



Unaudited Consolidated Results

Management report 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 produces cotton buds, pads, wet wipes, femcare products. Its main brands – Cleanic, Kindii, and Presto – are well known in Poland and other CEE countries for many years.

With production facilities in Liepāja (9,000 m², 11 lines) and Warsaw (13,200 m², 44 lines), iCotton group's turnover reached EUR 63.82m in 2025, with 45% from local markets and 55% from the EU and other exports.



• Natural non-woven fabrics

• Femcare products

• Cotton spunlace

• Cotton pads

• Dry wipes








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14 years on the market

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• Non-woven fabric Arvell

• Cotton buds

• Cotton pads

• Wet wipes

• Underpads

• Canisters

• Cosmetics









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36 years on the market

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Highlights of 2025



The iCotton Group recorded **revenue** of EUR 63.82m for 2025 representing a 9% increase from EUR 58.63m in 2024.



Based on the unaudited financial statements, iCotton Group reported a **gross profit** of EUR 20.73m in 2025, up from EUR 17.63m in 2024. The **gross margin** improved from 30.1% to 32.5%, representing an increase of 2.4 p.p. This strong growth in profitability indicates enhanced operational efficiency and a more robust overall cost structure during the period.



The Group enhanced its community engagement by contributing to local events, educational and cultural programs, charitable initiatives, international community projects, and safety services, reaffirming its dedication to **social responsibility**.



Harper Care by Cleanic underpads were recognized in the **Złote Innowacje FMCG & Retail** competition in the category "Responding to Needs – Cosmetics and Hygiene"



In 2025, the Group focused on **strengthening its market positions** and successfully expanded into new export markets.

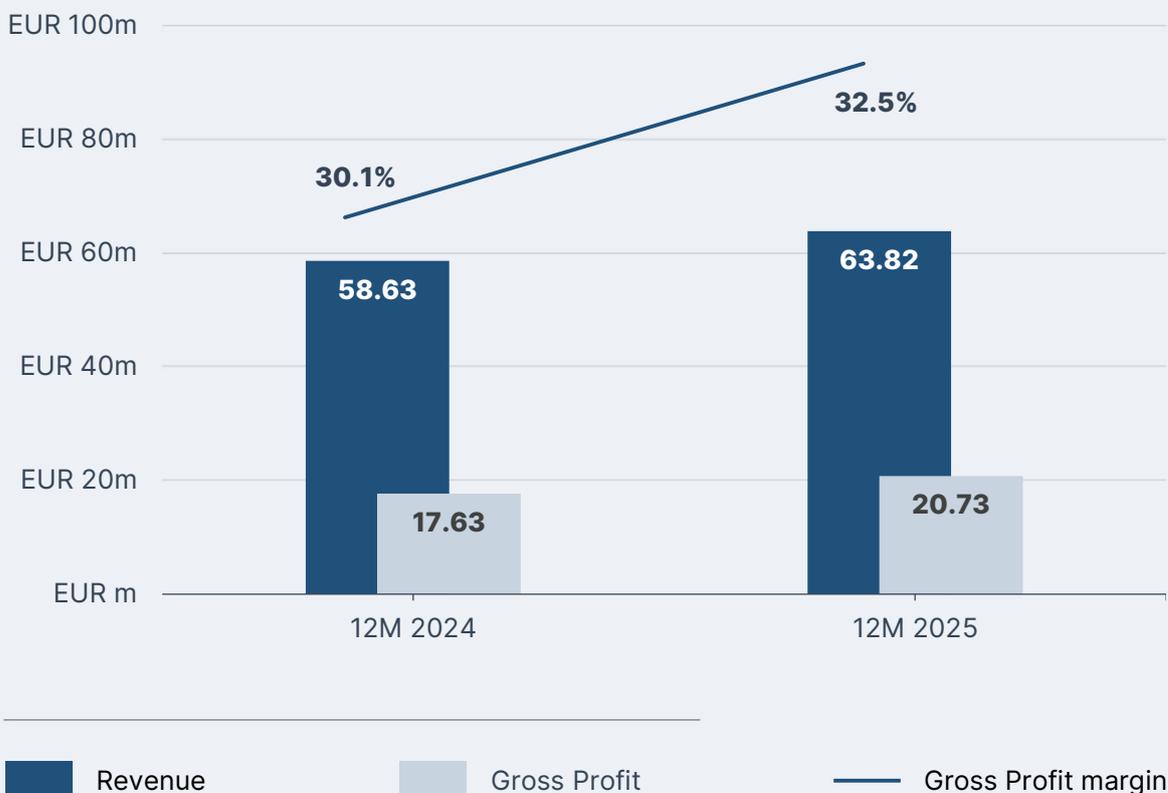
Key Financials

Revenue

In 2025, the Group maintained stable demand and continued to **strengthen its position** in its main markets. As a result, **revenue increased** from EUR 58.63m in 2024 to EUR 63.82m in 2025, reflecting steady growth in both core operations and export sales.

Gross profit increased from EUR 17.63m to EUR 20.73m during the period, driven by **higher production efficiency** and a more balanced product portfolio. The result reflects the **positive impact** of the operational improvements implemented throughout the year.

Consequently, the gross profit margin improved from 30.1% to 32.5%, supported by **better cost management** as well as improved pricing and product mix. The Group intends to maintain this progress by continuing to refine its operations and develop its product offering.

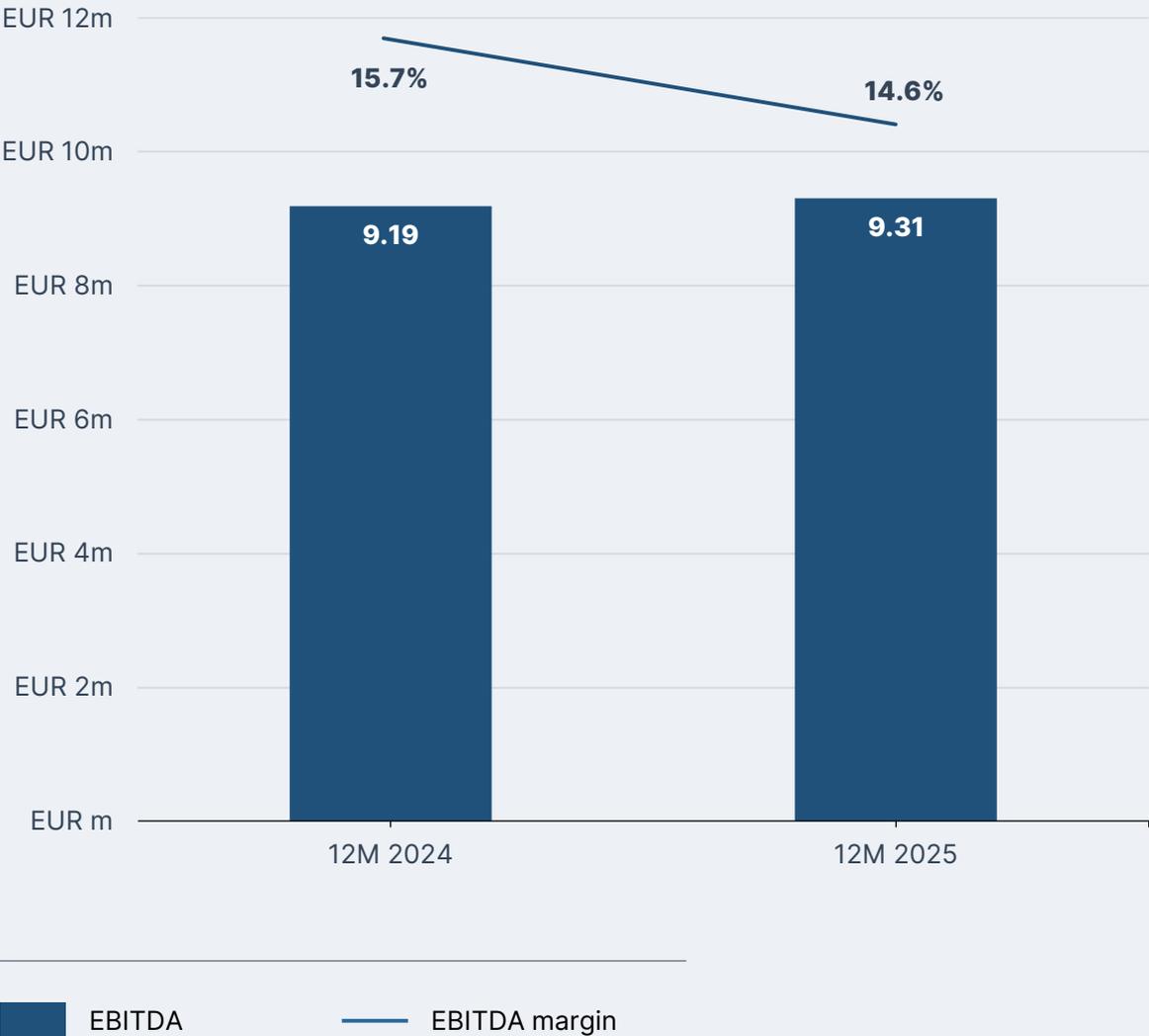


Key Financials

EBITDA

In 2025, the Group generated **EBITDA** of EUR 9.31m, compared with EUR 9.19m in 2024, reflecting a modest increase of 1.2%. At the same time, the **EBITDA margin** declined slightly from 15.7% to 14.6%, a decrease of 1.1 percentage points.

Overall, the results reflect **steady operating performance** and continued profitability, with margins remaining at a solid level.



Covenants & Ratios

The Group maintains a **solid financial position**, supported by revenue of EUR 63.82m and stable EBITDA of EUR 9.31m. Working capital of EUR 23.01m provides a solid liquidity buffer to support day-to-day operations and future growth.

With external net debt of EUR 30.75m, the Debt/EBITDA ratio stands at x3.30, indicating a manageable level of leverage relative to operating earnings. The Debt Service Coverage Ratio of x3.25 demonstrates a **strong capacity to meet debt obligations** from cash flow generation.

An equity ratio of 43% reflects a **balanced and resilient capital structure**, providing a stable foundation for continued development while maintaining prudent financial discipline.

Consolidated Covenants (EUR k)

Indicator	Value
Revenue	63,821
EBITDA	9,307
WC	23,006
External net debt	30,746

Ratios

Indicator	Value
Equity ratio	43%
LTM DEBT/EBITDA	x3.30
DSCR	x3.25

Production Performance 12M 2025

Main Categories



Cotton pads
59,041.2k pcs



Wet wipes
32,650.7k pcs



Femcare products
36,631.2k pcs



Cotton buds
26,283.9k pcs



Underpads
41,189.7k pcs

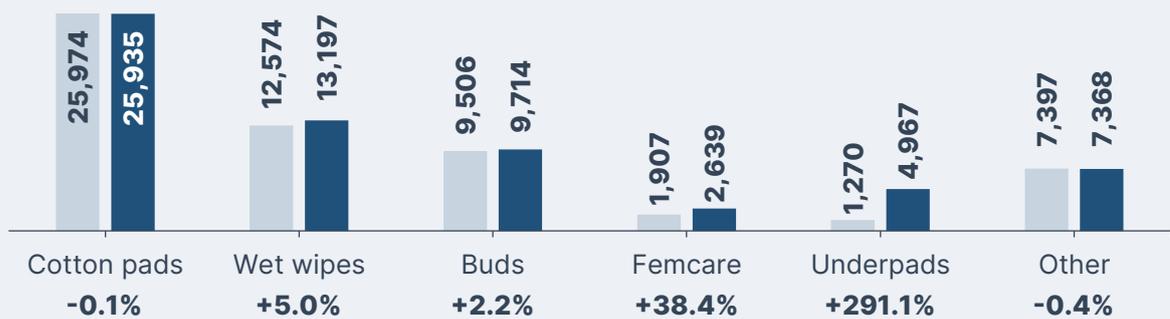


Dry wipes
9,557.8k pcs

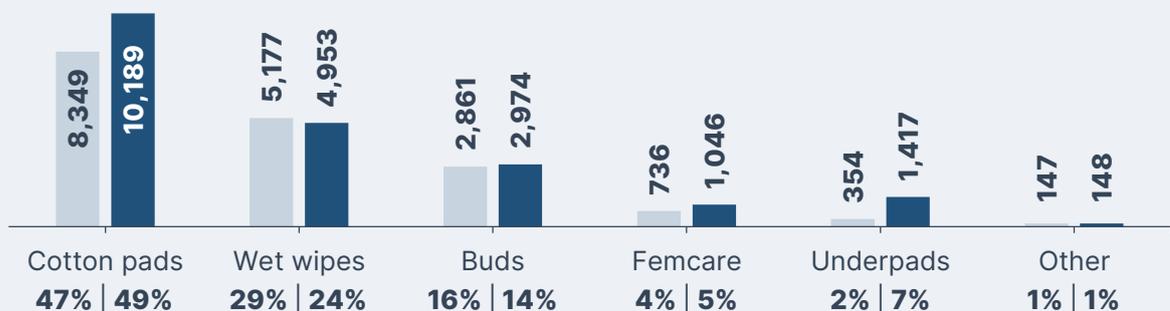
Sales by Product Groups

In 2025, the Group's revenue showed varied performance across product categories. **Cotton pads** remained largely stable, declining slightly by 0.1% compared with 2024. **Wet wipes** grew moderately by 5.0%, while **cotton buds** increased by 2.2%. Strong momentum was seen in **Femcare products**, which rose by 38.4%, and **underpads** delivered exceptional growth of 291.1%, emerging as key drivers of overall revenue expansion. The **Other** category decreased marginally by 0.4%, contributing to a balanced portfolio alongside the higher-growth segments.

Revenue Distribution by Product Categories (EUR k)



Gross Profit Distribution by Product Categories (EUR k)



12M 2024

12M 2025



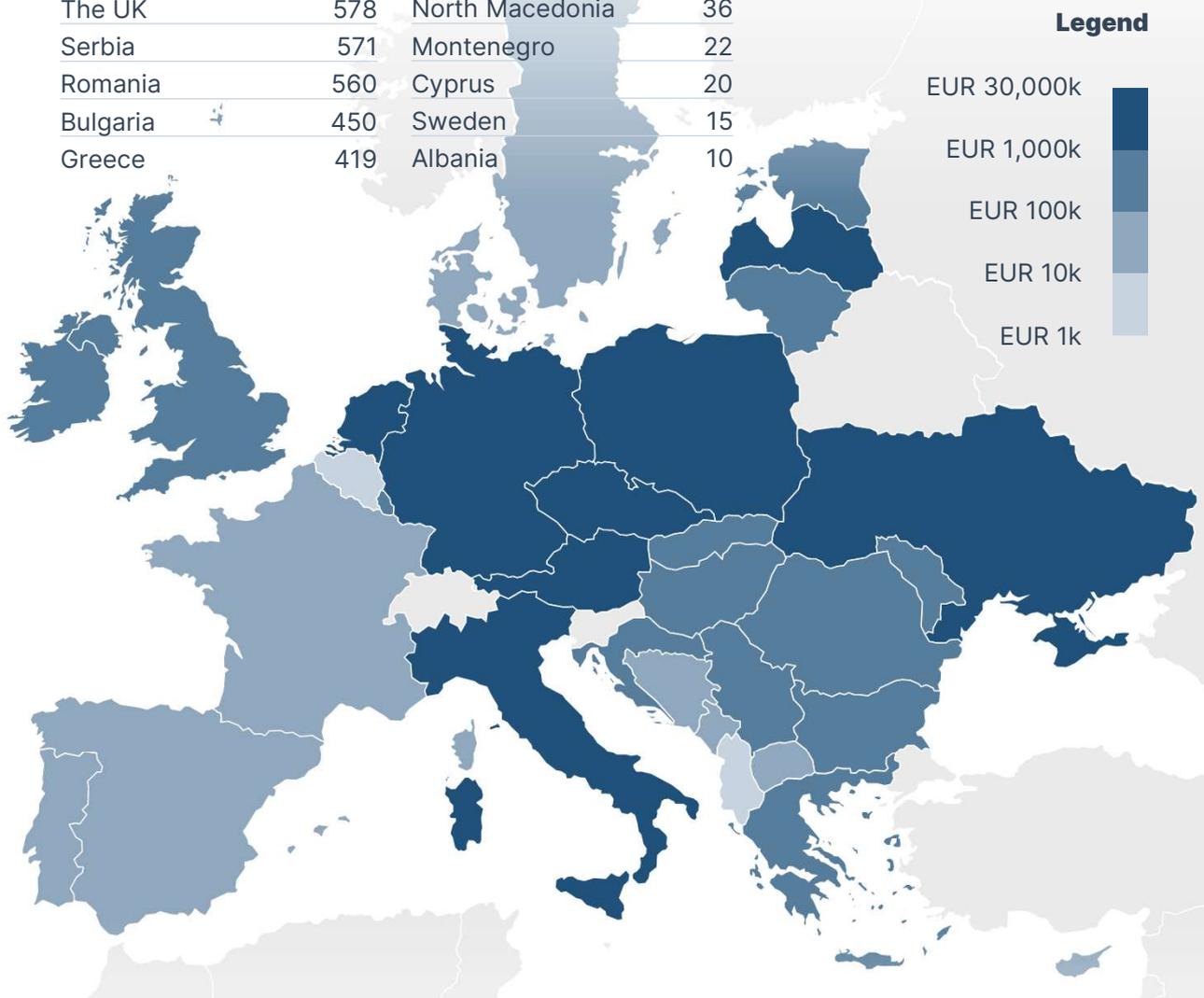
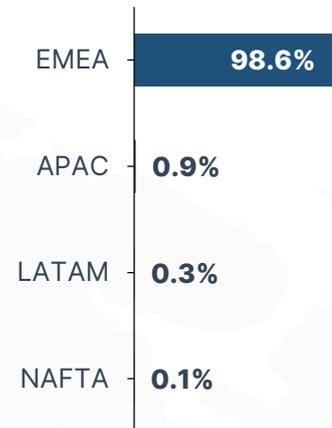
Revenue Breakdown*

*For the period of 12M 2025

Sales in Europe, Revenue (EUR k)

Country	Revenue	Country	Revenue
Poland	29,063	Moldova	276
Ukraine	5,904	Croatia	269
Czech Republic	4,792	Luxembourg	197
Germany	3,479	Slovakia	188
Italy	2,429	Ireland	188
The Netherlands	1,852	Kosovo	103
Austria	1,270	Spain	80
Latvia	1,005	Portugal	73
Hungary	889	Denmark	64
Estonia	738	France	60
Lithuania	684	Bosnia	39
The UK	578	North Macedonia	36
Serbia	571	Montenegro	22
Romania	560	Cyprus	20
Bulgaria	450	Sweden	15
Greece	419	Albania	10

Sales by Region



Income Statement

The Group's **total revenue** increased by 8.9%, from EUR 58.63m in 2024 to EUR 63.82m in 2025, supported by stable demand and strengthened market activity.

Cost of sales rose by 5.1%, from EUR 41.00m to EUR 43.09m, while the **COGS-to-revenue ratio** improved from 70% to 68%, reflecting continued operational efficiency and disciplined cost control.

Sales expenses decreased by 1.0% and **administration expenses** declined by 3.4%, reflecting expanded commercial activity, effective cost management, and ongoing optimization across support functions.

Income Statement (EUR k)

Indicator	12M 2024	12M 2025
Revenue	58,628	63,821
Cost of sales	(41,003)	(43,094)
Gross profit	17,625	20,727
Sales expense	(8,816)	(8,724)
Administration expense	(6,251)	(6,037)
Other operating income	5,449	3,124
Other operating costs	(1,709)	(2,607)
Financial income	135	309
Financial costs	(3,688)	(3,439)
Income before tax	2,745	3,353
Corporate income tax	(484)	(607)
Net income	2,261	2,746
Depreciation	(2,895)	(2,824)
EBITDA	9,193	9,307
KPIs		
COGS as % of Revenue	70%	68%
Gross profit margin	30%	32%
EBITDA margin	16%	15%

Balance Sheet

Total assets increased by 4.4%, reflecting continued growth of the asset base to support business activity. **Inventory** rose significantly by 27.9%, indicating higher stock levels to meet operational demand, while **trade receivables** increased by 18.8%, in line with expanded commercial activity.

Total liabilities increased slightly by 2.4%, reflecting moderate changes in both short- and long-term borrowings and higher advances received from customers. **Equity** strengthened by 6.5%, supported by retained earnings and non-controlling interest.

Balance Sheet (EUR k)

Indicator	31.12.24	31.12.25
Assets		
Intangible assets	1,625	1,654
Fixed assets	52,766	51,043
Long-term financial investments	2,228	2,566
Deferred tax assets	3,793	3,251
Inventory	11,063	14,152
Trade receivables	17,034	20,235
Other current assets	1,650	1,024
Short-term financial investments	-	19
Cash	179	410
Total assets	90,338	94,354
Share capital	13,334	13,334
Own shares or units	(5,183)	(5,183)
Other capital	61	296
Undistributed profits	24,825	26,752
Profit or loss for the period	2,032	2,074
Non-controlling interest	3,148	3,722
Equity	38,217	40,995

Balance Sheet

The Group's **asset base grew**, driven by higher inventory and trade receivables, reflecting **ongoing operational activity** and **business expansion**. At the same time, equity increased, underlining a **strong capital structure** and continued **financial stability**.

Balance Sheet (EUR k)

Indicator	31.12.24	31.12.25
Liabilities		
LT Loans	10,000	9,431
LT Other loans	1,500	1,500
Bonds	17,088	17,661
Deferred income	4,071	3,817
LT leasing liabilities	460	364
ST Loans from banks	750	2,000
ST bonds	2,212	1,893
Advances received	4,989	6,597
Trade payables	3,472	5,448
Other payables	4,006	135
Other ST liabilities	1,068	1,469
ST liabilities (Leasing & Factoring)	2,505	3,044
Total liabilities	52,121	53,359

Cash flow

Cash Flow Statement (EUR k)

Indicator	12M 2024	12M 2025
Cash Flow from Operating Activities		
Net profit	2,261	2,746
Depreciation	2,895	2,824
Financial expenses and incomes	3,180	3,130
Net cash flow from operating activities	8,336	8,700
Changes in working capital	(7,860)	(2,567)
Cash Flows from Financing Activities		
Financial expenses and incomes	(3,180)	(3,130)
Loans	(12,268)	1,106
Leasing and factoring	(1,253)	589
Other	263	(2,920)
Net cash flow from financing activities	(16,438)	(4,355)
Cash Flows from Investing Activities		
CAPEX	(1,725)	(1,129)
Other	(458)	(416)
Net cash flow from investment activities	(2,183)	(1,545)
Cash - carry forward	18,323	178
Net Cash Flow	(18,145)	233
Cash - bring forward	178	411

Key Performance Indicators

Summary

Consolidated revenue 12M 2025 **EUR 63.82m** | +8.9%

Compared to 12M 2024

Consolidated EBITDA margin 12M 2025 **14.6%** | -1.1 p.p.

Compared to 12M 2024

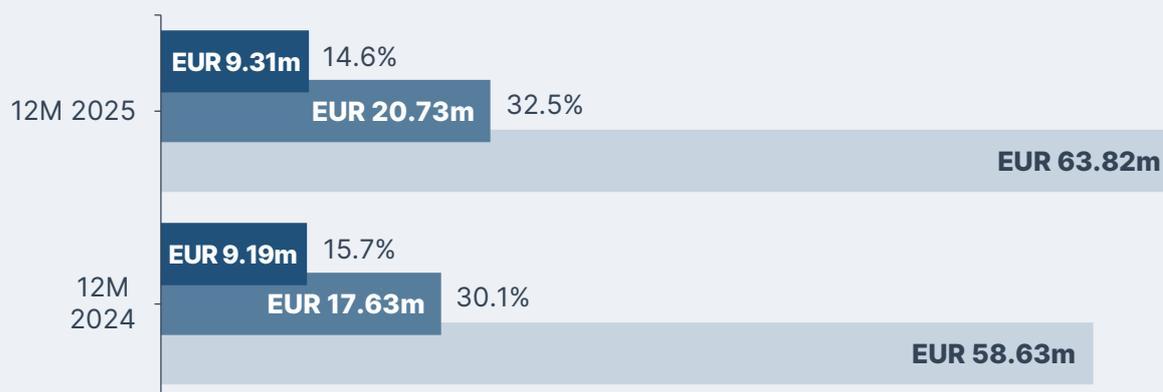
Gross profit margin 12M 2025 **32.5%** | +2.4 p.p.

Compared to 12M 2024

Consolidated NWC 12M 2025 **EUR 23.01m** | +31.1%

Compared to 12M 2024

Revenue



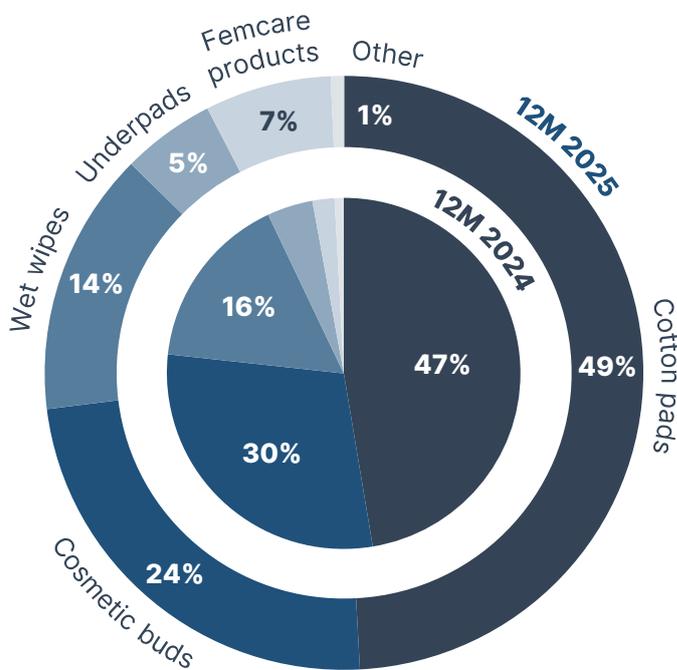
EBITDA

Gross profit

Revenue

Key Performance Indicators

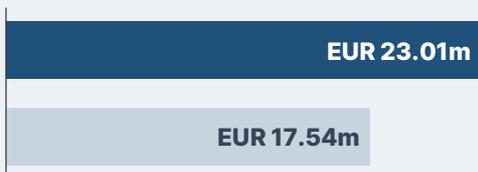
Consolidated EBITDA Build-up



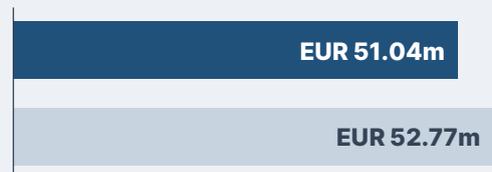
12M 2025 | 12M 2024

Cotton pads	49%	47%
Cosmetic buds	24%	29%
Wet wipes	14%	16%
Underpads	5%	4%
Femcare prods.	7%	2%
Other	1%	1%

Working Capital



Fixed Assets



December 2024 (Actual) December 2025 (Actual)

Working capital increased to a solid EUR 23.01m, supporting the Group's operational needs, while fixed assets declined slightly to EUR 51.04m, reflecting a modest reduction in long-term investments.



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

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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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