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Ontex Group NV
Attn: Board of Directors
Korte Keppestraat 21
9320 Erembodegem (Aalst), Belgium

Paris, 22nd July, 2020,

Dear Mr. Chairman and Members of the Board of Directors,

Funds managed by CIAM collectively hold a total of 3,005,559 shares representing an equity stake of 3.65% in Ontex Group NV ("Ontex", the "Company").

As the Board is aware from our prior correspondence, we are concerned about Ontex's ongoing financial underperformance, lack of strategic direction, and the composition of its Board of Directors.

With the appointment of the new Chairman at the Company's Annual General Meeting in May, we were hopeful that the Board would renew its commitment to shareholders by taking action to improve both governance and financial performance. Unfortunately, there has been little to suggest that Ontex is serious about regaining investor confidence and generating value. In support, we note the following:

- Ontex shares have significantly underperformed over almost any time period (absolute, relative to peers and relative to index)
    - Share price is close to an all-time low (around 12 EUR) and down 35% YTD
        - This is a 22% underperformance versus the BEL20
        - And a 33% underperformance versus key European peer Essity
    - Stock is down 13% since Hans van Bylen was elected as Chairman on 25 May 2020
        - This is a 26% underperformance versus the BEL20 (the BEL20 is up by 13% during the same period)
- Valuation gap versus peers reached new all-time highs
    - Ontex trades in deep value territory on an EV/EBITDA 2020e multiple of <8x
    - This represents a >5x discount to the peers Group (Procter&Gamble, Kimberly Clark and Essity trade on c.13x on average)

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Analysts have given voice to investor frustrations over poor execution as well as thin disclosures about the Company's plan to reverse the damage done by such operational missteps:

- Barclays (29 June): *"Ontex's depressed valuation, in our view, (…)* ***reflects investor frustration around repeated operational mis-steps.****"*
- Kepler (6 May): "*Disappointingly,* ***Ontex also postpones an update on the execution of the T2G plan and improvement targets.*** *While COVID-19 creates short-term turbulence, the progress on the implementation of T2G is a key long-term earnings driver on which* ***there is little transparency for shareholders.***"

Despite management promising in March an update about the progress of the restructuring plan in May, shareholders are still being left without any tangible value creation plan.

These are points that were also raised by other Ontex shareholders, notably by ENA Investment Capital in the letter it published on 28 February. ENA raised valid concerns and made reasonable requests regarding improved transparency around key financial metrics and strategic planning.

As several brokers expect Q2 2020 to be challenging from a revenue perspective, we are concerned that management will hide behind exogenous factors such as a favourable raw material pricing environment to overplay profitability and EBITDA growth while ignoring the fact that business fundamentals remain poor. It would be particularly refreshing if management would be transparent about key revenue and earnings drivers so that investors can better understand the true state of the business.

Management needs to step up on the 30 July H1 2020 results presentation and detail a clear path to near- and long-term value creation. If management cannot do so, the Board must hold them accountable and take action. Our fear is that the Board as currently constituted lacks the requisite experience to give management direction and provide strong oversight. As such, as we have previously communicated to you, we would support adding experienced Non-Executive Directors who can help the Board do so.

By publishing this letter publicly, we encourage other shareholders to communicate their opinion clearly to the Board and the Management team.

Yours sincerely,

CIAM