



EUROPEAN LINGERIE
GROUP

Investor Meeting, 19 June 2018

Mannheim, Germany

Today's presenters



Peter Partma
CEO



Diana Suprunovica
CFO

- **ELG overview**
- Felina
- Lauma Fabrics
- Dessus – Dessous transaction
- Q1 2018 results
- Initiatives and plans for 2018



Embroidery by Lauma Fabrics



OUR VISION

To become the **preferred supplier of lingerie** in Europe,
be it fabrics and materials for ready garment production,
or ready garments for customers
presented in various distribution channels.

Company locations

USA

Key company locations –

sourcing, design, development

Germany (Mannheim), Latvia (Liepaja),

Production

Germany, Latvia, Hungary

Trading

Germany, Latvia, Hungary, Poland, France, Italy, USA, Spain, Portugal, Czech Republic, rep office in Moscow, Russia

Company products

**Lace, embroidery,
elastic fabrics, narrows,
private label products**

**Premium branded
lingerie under Conturelle
and Felina brands**

Portugal

Germany

France

Spain

Italy

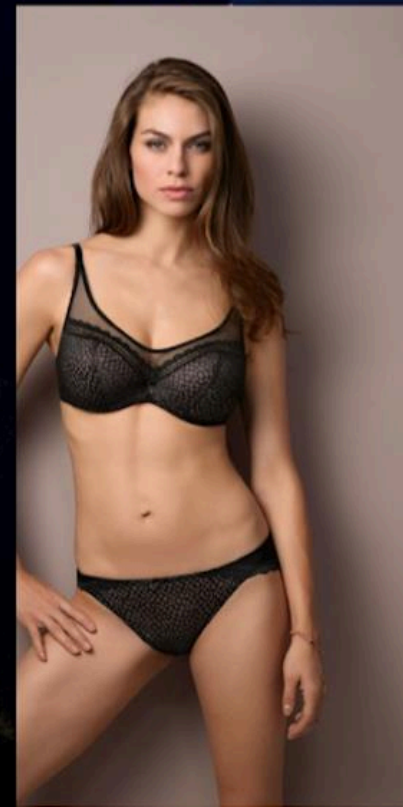
Latvia

Russia

Poland

Czech Republic

Hungary



European Lingerie Group (ELG) is a fully vertically integrated intimate apparel and lingerie group, supplying lingerie materials to all major intimate apparel brands and distributing own ready garment lingerie products through more than 5000 points of sale in 46 countries worldwide and online. ELG includes three business segments – **Lauma Fabrics, Felina International** and recently acquired online business **Dessus-Dessous**.

ELG has successfully embarked upon a growth strategy involving international M&A targets and building size, and is today a renowned and strong player in the European intimate apparel industry.

Key numbers

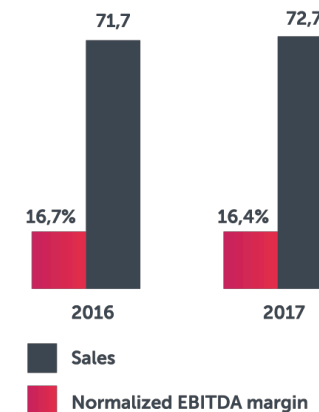
1227
Employees
worldwide*

73m
Sales 2017*

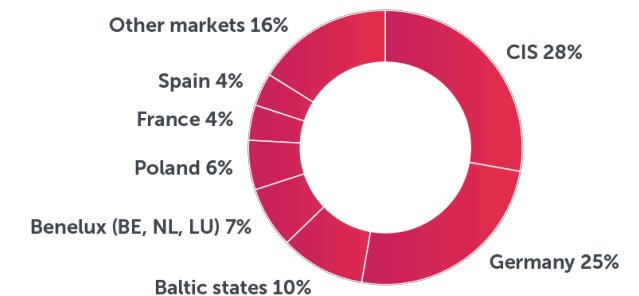
46
Countries*

5 brands
Lauma Fabrics,
Felina, Conturelle,
Lauma Medical,
Dessus-Dessous

Strong financial standing*



Main markets, sales 2017*



**Figures for ELG, without Dessus-Dessous*

Business case

Unique for lingerie industry

European Lingerie Group is one of the rare fully vertically integrated companies in the lingerie industry in Europe who produces lace and fabrics for largest lingerie brands as well as produces and distributes branded lingerie garments under Conturelle and Felina brands.

Sound business model and strong cash flow

Sound business model whereas products are based on classic, never out of stock items - both in material and ready garment segment with low fashion sensitivity, have provided for sound and stable long term performance with substantial profitability margins. The business is well invested with recent investment in its dye house and does not require substantial capital expenditure going forward.

On growth path

The company is on a stable organic growth path and would in addition look at further consolidation of fragmented lingerie industry in Europe gaining the scale, further efficiencies and increasing its market presence.

Organic growth would come from private label business expansion, geographical expansion and new distribution channels, especially online.

Highly experienced and credible management

Highly experienced Board and management with diversity of corporate and function experience.

Proven track record of successful growth management.

Manufacturing arm with blue-chip customer base

One-stop-shop manufacturer with diversified blue-chip customer base.

Supplies all major manufacturers of intimate apparel in Europe.

European design and quality for relatively low costs.

High brand awareness and customer proximity

Established brands Felina and Conturelle with high brand awareness.

Close customer proximity through department stores and other retailers.

Wide distribution network exceeding 5,000 points of sale throughout Western Europe.

Established position in Central and Eastern Europe an excellent platform for growth

ELG has a clear strategy to grow through geographical and product portfolio expansion, new distribution channels and online sales.

ELG's long track record, strong market position, brand awareness and network in Central and Eastern Europe support integration of new business segments and geographical expansion.

**ONE-
STOP-
SHOP
FOR LINGERIE**

Value creation through vertical integration

Business rationale of full vertical integration would be value creation through:

Deep integration of the supply chain (from fabrics to retail)

Efficient supply chain management

Short time to market and secured access to market for all types of products (classic, flash, seasonal)

Quick reaction to market demands

State of the art inventory management across the whole supply chain

High asset/capital turnover

Reduction of risk through controlling key elements of the industry value chain.

Diversification of the group sales and markets.

ELG has a track record of successfully expanding into new geographies through acquisitions. Acquired companies Elastic (fine fabrics, Lauma's competitor) and Felina, (Lauma's client), facilitating the geographical expansion and vertical integration further.

Raw material (yarns) > Fashion trends > Fabric design > Fabric production > Product design > Lingerie production > Branding / marketing > Wholesale > Retail

Lauma Fabrics
Felina



Management Board

Peter Partma (SE)

Group CEO

Extensive career within both retail and real estate in Russia. Served as Chairman and CEO of Tsum Department stores in Russia.

Diāna Suprunovica (LV)

Group CFO

Worked as the Head of Accounting department with SPI Cyprus. Was group financial controller at SPI Group SA, managed 41 multi-industry subsidiaries in 13 countries. Started as auditor in KPMG.

Baiba Birzniece

(LV)

Head of M&A, Strategy and IR

Previously senior advisor at Alta Capital Partners, CFO of Silvano Fashion Group (public) and CFO of Selena Oil & Gas Holding (public). Started as auditor and financial advisor in KPMG and Business development manager at Lattelecom.

Board of Directors

Indrek Rahumaa (EE)

Chairman

Founder of several companies. Founding member of Tallinn Stock Exchange. Investor in the Group.

Peter Partma (SE)

Member

Extensive career within both retail and real estate in Russia. Served as Chairman and CEO of Tsum Department stores in Russia.

Dmitry Ditchkovsky (BY)

Member

Was board member of Silvano Fashion Group during its formation and reverse takeover and long time General Director SP ZAO Milavitsa.

Fredrik Synnerstad (SE)

Member

Years of extensive experience in finance as a business analyst, management consultant and as CEO. Served with McKinsey for several years before founding a number of companies in finance, including Actagon AB and Citedel AB.

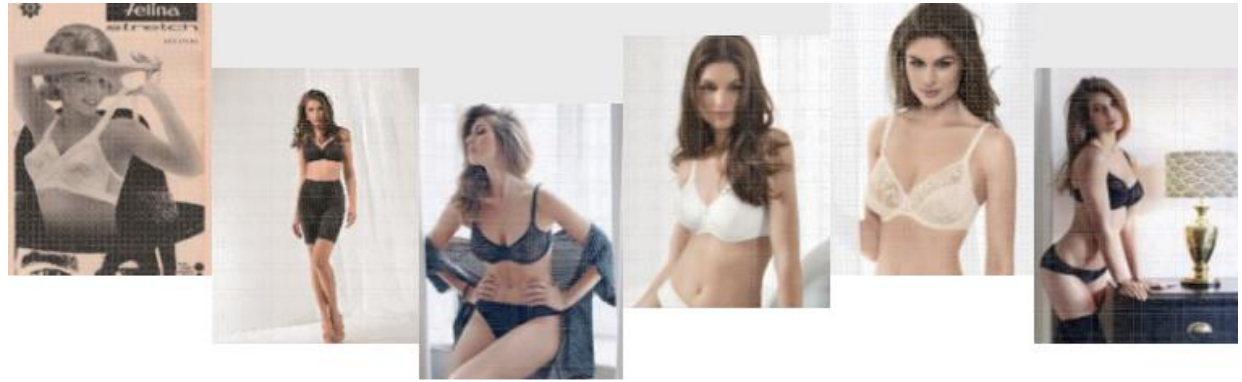
Management

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Felina

premium quality
lingerie since 1885



100+ years of heritage as premium lingerie firm...

1885: Foundation of Felina in Mannheim

1960's: Launch of first bra with elastic straps

1987: Launch of Felina's
best-selling product line Weftloc

2005: Introduction of the Conturelle
brand in modern and seductive designs

2006: Launch of Conturelle
popular product line Provence

...recently sustainably revitalized and streamlined...

Revitalization of Felina and Conturelle lines

Discontinuation of unsuccessful brand

Introduction of design-to-cost development
process

Introduction of new core management

Modernization of brand image
and marketing materials

...to fully exploit attractive opportunities

Preferred premium-quality lingerie brand

Expansion of target groups of both brands

Acquisition of new key accounts
in selected countries

Widening of product portfolio
with swimwear and sports

New market entries with focus in Europe

Felina

brands, products and
customer proposition



Felina

“I feel comfortable”

active woman - she is open for everything -
cosmopolitan, she has already found her personal
style - best age, she has high quality demands

CONTURELLE
— Felina —

“I look attractive”

living an active, modern and
elegant lifestyle she knows how to
combine job and family quality and
sustainability are important



Two brands with a common foundation: Relentless quality, superior fit and wearing comfort

Felina sales and distribution

Felina has long-standing international customer relationship and a well-developed lingerie distribution network covering most of the European countries and serving over 5,000 wholesale customers worldwide. Wholesale business is mainly in the CIS region.

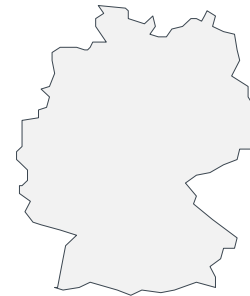
Felina realizes approximately 75% of sales through specialized shops, fashion boutiques and department stores.

Felina mainly sells lingerie to the European market, which is the world's largest women's lingerie market. Germany, is the core market for Felina.

Felina has a strong international presence, generating 60% of sales outside Germany (23% Western Europe, 12% Southern Europe, 8% Eastern Europe, 5% Northern America and Asia.

Core markets

Germany



Western Europe



Russia

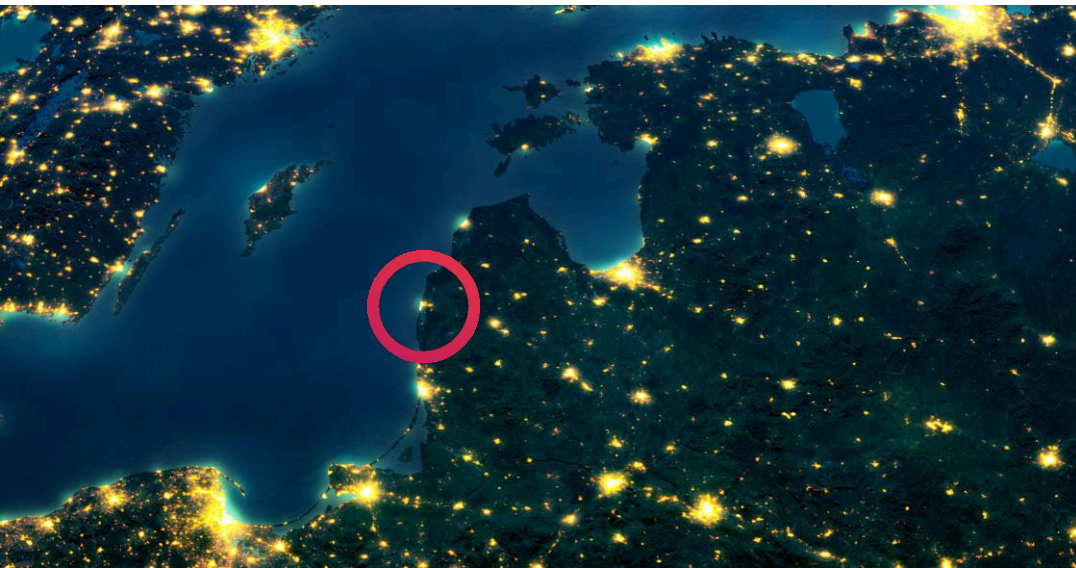


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Embroidery by Lauma Fabrics

Introduction to Lauma Fabrics



Lauma Fabrics is located in Latvia, European Union, and was established 45 years ago to supply components for the intimate apparel garment production.

Currently the company supplies all major manufacturers of intimate apparel throughout Europe.

In September 2013 Lauma Fabrics acquired a business in Germany, which manufactures elastic fabrics with an objective to enter the Western European market.

Lauma Fabrics produces and sells laces, fabrics, narrows and embroideries (89% of current turnover), medical products (8%) and molded cups and supply chain management services where ready garment production services are offered on an outsourced basis (3%).

The building of the main production site in Liepaja ranks as the 8th largest factory in the World in 2016 (100k sqm), after Volkswagen, Hyundai, Tesla, Boeing, Belvidere, Mitsubishi and Jean-Luc Lagardère Plant.

Historically Lauma Fabrics specializes on the production of materials used for classical lingerie models for a big cup size and exclusively with synthetic yarns (Poliamide and Elastane).

Strengths of the business of Lauma Fabrics

Lauma Fabrics historical success has been built on 'one-stop-shop' strategy whereas a full set of materials for ladies underwear (warp knitted fabrics, laces, narrows, embroideries, moulded cups) is offer to the customer.

Lauma Fabrics balances European design and quality for a relatively low costs in comparison with old European producers.

Financially sound and strong cash flow generative business.

Balanced geographical sales to CIS / Russia and Central and Western Europe with market leaders as the kev customers.

Lauma Fabrics has a full production process under one roof (warping, knitting, dyeing and finishing), very rare for a European producer.

The company made investment of EUR 6.3 million in 2014-2015 in dye-house modernization, which enables beam dyeing, jet dyeing; includes water scouring machine and stenters.

Convenient location for European production and historically Loyal employee base.



Sales of Lauma Fabrics

Lauma Fabrics Blue-chip customer base:



Lauma Fabrics currently produces a wide range of lace plus a variety of basic broad elastic fabrics. The majority of its production is used in intimate apparel garments, with principal markets being the CIS countries and Russia. Sales to Western European countries are also growing steadily.

Lauma Fabrics recent target was to develop new customers and new markets in Western Europe. Acquisition of Elastic business in Germany has facilitated this objective. After the acquisition Elastic has been restructured and has opened access of whole group to Western Europe clients.

The Company carries a standard range of fabrics covering all product types. These are presented to customers either at trade fairs, customer conventions or directly at the customers' premises.

We see a good opportunity for future growth from private label ready garment sourcing for Western customers.

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Dessus
Dessous
LINGERIE

Customer : +33 (0)4 67 71 58 60

EN | EUR

Connect

My Cart

Dessus
Dessous

L I N G E R I E
FRENCH LUXURY LINGERIE SHOP

New! Look for brand, product, size

BRANDS | LINGERIE | NEW | MEN | DISCOUNT

Plus Size Lingerie | The Invisibles

NEW! Free delivery in Europe relay points. > More information

-40%

Aubade

All our
Good Deals of
your
lingerie brands

LISE CHARMEL
PRIMA DONNA

SP
SIMONE PÉRÈLE
PARIS

Chantal Thomass
PARIS

> Shop now

Recently Viewed Products

My wishlist



CONTURELLE
felina

PERFECT FEELING PURE

Invisible lingerie

> SEE ALL THE INVISIBLES

Acquisition of



www.dessus-dessous.com

On 14 June 2018 ELG completed the acquisition of Dessus-Dessous, the largest online retailer of lingerie and swimwear in France.

The acquisition marks ELG's expansion to online retail segment of the lingerie market, and reinforces the Group's strategic commitment to building a truly vertically integrated business.

Sales of consumer goods are increasingly moving online, also in modern lingerie business. The acquisition of Dessus-Dessous is the response of ELG towards the persistent market trends.

There is great potential in Dessus-Dessous's business model on its own – it is a successful, profitable and sustainable business.

As an added value, it is a unique window on consumer trends and preferences, which in turn will help to create greater efficiencies in the Group.

ELG believes the acquisition of Dessus-Dessous is of great long-term strategic value to the Group.

Dessus-Dessous, headquartered in Lunel, France, is the French leader in online sales of lingerie. The Company specializes in online sales of luxury lingerie brands including Lise Charmel, Van De Velde, Simone Pérèle, Felina, Conturelle and others.

Dessus-Dessous has been leading the French online lingerie market since 2000, and enjoys extraordinary rates of customer satisfaction and loyalty, thanks to superb customer service, reliable delivery and a constantly up-to-date selection of over 150 thousand articles from over 50 brands.

Key numbers

7.3m

Sales 2017

0.9m

EBITDA 2017

Nr 1

in French online lingerie market

31

Employees

50+ brands

Represented on
website

150 thousand

Articles in selection

214 thousand

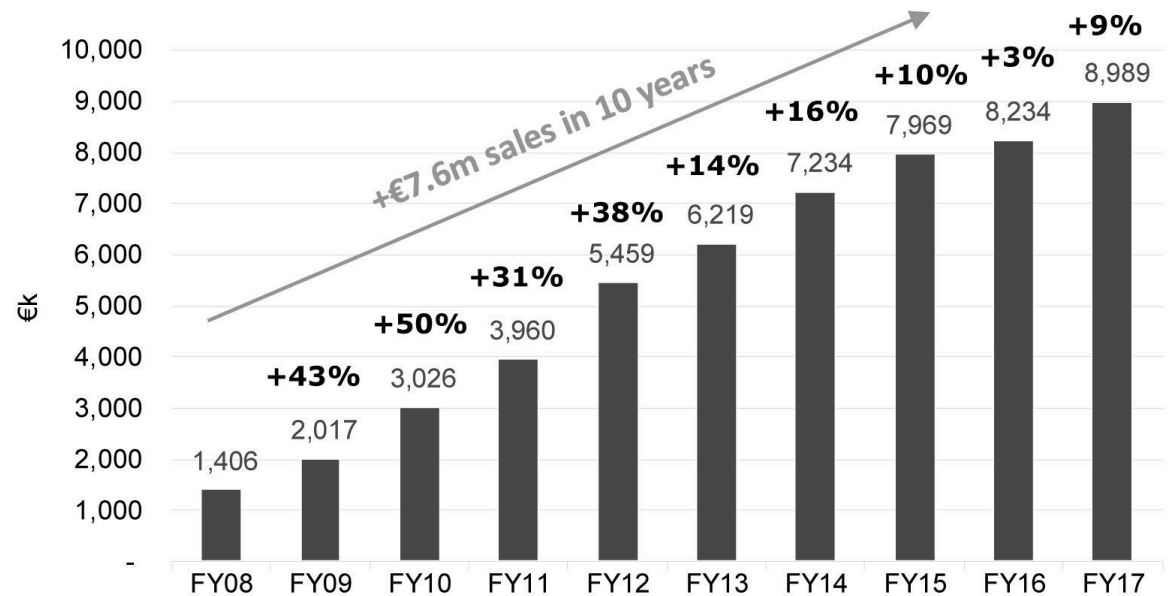
Customers in database

Sales

Dessus-Dessous mainly generates its revenue from online sales. A physical store, located in Lunel, supplements the sales and enhances the company's visibility.

Dessus-Dessous' main strengths rely on its ability to offer a wide range of products from the high-quality lingerie brands that include worldwide leaders in sophisticated upscale lingerie, like Lise Charmel, Aubade, Chantelle, Chantal Thomass, Conturelle, Felina, Primadonna and other.

Sales amounted to EUR 7.3 million in 2017 and are mainly generated in France (70%) and to a lesser extent in 134 countries worldwide, including UK, Belgium, Netherlands, USA, Germany, Switzerland and other.



Note: Sales income development including VAT

Key financials and Transaction

Annual sales for 2017 of Dessus-Dessous amounted to EUR 7.3 million, representing 8.7% growth as compared to 2016. The company is generating a stable profits, with EBITDA amounting to EUR 0.9 million in 2017, representing 12.6% EBITDA margin.

An overall sales increase recently has been mainly driven by the development of export sales, the expansion of the implementation of the cross-referencing of inventory data with key suppliers. The company also increased its online visibility spending related to Google AdWords and business intelligence on clients, to increase its volumes in the context of an increasing competition and abroad.

The most substantial working capital items for the company is trade inventory; however, the company has been efficient in keeping steady levels while sales have been growing. The reason behind efficient working capital management is ability to cross-reference the website product proposal with key supplier data bases.

The purchase price includes a deferred payment component of up 20% conditional to the company's performance in 2017. The parties have agreed not disclose the total purchase price. The company was acquired debt free. The transaction was financed from proceeds from the bonds issue of ELG, completed in February 2018.

Ms Stessels, the founder, has agreed to stay with the company in transition period until end of November 2018.

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Move by Conturelle

Highlights

Q1 2018

Establishment of European Lingerie Group AB

European Lingerie Group AB was established on 23 November 2017. The Company did not have any operations in 2017.

In January 2018 the Company was acquired by Myrtyle Ventures Ltd, ultimate shareholder of the Group, and in February 2018 it became the **Parent company** of European Lingerie Group.

The ultimate beneficial owners of the Group remained unchanged after the modification of its legal structure.

Secured bond issue and Group refinancing

On 22 February 2018 the Parent company **issued new bonds** in Sweden in the amount of **EUR 40 million**.

The issued bonds are senior secured bonds with a maturity of 3 years. The bonds are planned to be listed on a regulated market within 12 months from the date of issue.

Major part of the proceeds was used for repaying the long-term borrowings of the Group as well as for redeeming convertible bonds issued by AS European Lingerie Group.

Further developments of the Group

In 2018, the Group added two new product lines to lingerie ready garment collections portfolio: new **Move activity collection by Conturelle** for which sales will start in October 2018 and a **swimwear collection by Felina** for which sales will commence in Q1 2019.

The new products are complementary to the current lingerie products and will contribute to the Group's revenue.

Key Findings

Q1 2018

EUR 17.2m

Sales Q1 2018

EUR 2.0m

**Normalized EBITDA
Q1 2018**

Overall, the results for the first quarter of 2018 are rather disappointing. **This is not a trend**, its mainly a first quarter issue.

The main reason for a slow start of the year is **the overall trading climate in Europe, which has been very poor**. All of the fashion suffered from this in the first quarter.

In first quarter ELG customers were suffering from **very low sales in retail**, also, two largest customers in Russia **postponed** some **large orders** from the first quarter to the second half of 2018 and this affected the overall performance of the Group.

As part of the costs are fixed, **decline in revenue caused a drop of profitability margins**. Similarly to EBITDA, lower net profitability was due to sales decrease. In addition, there was an increase in finance costs in Q1 2018 as compared to Q1 2017 related to incremental costs on borrowings raised for the acquisition of Felina Group and for additional capital needed for future growth and investments that were not present in Q1 2017.

ELG plans to **recover the volume** in the following quarters and gross margin for the reporting year should stay relatively stable.

The work that was started to introduce innovations and **new products** by ELG has already received good feedback from the market. This will contribute to the Group's revenue, although in sales results it will not be seen before Q1 2019.

Financial Highlights

Q1 2018

The Group's sales amounted to € 17.2 million in Q1 2018, representing a 9% decrease as compared to pro forma sales of Q1 2017. Decline in revenue in Q1 2018 was mainly faced in Russia.

Normalised EBITDA in Q1 2018 amounted to € 2.0 million and decreased by 33.6% compared to pro forma normalised EBITDA in Q1 2017. Normalised EBITDA margin in Q1 2018 and Q1 2017 was 11.8% and 16.2% respectively.

Normalised net profit in Q1 2018 amounted to € 52 thousand compared to pro forma normalised net profit of € 2.15 million in Q1 2017. Normalised net profit margin in Q1 2018 and Q1 2017 was 0.3% and 11.4% respectively.

<i>In thousands of EUR</i>	Q1 2018 (Actual)	Q1 2017 (Pro forma)	Change
Revenue	17,213	18,915	-9.0%
Normalised operating profit	1,270	2,377	-46.6%
Normalised EBITDA	2,029	3,056	-33.6%
Normalised net profit	52	2,150	-97.6%
Operating cash flow for the period	(1,542)	(1,399)	10.2%

Marginal analysis, %	Q1 2018 (Actual)	Q1 2017 (Pro forma)	Change
Normalised operating profit margin	7.4%	12.6%	-5.2%
Normalised EBITDA margin	11.8%	16.2%	-4.4%
Normalised net profit margin	0.3%	11.4%	-11.1%

Financial ratios	31.03.2018 (Actual)	31.03.2017 (Pro forma)	31.12.2017 (Actual)
Adjusted ROA (return on assets)	0.1%	3.9%	8.3%
Adjusted current ratio	2.9	2.5	2.1
Adjusted quick ratio	1.8	1.5	1.2
12 months rolling normalised EBITDA	10,968	not available	11,955
Net debt/EBITDA	2.9	not available	2.7

Sales Q1 2018

The largest growth in sales in Q1 2018 was in Poland and Spain, where the sales increased by 12.0% and 5.4% respectively. In Poland sales increase was achieved in the segment of textile materials and in Spain, in the segment of lingerie products. Sales in France and Germany stayed almost flat in Q1 2018, due to steady economic conditions.

Sales in Russia, Belarus and Baltic countries dropped by 40.5%, 13.1% and 12.1% respectively in Q1 2018, mainly due to unfavorable RUR/EUR exchange rate, postponement of some large orders by two largest distributors and a weak overall trading climate in Europe.

Sales by markets

<i>In thousands of EUR</i>	Q1 2018 (Actual)	Q1 2017 (Pro forma)	Change, %	Q1 2018, % of sales	Q1 2017, % of sales
Germany	4,378	4,411	-0.7%	25.4%	23.3%
Baltic countries ¹⁴	2,288	2,602	-12.1%	13.3%	13.8%
Benelux countries ¹⁵	1,438	1,500	-4.1%	8.4%	7.9%
Russia	1,380	2,318	-40.5%	8.0%	12.3%
Belarus	1,287	1,481	-13.1%	7.5%	7.8%
Poland	1,199	1,071	12.0%	7.0%	5.7%
Spain	1,035	982	5.4%	6.0%	5.2%
France	815	815	0.0%	4.7%	4.3%
Ukraine	448	452	-0.9%	2.6%	2.4%
Other markets	2,945	3,283	-10.3%	17.1%	17.3%
Total	17,213	18,915	-9.0%	100.0%	100.0%

Sales by business segments

<i>In thousands of EUR</i>	Q1 2018 (Actual)	Q1 2017 (Pro forma)	Change, %	Q1 2018, % of sales	Q1 2017, % of sales
Textiles	8,074	8,706	-7.3%	45.0%	45.0%
Lingerie	9,459	10,405	-9.1%	55.0%	55.0%
Inter-company eliminations	(320)	(196)			
Total	17,213	18,915	-9.0%	100.0%	100.0%

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Model movements in Conturelle Fashion Series On-line

Initiatives and plans for 2018

The management have worked out a number of new initiatives to respond faster to changes in market to capture the competitive positioning of the Group.

Speed to market - as an integrated group we have the possibilities to react to market trends much faster so we are looking to reduce our lead time for ready garments in the coming 24 months.

SCM development – We are working in added value proposition in Lauma Fabrics, whereby in addition to fabrics supply we would also increasingly sale ready garments under private label terms. The initiative is well perceived by Western customers.

Product portfolio upgrade of Lauma Fabrics - We are strengthening our product offer from Lauma Fabrics with some outstanding innovations that will come to the market early next year.

Product portfolio expansion of Felina - We just launched both a swim and a sport collection by Felina that will have a positive effect on next years sales.

Synergies between Lauma Fabrics and Felina - We continue to bring synergies into the group structure of cost reduction, shorter lead times and productivity increases.

The team - We will also continue to build and strengthen our team, we have already seen positive effects of this by now and there is more to come.

New acquisition - We are also very excited of the possibilities given by our latest addition to the group, Dessus-Dessous. We see this as a great opportunity to become a fully integrated lingerie group.



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EUROPEAN LINGERIE
GROUP

www.elg-corporate.com

Move by Conturelle