

2018 GROWTH & DEVELOPMENT

Lorena Canals

2018: A year of growth and development

- Inauguration of new offices in Barcelona, new "Cotton Lab" showroom, new warehouse in India and new website.
- Increase of 15% in sales in comparison to 2017.
- Team increase of 22 employees

January 2019- Washable rug company Lorena Canals opens new offices in Barcelona, creates its "Cotton Lab" showroom, opens a new warehouse in India, launches a new website, expands its workforce by 22 and increases its sales by 15 %.



Sales: With an increase of 15% in sales over the same period as 2017, Lorena Canals predicts that with the new B2C and B2B platform and the investments planned for 2019, the growth rate for next year will be around 27% (88% in the USA). These results confirm the consolidation of their kids' sector and the brand potential in the home sector.

After forging markets in the United States, United Kingdom, Italy, United Arab Emirates, Australia and Brazil, in 2018 Lorena Canals has entered the markets in South Korea, Saudi Arabia and Iceland, thus expanding its international distribution to 60 countries. This growth has led to the expansion of its workforce with 22 new employees: 10 additions at its Barcelona headquarters and 12 in its team in India, bringing the total to 56 employees.

Lorena Canals participated in the most renowned international home decor trade shows, such as Maison et Objet Paris, NY Now, Kind + Jugend Köln, as well

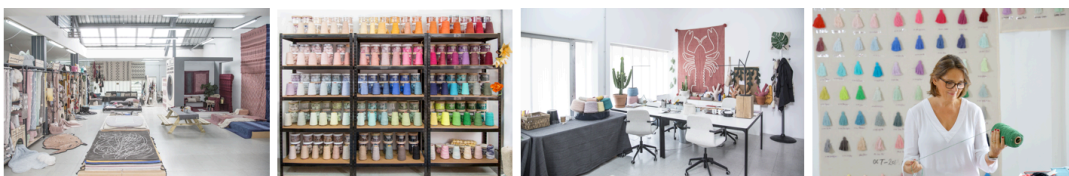
as trade shows attended by distributors in their respective territories. The constant innovation of the company, its international expansion and its recent launch in large American chains, such as Pottery Barn, position it as a world leader in the children's rugs market, and since 2016, in the home sector too.

New warehouse in India: Last October, Lorena Canals opened a new 2000m² warehouse in Haryana (India), continuing her relationship with the city after years of handcrafting her products there and starting her social enterprise.



The company uses a total of 24 warehouses. They own 3 of them, located in New Jersey (USA), Barcelona (Spain) and New Delhi (India), whose objective is to cover the "just in time" deliveries of the worldwide orders. The remaining 21 are used in collaboration with distributors in Brazil, Switzerland, Peru, Poland, Scandinavia, Holland, Mexico, Greece, South Africa, China, South Korea, Colombia and Australia.

New offices and showroom in Barcelona. Last September saw the inauguration of the "Cotton Lab" showroom; its first professional showroom with 500m² of exhibition space where the designer works with her design team. In December 2018 the firm opened new offices in Barcelona, spanning 2000m², adjacent to its "Cotton Lab" showroom.



New website: Lorena Canals has been investing in its digital expansion for some time. 2018 was the year which it took a giant leap forward to boost effectiveness and productivity, in order to take on the growth and great challenges for the future of the company. This last phase includes the development of a new ERP information system and technological improvements, such as the launch of a new B2B and B2C web platform for 2019, as well as the integration of the warehouses in the US, India and Spain. To carry out this challenge, an internal Digital team has been created whose goal is to lead this transformation and ensure the optimal application of the technology and thus improve the value for the client and facilitate the discovery of new opportunities for the future.

Sakûla Project: For the designer, education is the key to opportunity and is therefore essential to breaking the cycle of poverty. That is why 0.50 € of each unit sold is donated to the **Sakûla Project**, a project that encompasses several

actions aimed at providing education and school supplies to children without resources. The project includes multiple actions: the management and maintenance of the nursery in Haryana (India), creation of new nurseries, collaboration with the Baba Jodh Sachiya Public School (India) to provide uniforms, school supplies, teacher training, etc. In addition, the *Mix Collection* bears the names of some of the school children in dedication.

New collaborations: Lorena Canals is internationally recognized for its handmade, natural and eco-friendly products, all certified as the highest quality. The company wanted to take a step further in 2018, and so presented 2 collections with world renowned external collaborators: Oh Joy! and Mr. Wonderful. In 2019 several more collaborations, such as the French children's decoration firm Le Petit Souk are in the works.

In January 2019, Lorena Canals presented three new collections at Maison & Objet Paris: English Gardens, Tribute to Cotton and Lobster, inspired by 3 elements that the designer has always loved and sought beauty in - cotton, the sea and floral designs.



Lorena Canals is dedicated to allocating all its resources to ensure its production & designs are of optimal standard, producing the highest quality products it is renowned for: artisanal manufacture, natural cotton, child safety regulations, use of non-toxic dyes or contaminants, certified ISO and AITEX, and exhaustive quality controls are the first priority for this company.

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The logo for Lorena Canals, featuring the brand name in a stylized, handwritten script font, with the words "Lorena Canals" in a smaller, sans-serif font underneath.