



European Lingerie Group **Investor** Newsletter

Edition 1 – April 2018

Welcome from CEO **Peter Partma**



Welcome to the first edition of European Lingerie Group investor quarterly newsletter. Our aim is to keep you up-to-date with our latest news, operational highlights and financial results.

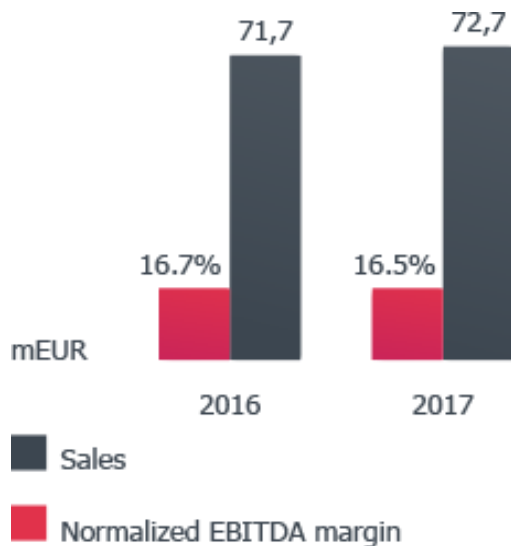
This year we are moving forward with the integration of our companies Felina and Lauma, on the business development side it looks very interesting. Another focus has been to strengthen our leadership teams, you'll see some of these news also here.

2018 has started slightly slow but we continue to be cautiously optimistic about the full year. Order intake looks positive so far. I hope you find this newsletter informative and I look forward to seeing you all in person at our investors meeting on June 19 at Felina headquarters in Mannheim, Germany.

Investor events

ELG invites all of the investors to a meeting held at Felina headquarters in **Mannheim, Germany** (Lange Rotterstr. 11-17) on Tuesday, **June 19** at 11 am. The purpose of this event is to give an in-depth overview of ELG operations, performance and strategy. We warmly encourage as many of you as possible to take part and kindly ask you to register for the event by **June 1** the latest. Either via the [register](#) link or using the investor relations contacts which you can find below in this newsletter. Additionally this year, a webinar for investors will be organized in autumn.

Strong **financial** standing



Results from 2017 reflect a strong financial standing for European Lingerie Group. In 2018 we see a stable market for both of the Group companies - Lauma and Felina. ELG has a clear strategy to grow through geographical and product portfolio expansion. We are also focusing on new distribution channels and online sales. EBITDA level will follow the overall sales trend. Another focus for ELG is working on maximizing synergies between the Group's businesses.

The 40 million EUR [bond issue](#) in February enabled ELG to obtain a more flexible capital structure, well suited for the company's existing pan-European operations as well as future growth plans. Furthermore, it is a good platform for ELG to pursue the goal of becoming the leading vertically integrated lingerie group in Europe.

ELG acquires Russian distributor **Avangard**

In January ELG acquired AO Avangard, the main distributor for [Lauma Medical](#) products in Russia. Since the start of cooperation with Avangard in 2012 the company has generated healthy profits and a stable turnover level. With this purchase we aim to secure and expand our business in Russia and CIS. [Avangard deal](#) will have a positive effect on Group's EBITDA for 2018.

Christian Stolba joins Felina as Managing Director Sales & Marketing



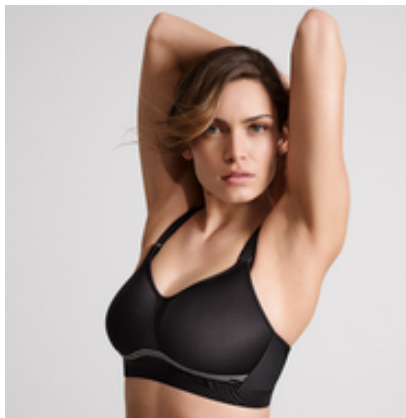
As Managing Director of Felina GmbH since February, Christian Stolba leads the international sales and marketing divisions. Christian Stolba has been working for leading brands in the lingerie industry in Europe, Asia and South Africa for many years. The creation of this new position enables Felina strengthen and expand sales and marketing at home and abroad. Christian Stolba is a member of the Felina Management Team.

Baiba Birzniece appointed Head of Strategy, M&A and Investor Relations



Baiba Birzniece, previously a member of European Lingerie Group Supervisory Board, as of April joined the Group's Management team as Head of Strategy, M&A and Investor Relations. Mrs Birzniece, who oversaw the acquisition of Felina last year, will now help to formulate and carry out the Group's long-term vertically integrated strategy, and to work on further deals that contribute to it.

Launch of new 'Move' activity line by Conturelle and comeback of Felina Swimwear



For Fall / Winter 2018 Felina is adding a new 'Move' activity line by Conturelle to its collections portfolio. Additionally, Felina is reintroducing its swimwear line for Spring/Summer collection of 2019. Product range expansion is part of the Group's strategy execution to position itself as a one-stop supplier of all relevant product segments.

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