt of factoring		329	320
Net cash from financing activities		113	1,707
Net (decrease)/increase in cash and cash equivalents		(2,634)	2,136
Cash and cash equivalents at 1 January		5,915	1,365
Effect of movement in exchange rates on cash held		70	(540)
Cash and cash equivalents at 31 March		3,351	2,961



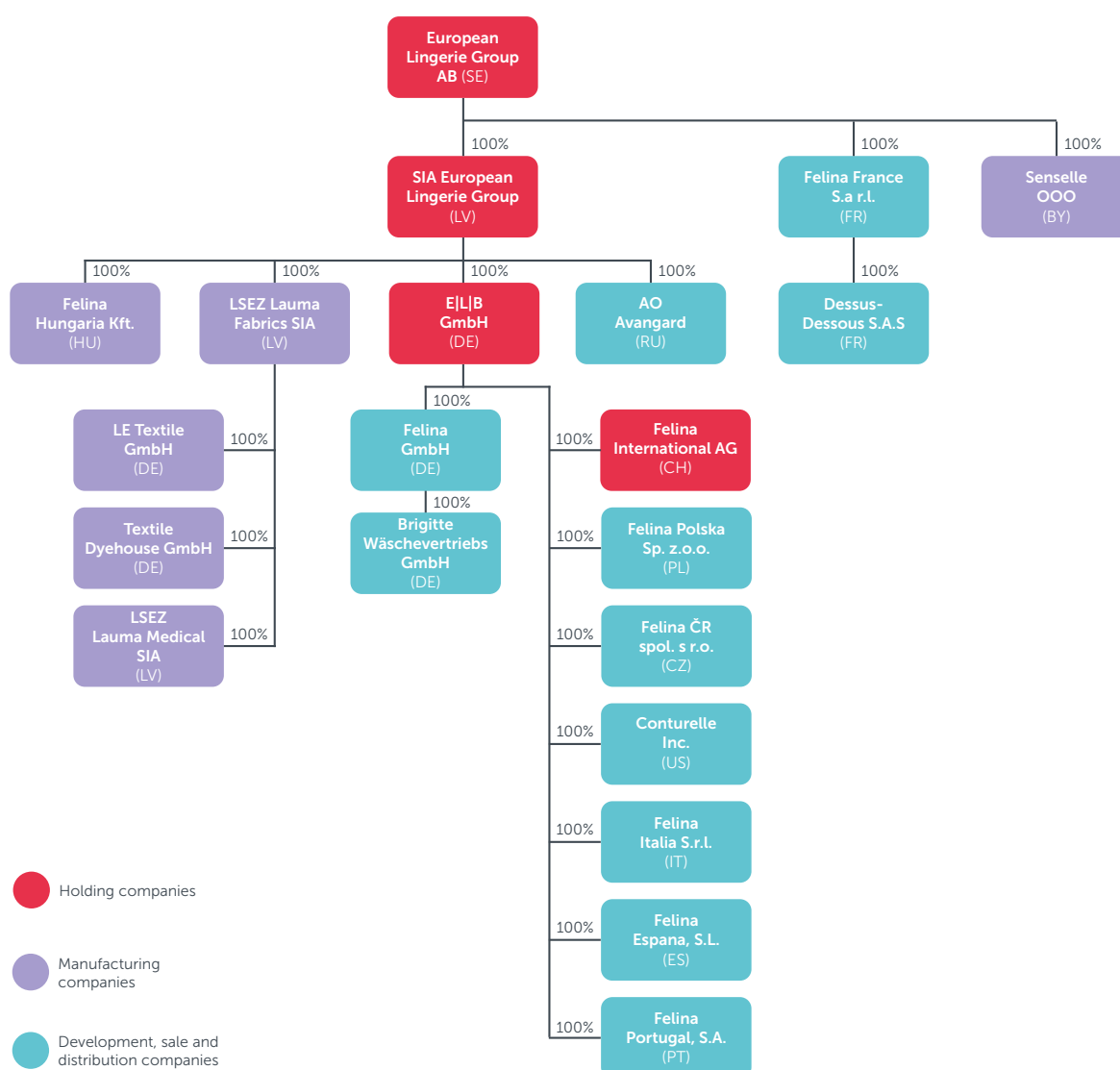
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

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 first quarter ended 31 March 2021 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 31 March 2021, 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
		31 March 2021	31 December 2020	
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. The accounting and measurement policies, as well as the assessment bases, applied in the 2020 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 May 2021.

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:

	31 March 2021	31 March 2020
1 EUR/CHF	1.1070	1.0585
1 EUR/PLN	4.6508	4.5506
1 EUR/HUF	363.2700	360.0200
1 EUR/CZK	26.1430	27.3120
1 EUR/USD	1.1725	1.0956
1 EUR/RUB	88.3175	85.9486
1 EUR/BYN	3.0809	2.8793

	Average for Q1 2021	Average for Q1 2020
1 EUR/CHF	1.0911	1.0625
1 EUR/PLN	4.5422	4.3241
1 EUR/HUF	361.2100	339.1400
1 EUR/CZK	26.0700	25.6310
1 EUR/USD	1.2048	1.1027
1 EUR/RUB	89.6675	73.8205
1 EUR/BYN	3.1301	2.4700

3. 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 revenues, 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).

Q1 2021

<i>In thousands of EUR</i>	Textiles	Lingerie	Total segments	Unallocated	Consolidation adjustments	Total
External revenues	7,650	5,716	13,366	-	-	13,366
Intersegment revenue	364	1	365	-	(365)	-
Total revenue	8,014	5,717	13,731	-	(365)	13,366
Other operating income	265	434	699	94	(94)	699
Changes in inventories of finished goods and work in progress	(546)	752	206	-	-	206
Raw materials and services	(2,861)	(3,019)	(5,880)	-	353	(5,527)
Employee benefits expense	(2,243)	(2,858)	(5,101)	(67)	-	(5,168)
Depreciation and amortisation	(323)	(508)	(831)	-	-	(831)
(Impairment loss)/reversal of impairment loss on trade and other receivables	9	(41)	(32)	-	-	(32)
Other operating expenses	(2,070)	(2,253)	(4,323)	(367)	84	(4,606)
Operating profit/(loss)	245	(1,776)	(1,531)	(340)	(22)	(1,893)
Interest income	25	57	82	91	(161)	12
Other finance income	106	40	146	-	-	146
Interest expense	(27)	(75)	(102)	(953)	163	(892)
Other finance costs	(148)	(92)	(240)	(3)	-	(243)
Income tax	(23)	(196)	(219)	-	-	(219)
Net profit/(loss)	178	(2,042)	(1,864)	(1,205)	(20)	(3,089)
Operating profit/(loss)	245	(1,776)	(1,531)	(340)	(22)	(1,893)
Depreciation and amortisation	323	508	831	-	-	831
EBITDA	568	(1,268)	(700)	(340)	(22)	(1,062)
Segment assets	27,249	34,686	61,935	809	-	62,744
Segment liabilities	8,877	19,763	28,640	44,582	-	73,222
Capital expenditure	1,462	53	1,515	-	-	1,515
Number of employees at reporting date	471	582	1,053	6	-	1,059

Q1 2020

<i>In thousands of EUR</i>	Textiles	Lingerie	Total segments	Unallocated	Consolidation adjustments	Total
External revenues	7,600	9,361	16,961	-	-	16,961
Intersegment revenue	436	-	436	-	(436)	-
Total revenue	8,036	9,361	17,397	-	(436)	16,961
Other operating income	209	92	301	78	(83)	296
Changes in inventories of finished goods and work in progress	4,420	1,172	5,592	-	-	5,592
Raw materials and services	(7,649)	(4,080)	(11,729)	-	386	(11,343)
Employee benefits expense	(2,344)	(4,119)	(6,463)	(220)	-	(6,683)
Depreciation and amortisation	(392)	(604)	(996)	(4)	-	(1,000)
Impairment loss	(142)	(90)	(232)	-	-	(232)
Other operating expenses	(1,674)	(2,419)	(4,093)	(427)	85	(4,435)
Operating profit/(loss)	464	(687)	(223)	(573)	(48)	(844)
Interest income	15	54	69	80	(137)	12
Other finance income	312	271	583	1	-	584
Interest expense	(44)	(108)	(152)	(972)	144	(980)
Other finance costs	(309)	(346)	(655)	(2)	-	(657)
Income tax	(46)	114	68	1	-	69
Net profit/(loss)	392	(702)	(310)	(1,465)	(41)	(1,816)
Operating profit/(loss)	464	(687)	(223)	(573)	(48)	(844)
Depreciation and amortisation	392	604	996	4	-	1,000
EBITDA	856	(83)	773	(569)	(48)	156
Segment assets	31,988	51,389	83,377	(7,426)	-	75,951
Segment liabilities	19,137	44,076	63,213	10,932	-	74,145
Capital expenditure	24	140	164	-	-	164
Number of employees at reporting date	514	777	1,291	6	-	1,297

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 3 (ii).

Non-current non-financial assets

<i>In thousands of EUR</i>	31 March 2021	31 December 2020
Germany	10,358	10,874
Latvia	8,895	7,719
France	5,688	5,779
Hungary	2,073	2,121
Russia	980	980
Poland	932	962
Other countries	73	77
Total	28,999	28,512

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

4. Revenue

(i) Revenue streams

The Group generates revenue primarily from the sale of textiles and lingerie products (see Note 3). 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>	Q1 2021	Q1 2020
Sales of goods, wholesale	11,173	14,462
Sales of goods, retail	1,914	2,293
Rendering of services	246	146
Sales commissions	23	30
License income	10	30
Total revenue from contracts with customers	13,366	16,961

(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 3).

<i>In thousands of EUR</i>	Q1 2021		
	Textiles	Lingerie	Total
Baltic States	2,030	26	2,056
Germany	619	1,252	1,871
France	146	1,527	1,673
Russia	1,128	543	1,671
Belarus	1,266	-	1,266
Poland	511	315	826
Morocco	734	-	734
Ukraine	222	210	432
The Netherlands	19	402	421
Belgium, Luxemburg	8	199	207
Spain	-	174	174
Great Britain	91	81	172
Swiss, Liechtenstein	-	132	132
Italy	8	112	120
Sweden	57	32	89
Austria	37	32	69
Other countries	774	679	1,453
External revenue as reported in Note 3	7,650	5,716	13,366

Q1 2020

<i>In thousands of EUR</i>	Textiles	Lingerie	Total
Baltic States	2,283	11	2,294
Germany	749	2,557	3,306
France	216	1,561	1,777
Russia	1,041	837	1,878
Belarus	1,151	-	1,151
Poland	535	305	840
Morocco	392	-	392
Ukraine	314	151	465
The Netherlands	12	800	812
Belgium, Luxemburg	39	315	354
Spain	4	1,153	1,157
Great Britain	113	132	245
Swiss, Liechtenstein	-	309	309
Italy	38	186	224
Sweden	43	31	74
Austria	47	136	183
Other countries	623	877	1,500
External revenue as reported in Note 3	7,600	9,361	16,961

5. Other operating income

<i>In thousands of EUR</i>	Q1 2021	Q1 2020
Government grants	464	38
Rental income from property leases	180	170
Proceeds from bad debts previously written off	12	10
Income from sales of non-core materials	5	11
Gain/(loss) on termination of lease agreement	-	8
Other income from non-core activities	38	59
Total	699	296

6. Employee benefits expense

<i>In thousands of EUR</i>	Q1 2021	Q1 2020
Wages and salaries	4,166	5,387
Social security contributions	913	1,117
Expenses related to post-employment defined benefit plans	2	2
Other employee benefits	87	177
Total	5,168	6,683

7. Other operating expenses

<i>In thousands of EUR</i>	Q1 2021	Q1 2020
Professional services	878	591
Change in write downs to net realizable value for obsolete and slow-moving inventories	854	292
Utilities	725	867
Sales and marketing	644	942
Storage, transportation and packaging	454	328
IT and communication	349	138
Repair and maintenance	181	239
Expense relating to short-term leases	84	71
Bank services	71	90
Insurance	62	71
Travel expenses	36	123
Real estate tax	27	2
Other taxes	24	55
Car park related costs	12	25
Other operating expenses	205	601
Total	4,606	4,435

8. Finance income

<i>In thousands of EUR</i>	Q1 2021	Q1 2020
Interest income under the effective interest method on:		
Trade and other receivables	12	12
Total interest income arising from financial assets measured at amortised cost	12	12
Foreign exchange gains	146	584
Finance income – other	146	584
Total	158	596

9. Finance costs

<i>In thousands of EUR</i>	Q1 2021	Q1 2020
Interest expense on financial liabilities measured at amortised cost	968	1,037
Foreign exchange losses	162	585
Interest expense on net employee defined benefit liability	5	14
Fines and penalties	-	1
Total	1,135	1,637

EUR 968 thousand of interest expense in Q1 2021 consist of EUR 872 thousand of interest expense on loans and borrowings, EUR 96 thousand of interest expense related to the amortisation of transaction costs on bonds issue which were deducted from the bond nominal value.

EUR 1,037 thousand of interest expense in Q1 2020 consist of EUR 887 thousand of interest expense on loans and borrowings, EUR 150 thousand of interest expense related to the amortisation of transaction costs on bonds issue which were deducted from the bond nominal value.

10. Income tax expense

The income tax rate applied to the Parent in Q1 2021 was 21.4% (Q1 2020: 21.4%).

The major components of income tax expense for the period ended 31 March are:

<i>In thousands of EUR</i>	Q1 2021	Q1 2020
Current tax expense/ (benefit)		
Current period	34	(53)
Deferred tax expense		
Origination and reversal of temporary differences	185	(16)
Income tax expense/ (benefit) reported in profit or loss	219	(69)

11. Property, plant and equipment

During the first quarter ended 31 March 2021, the Group acquired assets with a cost of EUR 1,465 thousand (Q1 2020: EUR 39 thousand).

12. Inventories

<i>In thousands of EUR</i>	31 March 2021	31 December 2020
Finished goods	9,821	10,137
Raw materials and consumables	4,675	5,011
Work in progress	1,770	1,269
Right to recover returned goods	348	356
Total	16,614	16,773

13. Trade and other receivables

<i>In thousands of EUR</i>	31 March 2021	31 December 2020
Financial trade and other receivables		
Trade receivables	11,409	10,884
Loans to related parties (Note 17)	822	812
Trade receivables due from related parties (Note 17)	814	766
Other receivables due from related parties (Note 17)	384	383
Other receivables	875	635
Allowance for trade and other receivables	(1,061)	(1,031)
Allowance for trade and other receivables due from related parties (Note 17)	(1,064)	(1,062)
Allowance for loans to related parties (Note 17)	(12)	(12)
	12,167	11,375
Non-financial trade and other receivables		
Social contributions receivable	141	58
VAT receivable	224	228
Other taxes receivable	6	5
Deferred expenses	57	69
	428	360
Total	12,595	11,735
Non-current	800	651
Current	11,795	11,084
Total	12,595	11,735

Trade receivables at 31 March 2021 in the gross amount of EUR 11,409 thousand (31 December 2020: EUR 10,884 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 15).

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>	31 March 2021	31 December 2020
Carrying amount of trade receivables transferred to a factoring company	486	90
Carrying amount of associated liabilities	413	77

14. Capital and reserves

Share capital

<i>Number of shares</i>	31 March 2021	31 December 2020
Opening balance	60,000	60,000
In issue at 31 March / 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 31 March 2021 reserves include translation reserve in the amount of EUR -1,136 thousand which comprises all foreign currency differences arising from the translation of the financial statements of foreign operations (31 December 2020: EUR -1,208 thousand).

15. Loans and borrowings

<i>In thousands of EUR</i>	31 March 2021	31 December 2020
Non-current liabilities		
Lease liabilities	3,111	3,261
Long-term secured bank loans	180	213
Other long-term loans	263	78
Total	3,554	3,552
Current liabilities		
Bonds	43,453	42,582
Short-term secured bank loans	3,398	3,963
Current portion of lease liabilities	1,091	1,221
Secured other loans	413	77
Other loans from related parties (Note 17)	347	336
Current portion of long-term secured bank loans	133	132
Current portion of other long-term loans	53	38
Total	48,888	48,349

During Q1 2021, LSEZ Lauma Fabrics SIA received EUR 200 thousand loan from AS Attīstības finanšu

institūcija Altum. The loan bears 1.9% interest per annum, is repayable in April 2023 and is included in other long-term loans.

16. Trade and other payables

<i>In thousands of EUR</i>	31 March 2021	31 December 2020
Financial trade and other payables		
Trade payables	5,198	4,635
Trade payables to related parties (Note 17)	45	56
Accrued expenses	2,735	2,382
Payables to personnel	642	566
Other payables to related parties (Note 17)	15	9
Other payables	492	503
	9,127	8,151
Non-financial trade and other payables		
Refund liabilities	679	661
Social contributions payable	377	478
VAT payable	173	64
Personal income tax payable	173	170
Other taxes payable	16	22
	1,418	1,395
Total	10,545	9,546
Non-current	61	68
Current	10,484	9,478
Total	10,545	9,546

17. Related parties

Transactions with key management personnel

Key management personnel compensation for the first quarter ended 31 March 2021 amounted to EUR 325 thousand (Q1 2020: EUR 254 thousand) 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 Q1 2021	Transaction values for Q1 2020	Balance outstanding at 31 March 2021	Balance outstanding at 31 December 2020
Sales of goods and services				
Joint ventures	14	15	-	-
Other related parties	23	-		
Purchases of goods and services				
Other related parties	6	51	-	-
Interest income accrued during the year				
Joint ventures	9	9	-	-
Shareholders	1	1	-	-
Other related parties	1	-	-	-
Interest expense accrued during the year				
Shareholders	11	3	-	-
Loans received				
Shareholders	-	200	-	-
Trade and other receivables				
Shareholders	-	-	25	25
Joint ventures	-	-	6	6
Other related parties	-	-	1,167	1,118
Allowance for trade and other receivables				
Other related parties	-	-	(1,064)	(1,062)
Trade and other payables				
Other related parties	-	-	60	65
Loans receivable, gross amount				
Joint ventures	-	-	500	500
Shareholders	-	-	133	133
Allowance for loans receivable				
Joint ventures	-	-	(12)	(12)
Interest receivable				
Joint ventures	-	-	172	163
Shareholders	-	-	17	16
Loans payable				
Shareholders	-	-	300	300
Interest payable				
Shareholders	-	-	47	36

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.

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 31 March 2021. Net loss of European Lingerie Group AB for Q1 2021 was EUR 707 thousand (Q1 2020: loss of EUR 667 thousand).

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 first quarter ended 31 March

<i>In thousands of EUR</i>	<i>Note</i>	Q1 2021	Q1 2020
Revenue	18	29	41
Other operating income		-	42
Employee benefits expense	19	(21)	(32)
Other operating expenses		(368)	(350)
Operating loss		(360)	(299)
Finance income	20	545	575
Finance costs	21	(892)	(944)
Net finance costs		(347)	(369)
Loss before income tax		(707)	(668)
Income tax expense		-	1
Loss for the period		(707)	(667)
Total comprehensive income		(707)	(667)

Condensed Parent Company statement of financial position

<i>In thousands of EUR</i>	<i>Note</i>	31 March 2021	31 December 2020
Assets			
Shares in subsidiaries		46,328	46,328
Receivables from Group companies	22	6,300	6,217
Deferred tax assets		25	25
Total non-current assets		52,653	52,570
Receivables from Group companies	22	27,148	27,335
Other receivables	22	628	159
Cash and cash equivalents		-	23
Total current assets		27,776	27,517
Total assets		80,429	80,087
Equity			
Restricted equity			
Share capital		60	60
Non-restricted equity			
Shareholder contribution		43,500	43,500
Net income		(8,312)	(7,605)
Total equity		35,248	35,955
Liabilities			
Loans and borrowings		723	723
Total non-current liabilities		723	723
Loans and borrowings	23	40,300	40,204
Liabilities to Group companies	24	237	75
Other liabilities	24	311	308
Accrued expenses and deferred income	24	3,610	2,822
Total current liabilities		44,458	43,409
Total liabilities		45,181	44,132
Total equity and liabilities		80,429	80,087

Condensed Parent Company statement of changes in equity

For the first quarter ended 31 March 2021

<i>In thousands of EUR</i>	Restricted equity	Non-restricted equity		Total equity
	Share capital	Shareholder contribution	Net income	
Balance at 31 December 2020	60	43,500	(7,605)	35,955
Total comprehensive income				
Loss for the period	-	-	(707)	(707)
Total comprehensive income	-	-	(707)	(707)
Balance at 31 March 2021	60	43,500	(8,312)	35,248

For the first quarter ended 31 March 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	-	-	(667)	(667)
Total comprehensive income	-	-	(667)	(667)
Balance at 31 March 2020	60	43,500	(5,036)	38,524

Condensed Parent Company statement of cash flows

For the first quarter ended 31 March

<i>In thousands of EUR</i>	<i>Note</i>	Q1 2021	Q1 2020
Cash flows from operating activities			
Loss for the reporting period		(707)	(667)
Adjustments for:			
Finance income	20	(545)	(574)
Finance costs	21	889	943
Foreign exchange gains	20	-	(1)
Foreign exchange losses	21	3	1
Income tax expense		-	(1)
Changes in:			
Other receivables		(482)	(93)
Prepaid expenses and accrued income		-	8
Other liabilities		158	203
Cash used in operating activities		(684)	(181)
Interest paid		-	(809)
Net cash used in operating activities		(684)	(990)
Cash flows from investing activities			
Interest received		1	-
Loans issued		-	(10)
Proceeds from repayment of loans issued		660	802
Net cash from investing activities		661	792
Cash flows from financing activities			
Proceeds from loans and borrowings		-	200
Net cash from financing activities		-	200
Net (decrease) / increase in cash and cash equivalents		(23)	2
Cash and cash equivalents at 1 January		23	6
Cash and cash equivalents at 31 March		-	8

NOTES TO THE CONDENSED PARENT COMPANY INTERIM FINANCIAL STATEMENTS

18. Revenue

Revenue of the Parent includes management fee income received from the Group companies in the amount of EUR 29 thousand for Q1 2021 (Q1 2020: EUR 41 thousand).

19. Employee benefits expense

In thousands of EUR	Q1 2021	Q1 2020
Wages and salaries	18	26
Social security contributions	3	6
Total	21	32

As of 31 March 2021, the Parent Company employed 2 people (31 December 2020: 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 25.

20. Finance income

In thousands of EUR	Q1 2021	Q1 2020
Interest income under the effective interest method on:		
Receivables from Group companies	545	574
Total interest income arising from financial assets measured at amortised cost	545	574
Foreign exchange gains	-	1
Finance income – other	-	1
Total	545	575

21. Finance costs

In thousands of EUR	Q1 2021	Q1 2020
Interest expense on financial liabilities measured at amortised cost	889	943
Foreign exchange losses	3	1
Total	892	944

EUR 889 thousand of interest expense in the first quarter 2021 consist of EUR 775 thousand of inter-

est expense on bonds, EUR 96 thousand of interest expense related to the amortisation of transaction costs on bonds issue which were deducted from the bond nominal value, EUR 10 thousand on loan from shareholder and EUR 8 thousand on loans from Group companies.

EUR 943 thousand of interest expense in the first quarter 2020 consist of EUR 783 thousand of interest expense on bonds, EUR 150 thousand of interest expense related to the amortisation of transaction costs on bonds issue which were deducted from the bond nominal value, EUR 7 thousand on loans from Group companies and EUR 3 thousand on loan from shareholder.

22. Other receivables

In thousands of EUR	31 March 2021	31 December 2020
Financial trade and other receivables		
Loans to Group companies (Note 25)	33,428	33,544
Other receivables due from related parties (Note 25)	154	154
Allowance for other receivables due from related parties (Note 25)	(129)	(129)
Other receivables from Group Companies (Note 25)	20	8
Other receivables	603	105
	34,076	33,682
Non-financial trade and other receivables		
Deferred expenses	-	29
	-	29
Total	34,076	33,711
Non-current	6,300	6,217
Current	27,776	27,494
Total	34,076	33,711

23. Loans and borrowings

Loans and borrowings for the first quarter ended 31 March 2021 comprise secured bonds in the amount of EUR 40,000 thousand (31 December 2020: EUR 39,904 thousand), loans from Group Companies in the amount of EUR 723 thousand

(31 December 2020: EUR 723 thousand) and loan from shareholder in the amount of EUR 300 thousand (31 December 2020: EUR 300 thousand).

24. Other liabilities

<i>In thousands of EUR</i>	31 March 2021	31 December 2020
Financial trade and other payables		
Accrued interest on bonds	3,453	2,678
Other payables to Group companies (Note 25)	237	75
Payables to personnel	146	130
Accrued interest on loans from Group companies (Note 25)	52	44
Accrued interest on loans from related parties (Note 25)	47	37
Other accrued expenses	58	63
Other payables to related parties (Note 25)	15	9
Other payables to third parties	121	134
	4,129	3,170
Non-financial trade and other payables		
Social contributions payable	17	14
Personal income tax payable	10	8
VAT payable	2	13
	29	35
Total	4,158	3,205
Non-current	-	-
Current	4,158	3,205
Total	4,158	3,205

25. Related parties

Transactions with key management personnel

Key management personnel compensation for the first quarter ended 31 March 2021 amounted to EUR 21 thousand (Q1 2020: EUR 32 thousand) 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 Q1 2021	Transaction values for Q1 2020	Balance outstanding at 31 March 2021	Balance outstanding at 31 December 2020
Sales of goods and services				
Subsidiaries	29	83	-	-
Purchases of goods and services				
Subsidiaries	323	60	-	-
Other related parties	6	51	-	-
Interest income accrued during the period				
Subsidiaries	545	574	-	-
Interest expense accrued during the period				
Subsidiaries	8	7	-	-
Shareholders	10	3	-	-
Loans granted				
Subsidiaries	-	10	-	-
Loans received				
Shareholders	-	200	-	-
Other receivables				
Shareholders	-	-	25	25
Subsidiaries	-	-	20	8
Other related parties	-	-	129	129
Allowance for other receivables				
Other related parties	-	-	(129)	(129)
Loans receivable				
Subsidiaries	-	-	26,662	27,322
Interest receivable				
Subsidiaries	-	-	6,766	6,222
Loans payable				
Shareholders	-	-	300	300
Subsidiaries	-	-	723	723
Interest payable				
Shareholders	-	-	47	37
Subsidiaries	-	-	52	44
Other payables				
Subsidiaries	-	-	237	75
Other related parties	-	-	15	9

As the Parent Company carries out holding operations through investing in and managing assets, all loans issued and outstanding as of 31 March 2021 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 first quarter ended 31 March 2021.

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 May 2021

Carl Oscar Edgren
Chairman of the Board

Dmitry Ditchkovsky
Board member

Indrek Rahumaa
Board member, CEO

E | L | G

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