

CURRENT REPORT

The Netherlands

(State or other jurisdiction of
incorporation or organization)

Eagle Super Global Holding B.V.
and Subsidiaries

Eagle Intermediate Global Holding B.V.

Eagle US Finance LLC

d/b/a The LYCRA Company

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Entry Into Material Definitive Agreement

New Notes Issuance and Full Repayment of 5.375% Senior Secured Notes due 2023

On May 1, 2023, The LYCRA Company (the “Company”) announced (i) the entry into a new indenture, dated as of April 25, 2023 (as amended, restated, supplemented or otherwise modified through the date of this report, the “Indenture”) by and among Eagle Finance UK Limited (the “Issuer”), a newly-formed subsidiary of Eagle Intermediate Global Holding B.V. (the “Dutch Company”), the guarantors party thereto, Kroll Trustee Services Limited, as trustee (the “Trustee”), Elavon Financial Services DAC, UK Branch, as initial paying agent and authenticating agent, and Elavon Financial Services DAC, as registrar and transfer agent, pursuant to which the Issuer issued approximately €300.2 million of 16.000% senior secured notes due 2025 (the “New Notes”) at an aggregate purchase price of approximately €240.1 million and (ii) the deposit by the Dutch Company with Deutsche Bank AG, London Branch, the paying agent (the “2023 SSN Paying Agent”) for its €250 million aggregate principal amount of 5.375% senior secured notes due 2023 (the “2023 SSNs”), of money sufficient to repay the outstanding 2023 SSNs in full at their maturity. The Company understands that as a result of a bank holiday in London on May 1, 2023, the redemption payments will be delivered by the 2023 SSN Paying Agent to holders of the 2023 SSNs on May 2, 2023 in accordance with the terms of the indenture governing the 2023 SSNs.

Interest and Maturity

Interest on the New Notes will be payable quarterly in arrears, beginning on August 1, 2023, at a rate of 16.00% per annum. Subject to adjustment as set out in the section entitled “IP Asset Transactions” below, (i) interest is initially payable fully in-kind and (ii) for interest payment dates on or after August 1, 2024, interest is payable 5.00% in cash and 11.00% in-kind. The New Notes mature on April 1, 2025.

Ranking and Priority

The New Notes rank *pari passu* in right of lien and payment priority with the Company’s existing and future first lien secured indebtedness and are secured on a *pari passu* basis by the same collateral that secures the Company’s existing and future first lien secured indebtedness.

Guarantees

The New Notes are guaranteed, jointly and severally, by certain subsidiaries of the Company that also guarantee the \$704.5 million aggregate principal amount of 7.500% senior secured notes due 2025 issued by the Dutch Company and Eagle US Finance LLC as co-issuers.

Covenants

The Indenture includes certain affirmative covenants, including a customary reporting covenant. The Indenture also contains customary high-yield style restrictive covenants, subject to customary carveouts and exceptions.

Events of Default

The Indenture provides for events of default (subject in certain cases to customary grace and cure periods), which include, among others, failure to make any payment under the New Notes when due, failure to observe or perform certain covenants under the New Notes or the other transaction documents related thereto, certain insolvency events and certain cross-default and cross-acceleration events.

Redemption

At any time prior to April 25, 2024, the Issuer may redeem the New Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the New Notes plus a “make-whole premium” set forth in the Indenture, and accrued and unpaid interest and additional amount, if any, to, but excluding, the redemption date. Thereafter, the Company may redeem the New Notes, in whole or in part, at a redemption price equal to the applicable percentage of the principal amount of the New Note set forth in the Indenture, plus accrued and unpaid interest and additional amount, if any, to, but excluding, the redemption date.

IP Asset Transactions

Pursuant to the Indenture, the Dutch Company has agreed on a post-closing basis to initially procure the contribution of certain intellectual property assets with a valuation of approximately \$75.0 million (the “IP Assets”)

to certain wholly-owned subsidiaries that are to be formed on a post-closing basis (the “IPCos”). When initially transferred to the IPCos, the IP Assets will be transferred subject to liens securing the indebtedness under the Indenture and the Company’s other material outstanding indebtedness. Pursuant to the terms of the Indenture and following the issuance of the New Notes, the Issuer proposes to subsequently designate each IPCo as an unrestricted subsidiary under the Indenture, such that no IPCo shall guarantee any of the obligations under the Indenture and the liens on the IP Assets securing the obligations under the Indenture shall be released, with acknowledgments of release being executed. Failure to complete the designation of the IPCos as unrestricted subsidiaries and obtain acknowledgment of the release of liens on the IP Assets (such transactions, the “IP Release Transactions”), will result in the Issuer being required to pay cash interest at higher cash interest rates set forth in the Indenture (with PIK interest rates accordingly reduced) than the rate otherwise reflected above, with such higher cash interest rates (and accordingly lower PIK interest rates) commencing for interest payment dates on or after February 1, 2024. It is further proposed that following the consummation of the IP Release Transactions that the IPCos would (i) enter into separate guarantees solely for the benefit of the New Notes and (ii) pledge their assets as separate security to secure solely the New Notes.

The New Notes have not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any other jurisdiction. The Issuer sold the New Notes in a transaction not subject to the registration requirements of the Securities Act in reliance on Regulation S promulgated thereunder. The Issuer relied on Regulation S under the Securities Act based in part on representations made to it in connection with the purchase of the New Notes.

Additional Guarantee by the Issuer

In connection with the issuance of the New Notes, the Issuer became a guarantor of the Company’s other material outstanding indebtedness.

Additional Liquidity Actions

The Company also announced that, substantially contemporaneously with its entry into the Indenture, it took several actions to enhance its liquidity position, including: (1) upsizing its existing super senior term loan by approximately \$30.1 million (resulting in net proceeds, after taking into account the original issue discount, of \$29.5 million and using substantially all of the remaining capacity thereunder permitted by the Indenture) and (2) upsizing its existing shareholder loan by \$0.6 million.

2023 EBITDA Projections; Q1 2023 EBITDA

The Company is currently projecting 2023 EBITDA of \$140 million, with EBITDA growth expected to accelerate in the second half of 2023. The Company’s EBITDA for its first fiscal quarter of 2023 (calculated on a preliminary basis) was approximately \$10 million.

Cautionary Note Regarding Forward-Looking Statements

This current report includes certain statements that may be considered to be “forward-looking statements” within the meaning of the U.S. securities laws and the securities laws of certain other jurisdictions. Such statements are generally not historical in nature, and specifically include statements about the Company’s plans, strategies, business prospects, changes and trends in their business and the markets in which they operate. These statements are made based upon management’s current plans, expectations, assumptions and beliefs concerning future events impacting the Company and therefore involve a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed or implied in the forward-looking statements, which speak only as of the date of this current report. Consequently, no forward-looking statement can be guaranteed. The Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

Non-GAAP Financial Measures

In this current report, we present “EBITDA”, which is not a financial measure under GAAP or any other internationally accepted accounting principles. We present this financial measure (1) because it is used by our management to monitor our financial results and available operating liquidity and (2) to represent similar measures that are often used by certain bondholders, securities analysts, and other interested parties as supplemental measures of financial position, financial performance, and liquidity. We believe this measure enhances the bondholders’ understanding of indebtedness and our current ability to fund our ongoing operations.

We define “EBITDA” as consolidated net income (loss) adjusted to eliminate (1) interest expense, (2) income tax (benefit) expense and (3) depreciation and amortization.

The EBITDA as presented in this current report is not necessarily the same as Consolidated EBITDA as defined in the Indenture, which will be used for purposes of certain covenants under the Indenture.

The foregoing non-GAAP financial measure is not a measure based on GAAP, and you should not consider such item as an alternative to the historical financial results or other indicators of our position or performance based on GAAP. The non-GAAP financial measure, as defined by us, may not be comparable to similarly-titled measures as presented by other companies due to differences in the way our non-GAAP financial measures are calculated. The non-GAAP financial information contained in this current report is not intended to comply with the reporting requirements of the U.S. Securities and Exchange Commission (the “SEC”) and will not be subject to review by the SEC. Even though the non-GAAP financial measure is used by management to assess our financial position, financial results, and liquidity, and this type of measure is commonly used by investors, it has important limitations as analytical tools, and you should not consider it in isolation or as substitutes for analysis of our financial position and results of operations as reported under GAAP.

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