

*The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014 which is part of domestic UK law pursuant to the Market Abuse (Amendment) (EU Exit) Regulations (SI 2019/310) ("UK MAR"). Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.*

**Rockpool Acquisitions Plc ("Rockpool" or "the Company")**

**Heads of Agreement signed with European Lingerie Group, AB ("ELG AB" or "the Target")**

**Potential Reverse Takeover and Temporary Suspension of Listing**

Rockpool Acquisitions Plc, the Special Purpose Acquisition Company ("SPAC") whose shares are listed in the Equity Shares (Shell Companies) category of the Official List and traded on the Main Market of the London Stock Exchange, is pleased to announce that it has entered into heads of terms ("Heads") relating to the proposed acquisition (the "Acquisition") of the entire issued and to be issued share capital of European Lingerie Group AB, a Swedish company that is the holding company of a long-established vertically-integrated intimate apparel group ("the Group"). The intention is to seek readmission to the Main Market and admission to the Equity Shares (Commercial Companies) category of the UK's Official List (together, "Readmission") on completion of the Acquisition.

The Acquisition, if completed, will constitute a "initial transaction" under Section 13.4 of the UK Listing Rules. Therefore, in accordance with UKLR 21.1.4 and 21.3, the Company has requested a suspension of its listing pending either the issue of an announcement giving further details of the initial transaction, the publication of a prospectus, or an announcement that the Acquisition is no longer in contemplation. The suspension will take effect immediately. Rockpool and the other parties to the Heads intend to proceed as quickly as possible and have agreed that they will work together in good faith with a view to signing and effecting the Acquisition and Readmission in the first half of 2025.

ELG AB can trace its origins back to 1885 and carries on the production, wholesaling and (to a limited extent currently) retailing of intimate apparel, as well as the production of fabrics used in the making of intimate apparel. The Group, which is headquartered in Germany, where it also has design and production facilities, additionally has factories in Hungary and Latvia. It also undertakes a limited amount of outsourcing to producers in other countries. ELG manufactures garments under its own brands of Felina, Senselle and Conturelle and these have a high level of recognition in its main markets in Germany and the Benelux but are also sold in a wide range of other markets from Australia to the United States.

The Group, through its Lauma fabrics division, also manufactures and supplies fabrics which are incorporated into garments made by over 100 other lingerie producers, including a number of other leading brands, such as Triumph and Wacoal. The LYCRA Company's factory at Maydown, Co. Derry, N. Ireland, is a major supplier of yarn to the Group and works increasingly closely with it.

SIA European Lingerie Group (a company incorporated in Latvia) is the parent company of the Group's operating companies. ELG AB is currently the holder of 70% of the issued and to-be-issued share capital of SIA European Lingerie Group, but has an option to acquire the remaining 30% that it intends to exercise prior to completion of its acquisition by Rockpool.

In 2023 European Lingerie Group AB had a turnover of not less than €53m (circa £44m) and adjusted EBITDA of not less than €2.1m (circa £1.7m) (provisional figures subject to final audit). The Group is currently undertaking a programme of asset disposals, sale and lease back transactions, debt reduction and debt refinancing at the same time as pursuing efficiency improvements and other initiatives which are targeted at improving EBITDA further in 2025 and beyond.

The intention is for the Company and European Lingerie Group AB to raise funds in a combination of a pre-initial transaction fundraising (the "Pre-RTO Fundraising") by the Target and a placing of new ordinary Rockpool at Readmission ("the Placing"), with the net proceeds being used to provide additional working capital for the Group and to fund certain new business initiatives and, potentially, an acquisition.

The Heads provide that completion of the Acquisition will be subject to a number of matters, including the negotiation of a formal sale and purchase agreement ("the SPA"), the satisfactory conclusion of due diligence, and Readmission.

The consideration for the Acquisition, if it is concluded, ("the Price") will be settled by the issue of new ordinary shares of Rockpool, valuing each ordinary share at 10p per share (compared with a mid-market price of 2.85p at close on Tuesday 17<sup>th</sup> December 2024). The Price will be agreed by Rockpool and the sellers in light of the valuation at which the Company's brokers anticipate being able to procure investors to subscribe for new ordinary shares in the Placing as well as the price at which the Target raises funds in the Pre-RTO Fundraising.

In lieu of the five-year options to acquire 10% of the post-readmission fully diluted Ordinary Share capital of Rockpool that were proposed in Rockpool's original prospectus, the parties to the Heads have agreed that Rockpool's founders ("the Founders") will receive between them four-year options over, in aggregate, 4% of the fully diluted share capital of Rockpool as it is immediately following Readmission. The exercise price will be 11p per share. Each of the Founders will also receive a cash bonus of £35,000 on Readmission. The Heads provide that one of the Founders may remain on the Board for up to 18 months, should they wish to do so.

As mentioned above, as well as being subject to contract, the Acquisition is subject to certain conditions, including obtaining of a whitewash under Rule 9 of the Takeover Code, there being no adverse change or deterioration in the business, assets, financial or trading position or prospects of European Lingerie Group or its subsidiaries between the date of the Heads and completion which is in the reasonable opinion of the Rockpool Board material. Rockpool will be required to give certain warranties in the SPA relating to, amongst other things, its assets and liabilities and its shareholdings.

The costs of the Acquisition and Readmission will be met by ELG with Rockpool's cash being used initially to meet those, and ELG making payments towards those costs as follows:

- (a) a contribution of £20,000 per calendar month from 1<sup>st</sup> March 2025 onwards; and
- (b) if it is successful in its planned Pre-RTO Fundraising or in the disposal of assets as part of the programme outlined above, a contribution of at least 2.5% of the amounts raised (in the case of the assets disposals, net of associated debt repayment) in additional monthly instalments.

ELG has also agreed to indemnify Rockpool in relation to its costs and wasted overhead should the transaction not proceed to completion for certain reasons. Any amount payable pursuant to that indemnity will carry interest from the date that the relevant expense was incurred by Rockpool and will be paid in four equal monthly instalments with the first instalment being due 30 days after Rockpool presents its calculation of the amount due.

The Heads contain an exclusivity obligation on the part of the parties thereto other than Rockpool for a period ("the Exclusivity Period") ending on 30 June 2025 or, if later, such date as either (i) Rockpool or (ii) the target or the sellers communicate to the other their decision not to pursue the Acquisition and Readmission.

Rockpool has undertaken that during the Exclusivity Period neither Rockpool nor its Directors will carry out a restricted action within the meaning of Rule 21.1 of the UK's Takeover Code without the prior written consent of the Target (other than any action that is contemplated by the Heads) and such consent may not to be unreasonably withheld or delayed. Rockpool may terminate negotiations in relation to the Proposed Transactions at any time if the parties other than Rockpool are in breach of the Heads or Rockpool has received any alternative offer to conduct an initial transaction without incurring any liability to the Sellers or the Target in relation to such termination.

Mike Irvine, co-founder and Non-Executive Director of Rockpool, said: "I am delighted that we are able to announce the potential acquisition of European Lingerie Group that is intended to see Rockpool transform from a SPAC into a profitable trading enterprise. European Lingerie Group's long track record and growth plans make the Acquisition a transaction that should create value for its shareholders as well as those of Rockpool. It is particularly pleasing that the Group already has a connection with Northern Ireland through its relationship with Lycra."

Indrek Rahumaa, the CEO of European Lingerie Group AB, commented: "After thorough analysis and a review of several capital markets and a significant number of shells, European Lingerie Group is delighted to have entered into heads of terms with Rockpool. ELG AB is committed to the transaction and the associated capital raises for a number of reasons, including that a listing by way of a reverse into Rockpool should enable ELG AB to use its shares as an acquisition currency and there are currently several attractive opportunities being considered. (continued)

“Also, being able to make partial payment in Rockpool shares will enable an alignment of the interests of the selling shareholders and founders of these targets with our own. The pre-RTO Fundraising and the Placing are aimed at bringing the capital for ELG to execute planned celebrity brand launches as well as improve its existing distribution model. ELG has tremendous expertise in creating and selling world class lingerie. Those management capabilities when combined with new capital, will enable us to execute a highly competitive strategy.”

Alistair Williamson, Vice President, EMEA & South Asia at The LYCRA Company said, "European Lingerie Group is a valued long-term customer of The LYCRA Company and our Maydown manufacturing site located in Londonderry, Northern Ireland. We are excited about the opportunity to build an even closer relationship as European Lingerie Group joins forces with Rockpool.”

- Ends -

#### **Notes to Editors - Photography.**

H and Low resolution model / product photographs are available on the attached JPG or from Abchurch. These come in the form of thumbnails with OneDrive links through which to download at high-or low resolution.

For further information please contact:

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