



Unaudited Consolidated Results

Management report Q1 2025

iCotton Group



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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



13 years on the market



- Non-woven fabric Arvell

- Cotton buds

- Cotton pads

- Wet wipes

- Underpads

- Canisters



35 years on the market



Highlights of Q1 2025



The iCotton Group reported **revenue** of EUR 16.61 million for 3M 2025, reflecting a 10% increase compared to EUR 15.08 million in 3M 2024.



According to the unaudited financial statement, the iCotton Group's **gross profit** reached EUR 5.28 million for 3M 2025, up from EUR 4.35 million in 3M 2024. The **gross margin** increased from 28.8% to 31.8%, representing a 3.0 p.p. improvement. This positive development reflects the company's effective strategies in optimizing production processes and managing costs.



Cleanic Pure Effect hygienic pads have been **awarded the Złoty Paragon 2025** in the Cosmetics and Hygiene Products category, confirming their position as one of the best-selling and most popular products in Poland's retail market.



The Group has introduced a series of extended cosmetic pads with a 30% larger surface than standard pads. Furthermore, wet wipes for children and new cotton buds have been launched to further **diversify the product portfolio**.



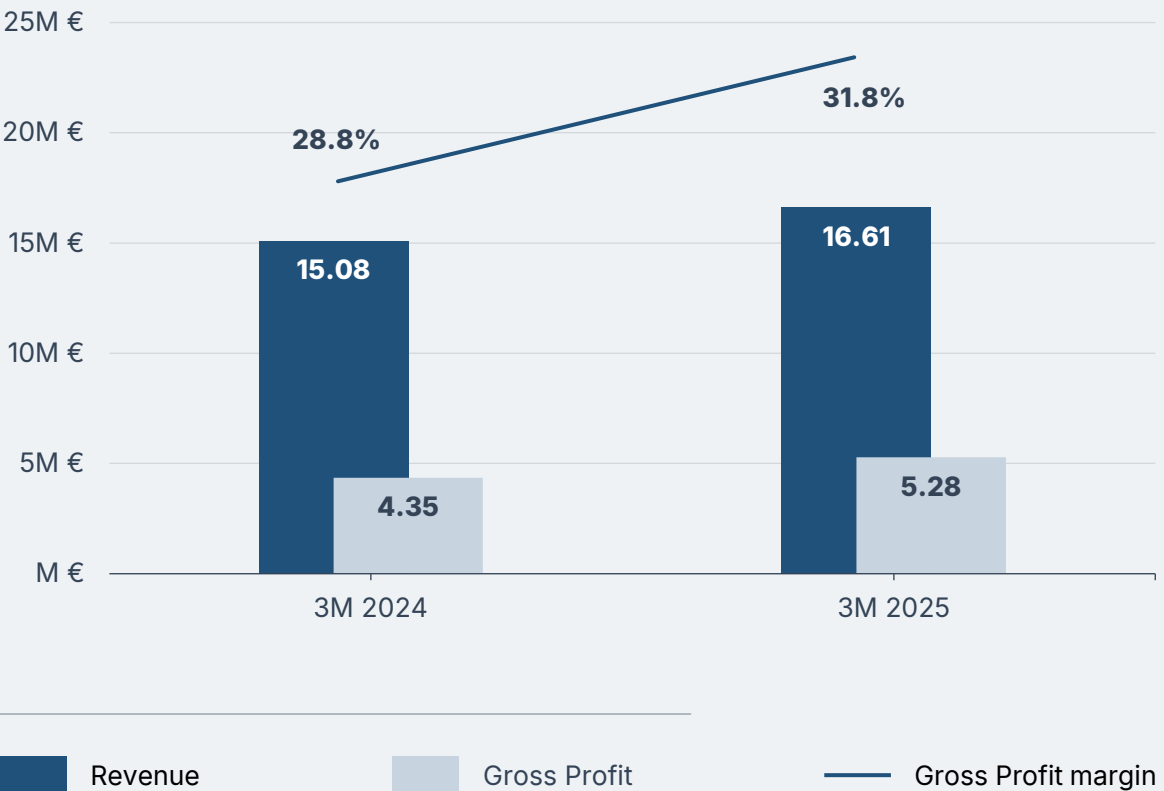
The Group has launched a marketing campaign aimed at promoting feminine hygiene products made from natural ingredients. The initiative seeks to raise awareness among consumers about the benefits of **eco-friendly solutions** in personal care, while highlighting the Group's **commitment to sustainability and innovation** in the hygiene category.

Key Financials

Revenue

The Group dominates key Baltic and Polish markets through Q1 2025, **solidifying its position** as a pioneer in sustainable practices and advanced manufacturing. **Returning to revenue growth** and significantly **improving margins** compared to Q1 2024, the Group's strategic focus on optimizing its product offerings has enabled it to uphold its commitment to delivering high-quality products across the mid-range and premium segments.

In Q1 2025, the Group further **expanded its export network**, aiming to deepen its presence in existing markets while exploring new opportunities. Its dedication to innovation is reflected in the introduction of additional product categories. With these efforts, the Group is actively working towards achieving **sustained revenue growth** and enhanced financial performance throughout the remainder of 2025.

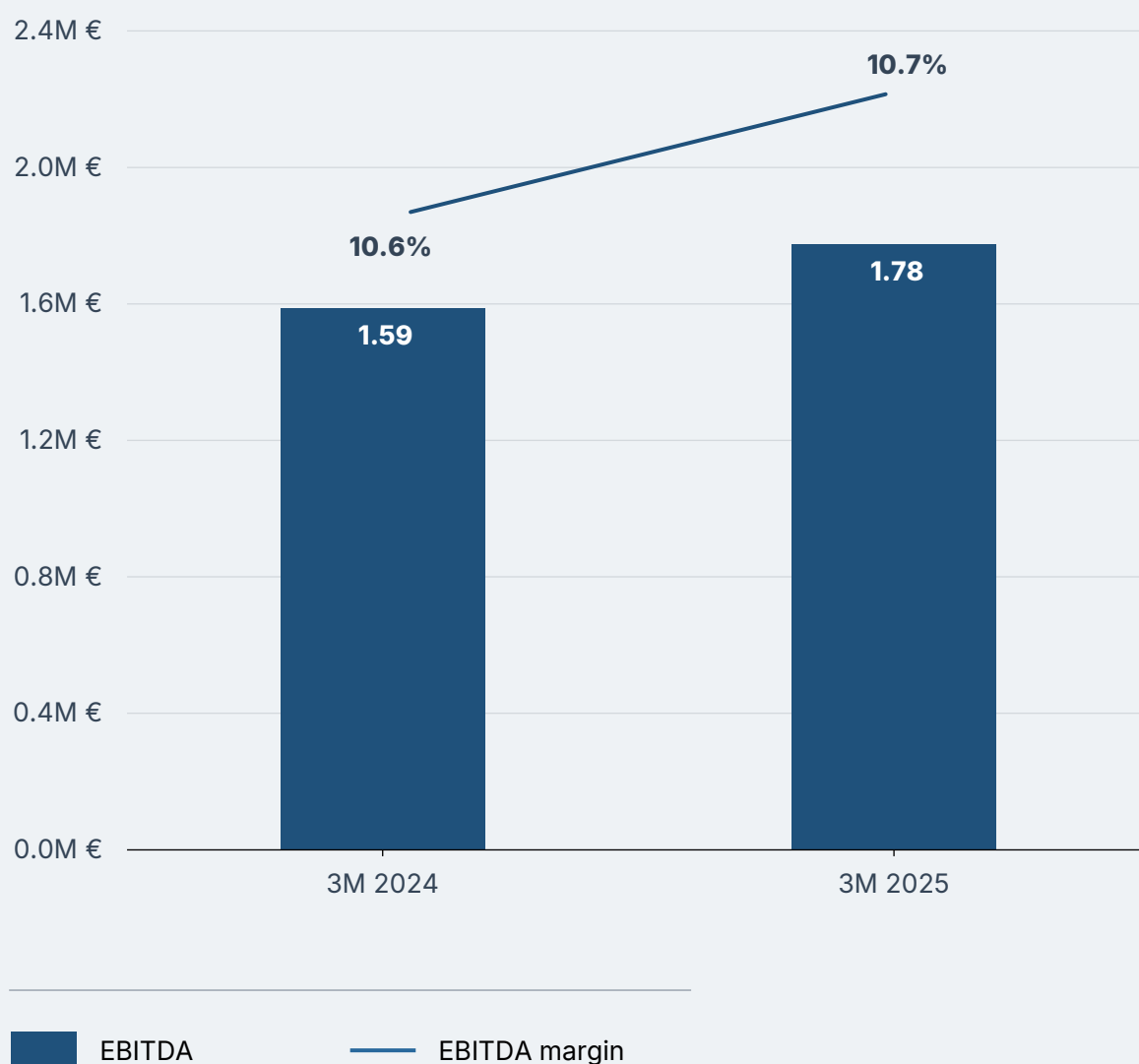


Key Financials

EBITDA

In Q1 2025, the Group reported **revenue** of EUR 16.6 million (+10%). **EBITDA** amounted to EUR 1.78 million (+11%). The **EBITDA margin** slightly improved to 10.7% (+0.1 p.p.).

The Group's performance reflects a **stable start** to the year, driven by continued focus on cost efficiency and maintaining product quality across markets and increase of the sales.



Covenants & Ratios

The Group continues to demonstrate solid financial stability, with a healthy EBITDA relative to revenue and a positive working capital position, ensuring **stable liquidity** and **efficient operations** in the short term.

The Debt/EBITDA ratio decreased from 3.15 to 2.96, indicating a moderate reduction in the Group's leverage and an **improved ability to manage debt** relative to earnings.

The Group's Debt Service Coverage Ratio (DSCR) improved from 1.96 to 2.18, further highlighting the company's capacity to **meet its debt obligations** from operating cash flows.

An equity ratio of 41% reflects a balanced capital structure, effectively combining equity and debt to support **ongoing growth** while managing financial risks prudently.

Consolidated Covenants, kEUR

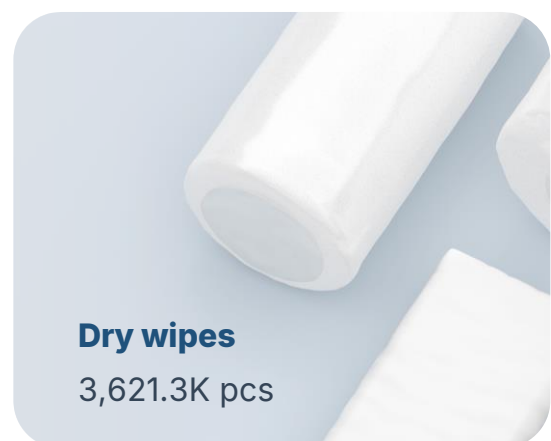
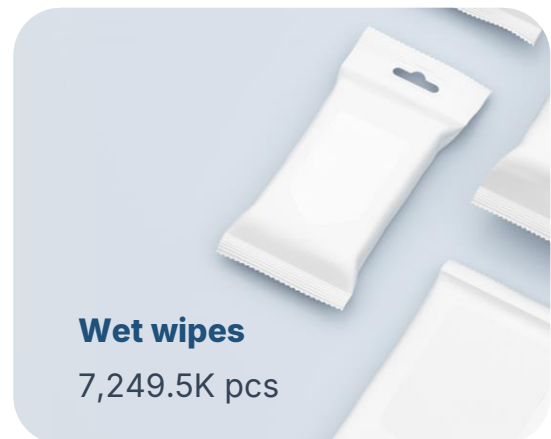
Indicator	Value
NSV	16,607
EBITDA	1,777
WC	20,043
External net debt	30,840

Ratios

Indicator	Value
Equity ratio	41%
DEBT/EBITDA	x2.96
DSCR	x2.18

Production Performance Q1 2025

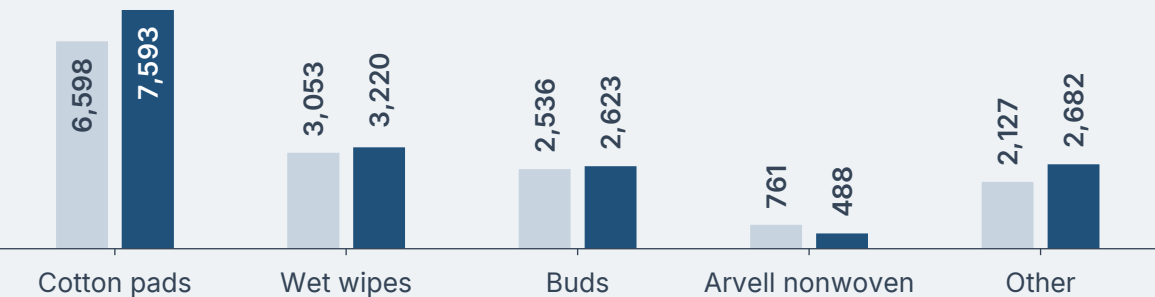
Main Categories



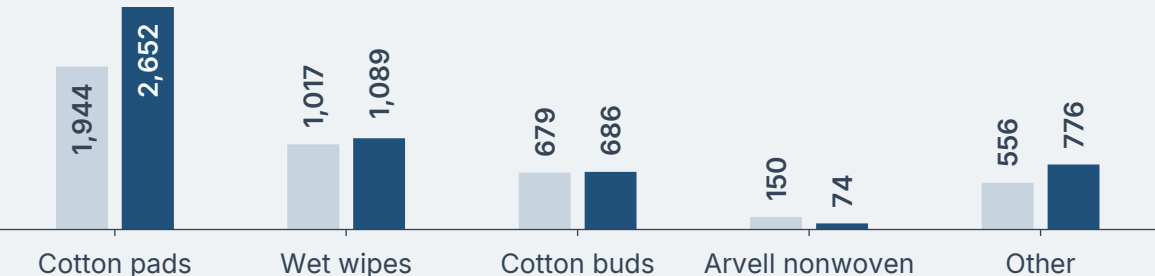
Sales by Product Groups

The revenue distribution for 3M 2025 highlights important trends across product categories. **Cotton pads** and **wet wipes** both demonstrated solid growth of over 11%, confirming strong demand and effective market positioning in these core segments. **Cotton buds** showed the highest increase at 16.5%, contributing positively to the Group's product mix diversification. Overall, the growth in key categories alongside diversification efforts supports the Group's revenue expansion and resilience in a competitive environment.

Revenue Distribution by Product Categories, kEUR



Gross Profit Distribution by Product Categories, kEUR



3M 2024 3M 2025

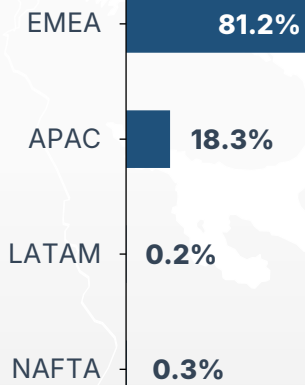
Revenue Breakdown*

*For the period of Q1 2025

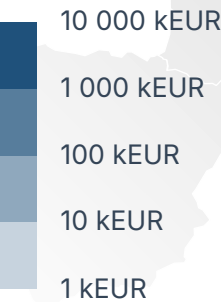
Sales in Europe, Net Sales Value (NSV), kEUR

Country	NSV	Country	NSV
Poland	7,154	Estonia	120
Ukraine	1,589	Bulgaria	102
Germany	1,183	Greece	84
Czech Republic	886	Slovakia	68
Italy	645	Moldova	66
The Netherlands	421	North Macedonia	28
Austria	335	Croatia	21
The UK	287	Ireland	17
Latvia	231	Denmark	8
Romania	145	Kosovo	5
Serbia	145	Cyprus	3
Hungary	142	Albania	2
Lithuania	137	Montenegro	2

Sales by Region



Legend



Income Statement

The Group's **total revenue** increased by 10.2%, from EUR 15,075k in 3M 2024 to EUR 16,607k in 3M 2025, driven by stable demand across key markets.

Cost of sales rose by 5.6% in line with higher production volumes. The Group continues its focus on cost optimization and operational efficiency to maintain profitability.

Sales expenses remained stable, indicating consistent sales activity despite external market pressures.

Administration expenses increased by 4.0%, primarily due to inflation-driven cost adjustments. The Group remains focused on active cost management.

Income Statement, kEUR

Indicator	3M 2024	3M 2025
Revenue	15,075	16,607
Cost of sales	(10,730)	(11,331)
Gross profit	4,346	5,276
Sales expense	(2,242)	(2,234)
Administration expense	(1,542)	(1,603)
Other operating income	616	152
Other operating costs	(335)	(162)
Financial income	164	337
Financial costs	(816)	(817)
Income before tax	191	948
Corporate income tax	101	46
Net income	293	995
Depreciation	(755)	(348)
EBITDA	1,598	1,777

KPIs

COGS as % of Revenue	71%	68%
Gross profit margin	29%	32%
EBITDA margin	11%	11%

Balance Sheet

Total assets increased slightly by 2.2%, reflecting moderate growth in the Group's asset base. **Long-term financial investments** grew by 18.5%, indicating an increase in investment activity.

Total liabilities remained stable, increasing by just 0.01%, suggesting careful management of the Group's debt levels. **Equity** increased by 5.1%, indicating a strong financial position supported by retained earnings and profit for the period..

Balance Sheet, kEUR

Indicator	31.03.24	31.03.25
Assets		
Intangible assets	1,395	1,480
Fixed assets	53,615	52,029
Long-term financial investments	2,225	2,637
Deferred tax assets	4,162	3,922
Inventory	11,658	12,919
Trade receivables	18,985	21,563
Other current assets	621	633
Cash	655	313
Total assets	93,317	95,497
Share capital	13,333	13,333
Short-term financial investments	(5,183)	(5,183)
Other capital	4,617	4,804
Undistributed profits	21,512	22,381
Profit or loss for the period	192	723
Non-controlling interest	2,665	3,252
Equity	37,135	39,310

Balance Sheet

The Group's financial position remains **stable**, with a moderate increase in total assets and equity, supported by higher **long-term investments** and **retained earnings**. Liabilities remained broadly unchanged, indicating **effective management** of debt levels and financing obligations. The Group's balanced capital structure and controlled cost base provide a sound foundation for sustaining operations and supporting long-term growth.

Balance Sheet, kEUR

Indicator	31.03.24	31.03.25
Liabilities		
LT Loans	10,000	10,000
LT Other loans	1,500	1,500
Bonds	17,322	17,174
Deferred income	3,964	3,977
LT leasing liabilities	524	233
ST Loans from banks	1,798	1,792
ST bonds	2,406	2,186
Advances received	6,728	6,152
Trade payables	4,622	8,338
Other payables	4,757	896
Other ST liabilities	445	467
ST liabilities (Leasing & Factoring)	2,115	3,471
Total liabilities	56,182	56,187

Cash flow

Cash Flow Statement, kEUR

Indicator	3M 2024	3M 2025
Cash Flow from Operating Activities		
Net profit	293	995
Depreciation	755	348
Changes in WC	(7,849)	(350)
Interest payments	816	817
Other adjustments	1,288	-
Net cash flow from operating activities	(4,697)	1,810
Cash Flows from Investing Activities		
CAPEX	(354)	382
Other	-	-
Net cash flow from investment activities	(354)	382
Cash Flows from Financing Activities		
Loans	(10,161)	1,103
Interest payments	(816)	(817)
Leasing and factoring	(1,433)	884
Other	-	(3,228)
Net cash flow from financing activities	(12,410)	(2,058)
Cash - carry forward	18,117	179
Net Cash Flow	(17,461)	134
Cash - bring forward	656	313

Key Performance Indicators

Summary

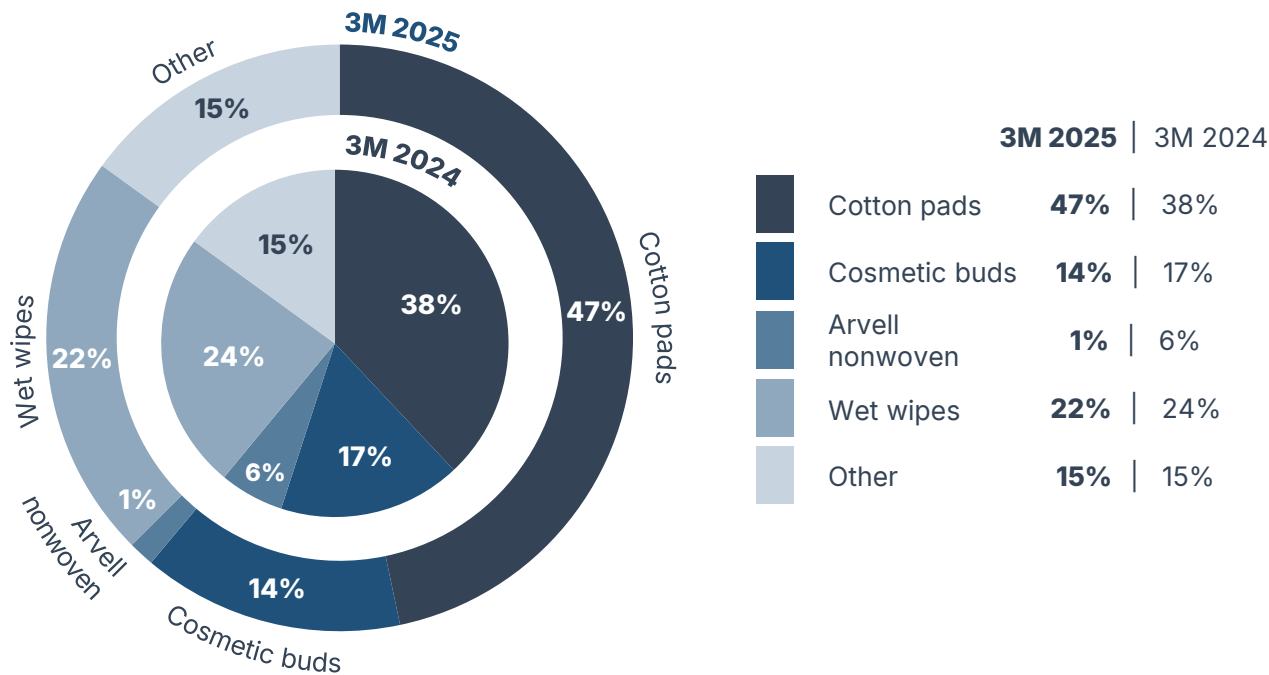


Revenue



Key Performance Indicators

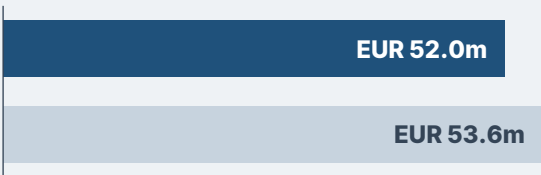
Consolidated EBITDA Build-up



Working Capital



Fixed Assets



March 2024 (Actual) March 2025 (Actual)

The Group's working capital position has strengthened, while fixed assets have slightly decreased, reflecting a shift towards greater liquidity and operational flexibility.



iCotton SIA

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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

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

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

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