



Unaudited Consolidated Results

iCotton Group
Management report 2024

Disclaimer

While every effort has been made to ensure the accuracy of the information provided herein and that the opinions expressed are fair and reasonable, no guarantee or warranty, whether express or implied, is given regarding the fairness, accuracy, completeness, or correctness of the information or opinions contained herein. Neither SIA "iCotton" nor any of its advisors or representatives shall be held responsible or liable (whether due to negligence or otherwise) for any losses incurred from the use of this document or its contents, or in connection with it. The information presented here may undergo updates, revisions, verifications, and amendments, and such changes could be significant.

This presentation is based on economic, regulatory, market, and other conditions as of the date stated herein. It should be noted that subsequent developments may impact the information presented, and neither SIA "iCotton" nor its advisors are obligated to update, revise, or confirm the information. Distribution of this presentation may be restricted by law in certain jurisdictions, and recipients are responsible for understanding and complying with any such restrictions.

The following information includes or may be interpreted as containing forward-looking statements concerning future events or financial performance, such as strategic plans, potential growth, operational changes, anticipated capital expenditures, future cash resources and needs, liquidity, and cost savings. These statements involve risks, uncertainties, and other factors that could cause actual results, levels of activity, performance, or achievements of SIA "iCotton" to differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements may be identified by terms such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential," "continue," or similar terminology. Such statements are inherently subject to risks and uncertainties as they relate to future events and circumstances. The actual results may differ materially from those anticipated in the forward-looking statements. All forward-looking statements made in this presentation are based on information available to management at present, and SIA "iCotton" assumes no obligation to update them.

Harper Hygienics & iCotton

Locations



The largest producer and seller of wet wipes, cotton buds and pads in Central and Eastern Europe.



Cutting edge manufacturing facilities in Poland and Latvia.



Proven partner in business across Europe, Middle East, Asia and Africa.

iCotton
Liepāja, Latvia

Harper Hygienics
Mińsk Mazowiecki, Poland



Business Overview

Founded in 2011 in Liepāja, Latvia, iCotton is a leading Baltic producer of cotton and hygiene products. The iCotton group also includes the Polish company Harper Hygienics. The group makes cotton buds, pads, wet wipes, feminine hygiene products. Its key brands – Cleanic, Kindii, and Presto – have been well known in Poland for years.

With production facilities in Liepāja (9,000 m², 11 lines) and Warsaw (13,200 m², 44 lines), iCotton group's 2024 turnover exceeded 62 million EUR, with 45% from local markets and 55% from the EU and other exports.



- Natural non-woven fabrics
- Feminine hygiene products
- Cotton spunlace
- Cotton pads
- Dry wipes

CLEANETTE



Hempres
hygienics

VĚSMA

Lure!



13 years on the market



- Non-woven fabric Arvell
- Cotton buds
- Cotton pads
- Wet wipes
- Underpads
- Canisters

CLEANIC

Kindii

Presto
clean and go



SweetSense



35 years on the market



Highlights of 2024



The iCotton group reported **revenue** of EUR 62.44 million as per 12M 2024 with 9% decrease from EUR 68.82 million as per 12M 2023.



According to the unaudited financial statement, the iCotton group's **gross profit** reached EUR 18.69 million as per 12M 2024 compared to EUR 19.37 million as per 12M 2023, with the **gross margin** rising from 28.1% to 29.9% (+1.8 p.p.). This improvement reflects the company's effective strategies in optimizing production processes and controlling costs.



The Group has successfully expanded its range of **feminine hygiene products** produced in Liepāja, Latvia, introducing 3 new product lines with 6 items to cater to all customer needs. Special edition lines of **cotton pads** and **buds** were launched. Marketing activities were enhanced across all target markets.



The Group continuously optimizes its **production processes** and **technologies**, enabling it to remain a market leader in the region and present customers with the latest innovations and solutions.



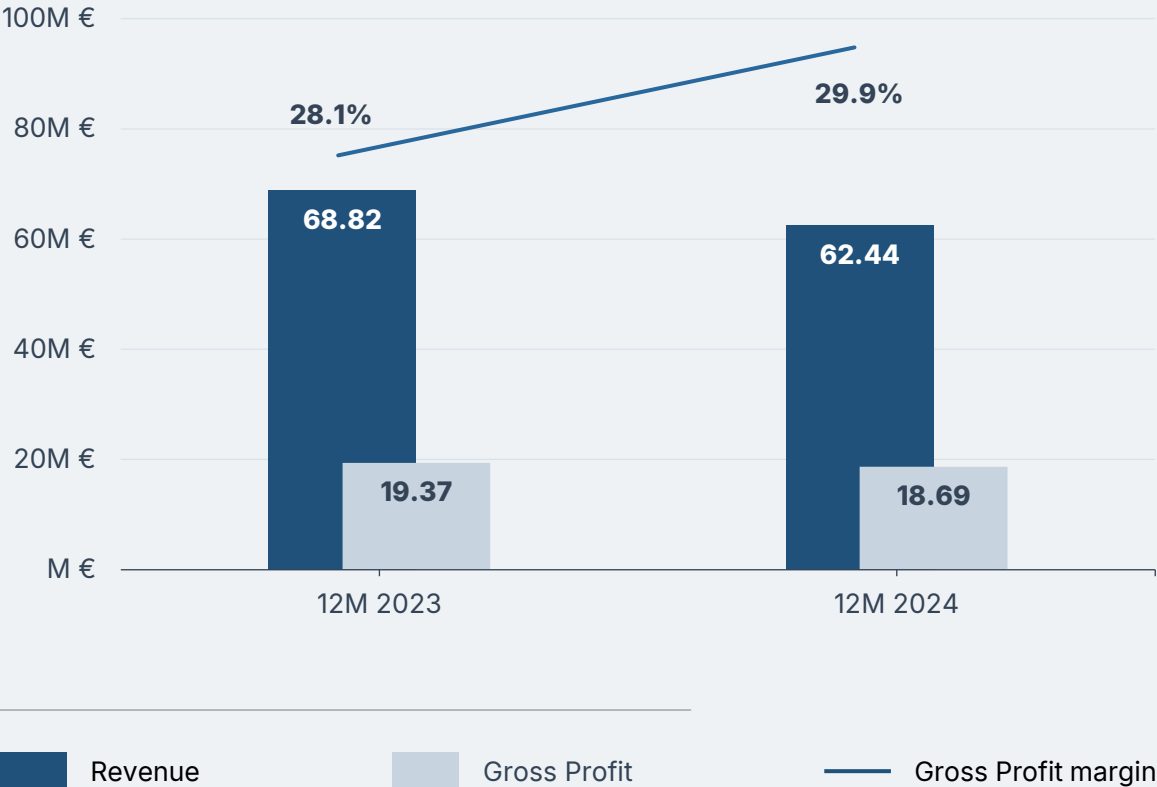
The focus on **expanding export markets** will serve as the foundation for success in the upcoming reporting periods. The Group is the undisputed **regional leader** in the domestic markets of the Baltics and Poland. It is actively working on **expanding distribution** in the EU, Mediterranean countries, the Gulf region, as well as countries such as Vietnam, Republic of Korea, and others.

Key Financials

Revenue

The Group continues to **lead its core markets** in the Baltics and Poland, establishing itself as a **frontrunner in innovation**, sustainable technologies, and responsible manufacturing. While inflationary pressures have caused a slight decline in global revenues across all markets where the Group operates, it is effectively refining its product portfolio. This enables the Group to provide high-quality products while maintaining a **strong presence** in the mid-range and premium segments.

In 2024, the Group extended its export network to 58 countries and remains focused on entering **new markets**. To further strengthen its market standing, it has introduced **new product categories** and expanded production lines, fostering continuous innovation. Moving forward, the Group aims to achieve sustainable revenue growth and enhance financial performance in the coming quarters.

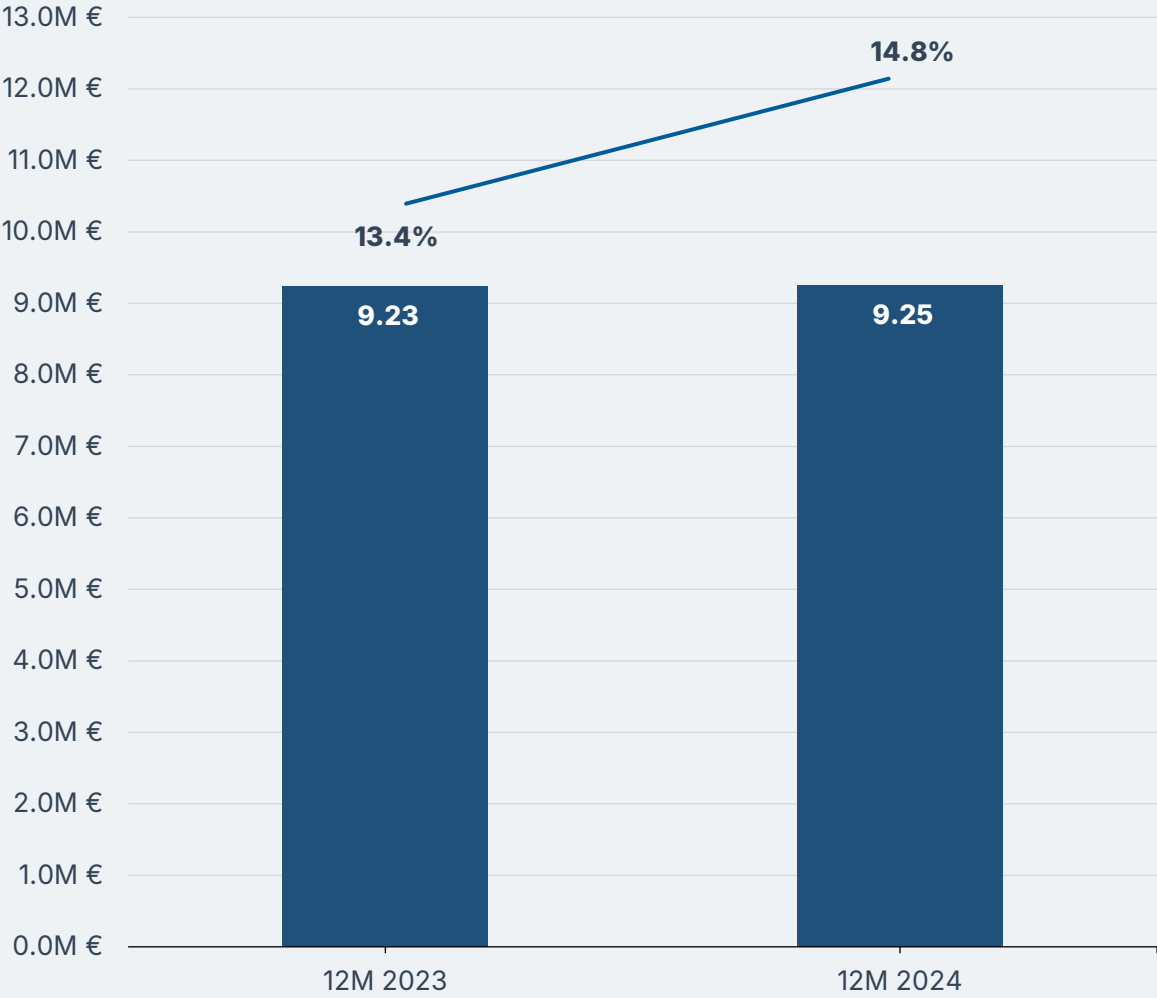


Key Financials

EBITDA

Revenue for 12M 2024 reached EUR 62.4 m (-9.3%), **EBITDA** - EUR 9.2m (flat).

The rise in **EBITDA margin** from 13.4% to 14.8% (+1.4 p.p.) demonstrates improved efficiency and cost management, supporting the company's profitability.



■ EBITDA — EBITDA margin

Covenants & Ratios

The Group maintains solid financial health, with a strong EBITDA relative to revenue and a positive working capital position, ensuring **stable short-term liquidity** and **operational efficiency**.

The Debt/EBITDA ratio of 3.05 indicates the Group is leveraging debt effectively to support **growth** while keeping **financial risk under control**.

With a DSCR of 6.59, the Group demonstrates a strong ability to meet its debt obligations, reinforcing overall **financial stability**.

An Equity ratio of 45% signifies a well-balanced capital structure, combining equity and debt to support **expansion** while **managing financial risks effectively**.

Consolidated Covenants, kEUR

Indicator	Value
NSV	62,436
EBITDA	9,247
WC	17,063
External net debt	29,870

Ratios

Indicator	Value
Equity ratio	45%
DEBT/EBITDA	x3.05
DSCR	x6.59

Production Performance 12M 2024

Main Categories



Cotton pads
57,632.8K pcs



Wet wipes
29,998.3K pcs



Feminine hygiene
26,621.1K pcs



Cotton buds
25,068.2K pcs



Underpads
8,856.2K pcs

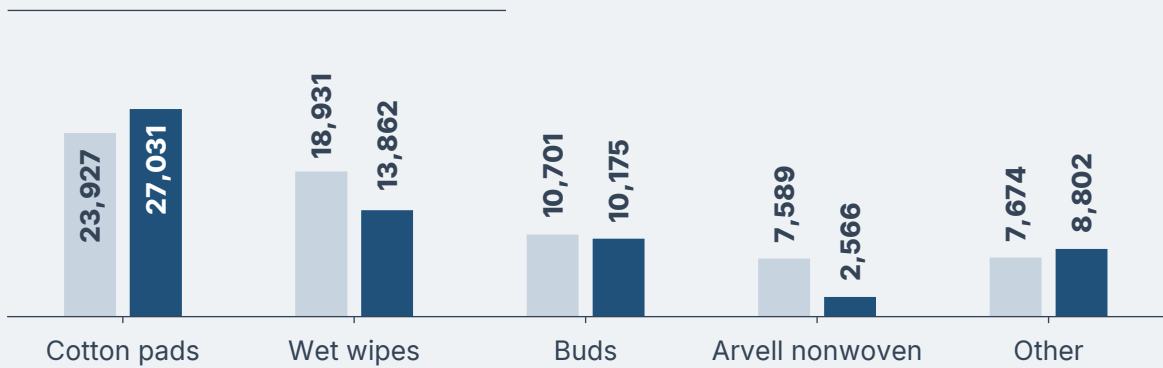


Dry wipes
7,776.1K pcs

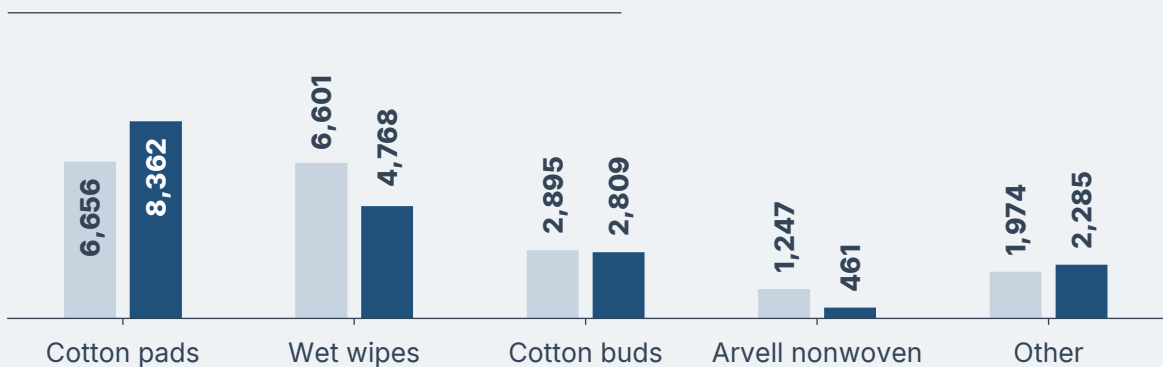
Sales by Product Groups

The gross profit distribution for 12M 2024 highlights key trends across product categories. **Cotton pads** remained the top contributor, accounting for approximately 43% of total gross profit, with a strong 25.6% year-over-year increase, reflecting stable demand and effective pricing. **Wet wipes** saw a decline, indicating market challenges. **Cotton buds** remained relatively stable, with only a slight 3% decrease. Meanwhile, the gross profit generated by **other products** grew by 15.8%, contributing to the overall **diversification** of revenue sources.

Revenue Distribution by Product Categories, kEUR



Gross Profit Distribution by Product Categories, kEUR



12M 2023
 12M 2024

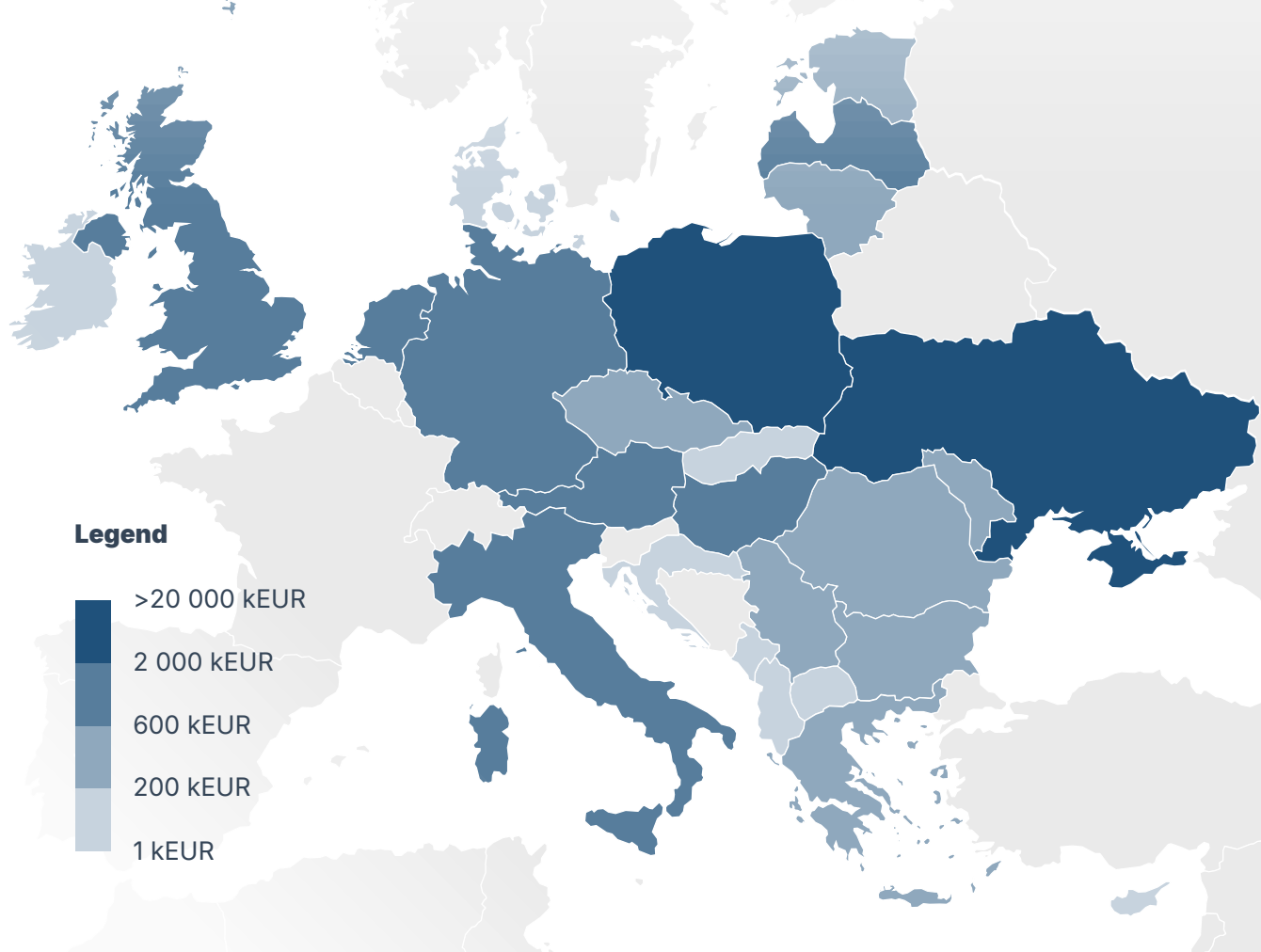
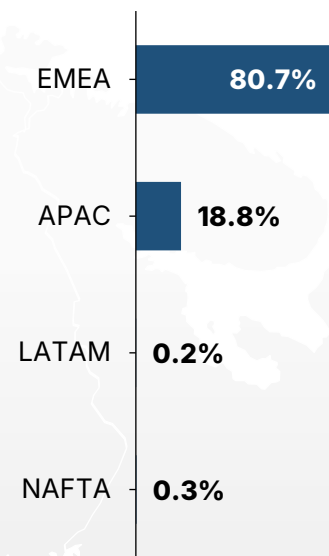
Revenue Breakdown*

*For the period of 12M 2024

Sales in Europe, Net Sales Value (NSV), kEUR

Country	NSV	Country	NSV
Poland	31,003	Serbia	588
Ukraine	4,875	Greece	537
The Netherlands	1,514	Bulgaria	532
Hungary	1,471	Moldova	361
Italy	1,372	Slovakia	248
Austria	1,360	Ireland	226
The UK	1,340	Croatia	182
Germany	1,268	Denmark	141
Latvia	1,052	Kosovo	121
Romania	775	North Macedonia	69
Lithuania	745	Montenegro	40
Czech Republic	662	Cyprus	21
Estonia	615	Albania	5

Sales by Region



Legend



Income Statement

The Group's **total revenue** decreased by 9.3%, from €68,823k in 12M 2023 to €62,436k in 12M 2024, driven by lower demand and consumption across all consumer groups, impacted by global inflation and central bank policies to combat it.

Cost of sales fell by 11.5% due to effective cost management and improved operational efficiency, with a continued focus on cost optimization to enhance profitability.

Sales expenses remained stable, indicating consistent sales activity despite lower revenue.

Administration expenses rose by 18.6%, primarily due to inflationary pressures and higher operational costs. The Group is actively managing administrative costs in response to market conditions.

Income Statement, kEUR

Indicator	12M 2023	12M 2024
Revenue	68,823	62,436
Cost of sales	(49,450)	(43,751)
Gross profit	19,373	18,685
Sales expense	(8,680)	(8,680)
Administration expense	(5,448)	(6,464)
Other operating income	2,474	5,096
Other operating costs	(1,628)	(2,230)
Financial income	763	561
Financial costs	(4,345)	(3,535)
Income before tax	2,509	3,433
Corporate income tax	(437)	(369)
Net income	2,072	3,064
Depreciation	(3,144)	(2,841)
EBITDA	9,235	9,247
KPIs		
COGS as % of Revenue	72%	70%
Gross profit margin	28%	30%
EBITDA margin	13%	15%

Balance Sheet

Between September 30, 2024, and December 31, 2024, **total assets** increased slightly by 2.1%, reflecting moderate growth in the company's asset base. **Long-term financial investments** rose by 10.0%, indicating an increase in investment activity.

The period saw a slight increase in **total liabilities** by 3.2%, suggesting efforts to manage debt levels. **Equity** remained stable, growing by 0.6%, indicating a well-maintained balance between debt and ownership interests.

Balance Sheet, kEUR

Indicator	31.12.23	31.12.24
Assets		
Intangible assets	1,372	1,421
Fixed assets	54,039	52,554
Long-term financial investments	2,955	2,174
Deferred tax assets	4,227	4,028
Inventory	9,599	10,200
Trade receivables	17,873	17,745
Other current assets	373	547
Short-term financial investments	5,183	5,183
Cash	18,117	487
Total assets	113,738	94,340
Share capital	13,333	13,333
Other capital	4,558	4,651
Undistributed profits	20,016	20,728
Profit or loss for the period	1,412	1,482
Non-controlling interest	2,623	2,737
Equity	41,942	42,932

Balance Sheet

Overall, the Group demonstrates **stable financial management** with a slight increase in total assets and long-term investments. The rise in total liabilities reflects **ongoing investments** and **strategic financial planning**. Equity remains stable, indicating effective management of debt and ownership interests. These changes suggest a solid foundation for the Group to pursue growth opportunities.

Balance Sheet, kEUR

Indicator	31.12.23	31.12.24
Liabilities		
LT Loans	12,902	10,000
LT Other loans	-	1,500
Bonds	20,000	17,088
Deferred income	3,486	4,045
LT leasing liabilities	612	315
ST Loans from banks	10,286	750
ST bonds	-	2,212
Advances received	7,327	7,666
Trade payables	8,163	5,822
Other payables	5,047	819
Other ST liabilities	513	354
ST liabilities (Leasing & Factoring)	3,461	2,506
Total liabilities	71,796	53,075

Cash flow

Cash Flow Statement, kEUR

Indicator	12M 2023	12M 2024
Cash Flow from Operating Activities		
Net profit	2,072	3,064
Depreciation	3,144	2,841
Changes in WC	1,451	(9,575)
Interest payments	4,345	3,535
Other adjustments	(3,728)	1,687
Net cash flow from operating activities	7,284	1,552
Cash Flows from Investing Activities		
CAPEX	(3,845)	(859)
Other	-	-
Net cash flow from investment activities	(4,495)	(859)
Cash Flows from Financing Activities		
Loans	17,696	(11,638)
Interest payments	(4,345)	(3,535)
Leasing and factoring	1,081	(1,252)
Other	-	-
Net cash flow from financing activities	14,432	(16,425)
Cash - carry forward	896	18,117
Net Cash Flow	17,221	(15,732)
Cash - bring forward	18,117	2,384

Key Performance Indicators

Summary

Consolidated revenue 12M 2024 **EUR 62.4m** | -9.3%

Compared to 12M 2023

Consolidated EBITDA margin 12M 2024 **14.8%** | +1.4 p.p.

Compared to 12M 2023

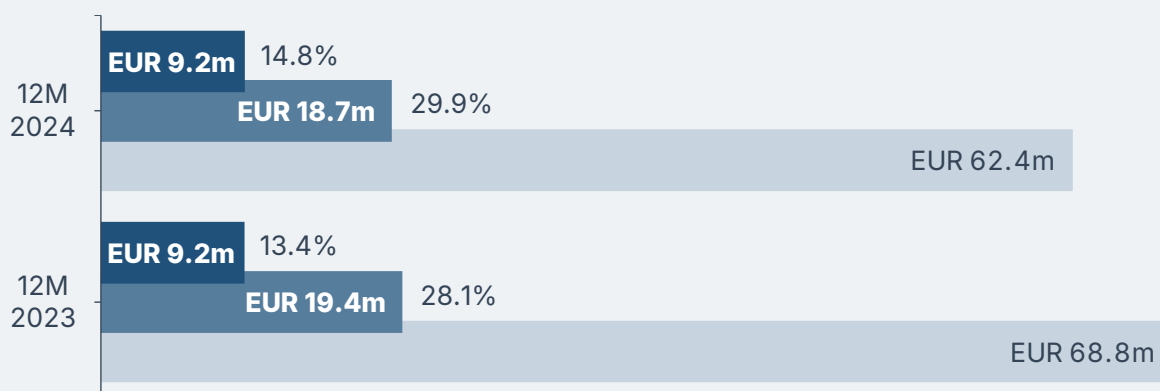
Gross profit margin 12M 2024 **29.9%** | +1.8 p.p.

Compared to 12M 2023

Consolidated NWC 12M 2024 **EUR 17.0m** | -32.9%

Compared to 12M 2023

Revenue



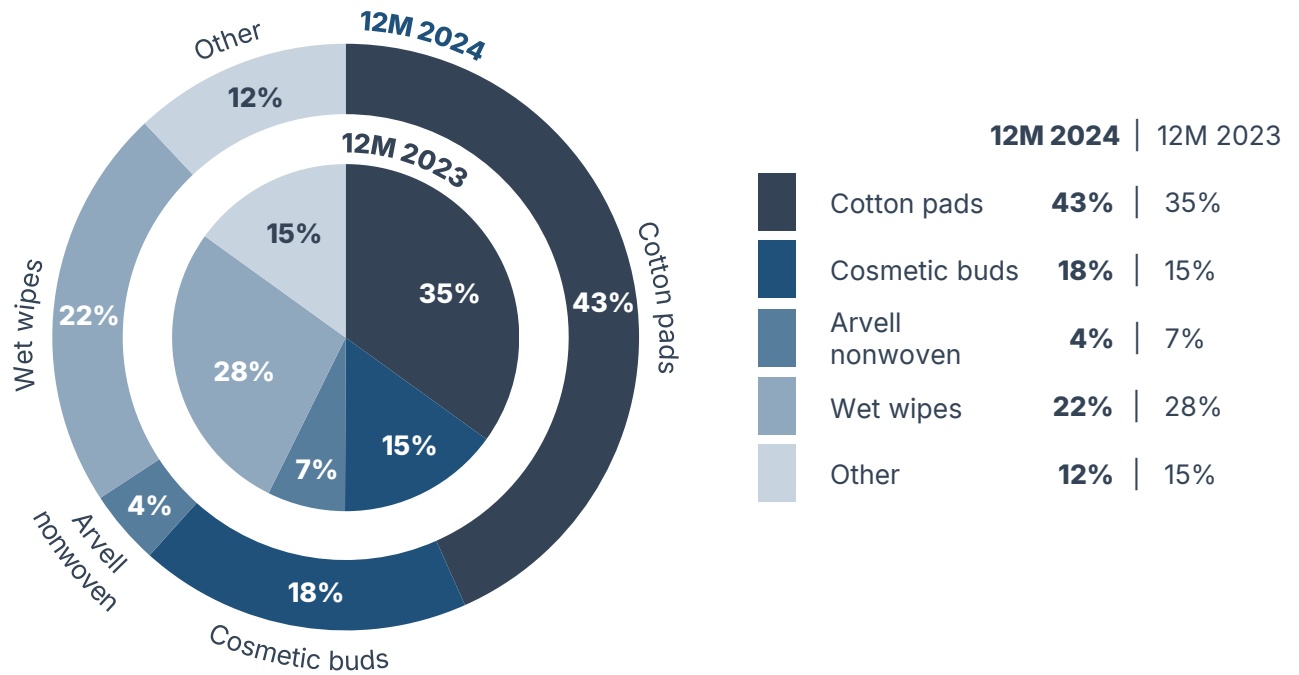
EBITDA

Gross profit

Revenue

Key Performance Indicators

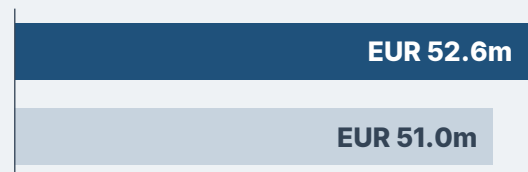
Consolidated EBITDA Build-up



Working Capital



Fixed Assets



December 2023 (Actual)
 December 2024 (Actual)

The decline in working capital reflects more efficient management of short-term assets and liabilities. Overall, the Group's ability to optimize its operational processes and liquidity positions it well for future growth and financial stability.



iCotton SIA

Headquarter address: Krumu 74, Liepaja, LV-3405, Latvia

Reg. number 42103057947

Share capital: EUR 13 333 300 | **Paid:** EUR 8 150 000

SEPA codes: LV92ZZZ42103057947 | **VAT number:** LV42103057947

The company is registered in the VAT register 30.12.2011

Tel.: +37163488522, +37128698559

E-mail: info@icotton.eu, sales@icotton.eu; www.icotton.eu

Harper Hygienics S.A.

Headquarter address: Harper Hygienics S.A., Jerozolimskie Avenue 96,
00-807 Warszawa, Poland (Building Equator II, XIII floor)

District Court for the capital city of Warsaw, 13th Business Division of KRS

KRS No: 0000289345 | **Share capital:** PLN 636 700

NIP: PL5210120598 | **REGON:** 002203701

Tel.: +48257598400

E-mail: kontakt@harperhygienics.com; www.harperhygienics.com