

MÁDARA

organic skincare

**2025 SEPARATE AND CONSOLIDATED ANNUAL
REPORT PREPARED IN ACCORDANCE WITH
THE LAW ON ANNUAL REPORTS AND
CONSOLIDATED ANNUAL REPORTS OF
THE REPUBLIC OF LATVIA AND
INDEPENDENT AUDITORS' REPORT***



** This version of separate and consolidated financial statements is a translation from the original, which was prepared in the Latvian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of financial statements takes precedence over this translation.*

MARUPE, 2026



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GENERAL INFORMATION ABOUT THE GROUP

Name of the Group	MADARA Cosmetics AS
Legal Status of the Parent Company	Joint stock Company
Registration number of the Parent Company	No 40003844254
Registration place and date	Riga, 28 July 2006
Parent Company's legal address	Zeltinu Street 131, Marupe, Marupe district, LV-2167, Latvia
Shareholders (above 5%)	Uldis Iltners – owns 23.83% of shares (31.12.2025: 23.84%) Lote Tisenkopfa - Iltnere – owns 23.67% of shares (31.12.2025: 23.68%) Oy Transmeri Group Ab – owns 22.84% of shares (31.12.2025: 22.86%) Liene Drāzniece – owns 6.75% of shares (31.12.2025: 6.75%) Zane Tamane – owns 6.18% of shares (31.12.2025: 6.19%)
Type of operations and NACE code	Manufacture of perfumes and cosmetic preparations 20.42 Wholesale of perfume and cosmetics 46.45 Retail sale of cosmetic and related articles in specialized stores 47.75 Retail sale via mail order houses or via Internet 47.91
Board of the Parent Company	Lote Tisenkopfa - Iltnere – Chairman of the Board Uldis Iltners – Member of the Board Tatjana Nagle – Member of the Board Gunta Šulte – Member of the Board
Council of the Parent Company	Anna Ramata Stunda – Chairman of the Council Edgars Pētersons – Deputy Chairman of the Council from 20.06.2025 Kati Sulin – Member of the Council from 20.06.2025 until 03.11.2025 Liene Drāzniece – Deputy Chairman of the Council until 19.06.2025
Reporting period	From 1.1.2025 to 31.12.2025
Previous reporting period	From 1.1.2024 to 31.12.2024
Subsidiaries of the Group	Madara Retail SIA, reg. No 40103212103 – 100% MADARA Cosmetics Inc., reg. No. 37-2087771 – 100% Madara Cosmetics LTD, reg. No. 15967488 – 100% MADARA Cosmetics GmbH, reg. No. HRB 177689 – 100% Brand Lab Cosmetics SIA, reg. No. 40203612673 – 100%
Independent auditor and its address	Deloitte Audits Latvia SIA Reg. No 40003606960 License No 43 Republikas laukums 2A, Riga, LV-1010, Latvia
Certified Auditor	Inguna Staša LR Certified Auditor Certificate No 145

STATEMENT OF MANAGEMENT RESPONSIBILITIES

The Board of MADARA Cosmetics AS (hereinafter – “Parent Company” or “Company”) is responsible for the preparation of the separate and consolidated financial statements of the Parent Company and its subsidiaries (hereinafter – the Group).

The separate and consolidated financial statements are prepared in accordance with the accounting records and source documents and present fairly the financial position of the Parent Company and the Group as of 31 December 2025 and the results of its operations and cash flows for the year 2025.

Separate and the consolidated financial statements have been prepared in accordance with the law “On the Annual Reports and Consolidated Annual Reports”. Appropriate accounting policies have been used and applied consistently, reasonable and prudent judgements and estimates have been made by the Board in the preparation of these financial statements.

The Board of the Parent Company is also responsible for maintaining proper accounting records, internal control system, for taking reasonable steps to safeguard the assets of the Parent Company and the Group, and to prevent and detect fraud and preventing other unfair practices and inaccuracies.



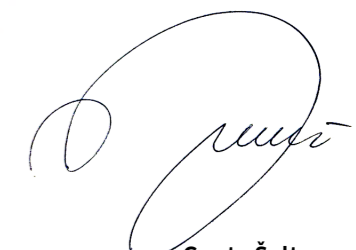
Lote Tisenkopfa - Iltnere
Chairman of the Board



Tatjana Nagle
Member of the Board



Uldis Iltners
Member of the Board



Gunta Šulte
Member of the Board

MANAGEMENT REPORT

During the reporting year, the MADARA Cosmetics Group comprised the parent company MADARA Cosmetics AS and its subsidiaries: MADARA Retail SIA, Brand Lab Cosmetics SIA, MADARA Cosmetics GmbH (Germany), MADARA Cosmetics Inc. (USA) and Madara Cosmetics Ltd (United Kingdom).

MADARA Cosmetics AS is the largest cosmetics manufacturer in Latvia and one of the leading natural cosmetics producers in the Baltic and Northern European regions. The Group's products are exported to more than 30 countries, primarily within the European Union. The Group's core business is the production of natural Ecocert/Cosmos-certified skincare and decorative cosmetics products under the "MÁDARA" brand, as well as the provision of contract manufacturing services, including for the "MOSSA" and "SELFNAMED" brands.

The Group's parent company operates from a leased office and production building at Zeltinu Street 131, Marupe, which is one of the most modern and highest-capacity cosmetics manufacturing facilities in the region. In addition, the parent company leases office space at Balozu Street 20A, Riga.

In 2025, the Group's consolidated net turnover reached EUR 23.22 million, representing a 12% increase on a like-for-like basis, taking into account the MOSSA and SELFNAMED.COM transactions carried out in 2024. Excluding these adjustments, turnover grew by 8% compared to the previous year. The achieved turnover level was within 2% of the Group's target of EUR 23.67 million.

Gross profit in 2025 amounted to EUR 15.16 million, maintaining a stable gross profit margin of 65%, in line with the previous year. Profitability was materially affected by investments in pilot projects initiated in the first half of 2025, totalling more than EUR 300 thousand, which included testing new brand concepts under Brand Lab Cosmetics, a US e-store pilot project, and the development of the TikTok channel. Following an evaluation of project returns, further scaling was continued only for the TikTok channel in the United Kingdom.

Profit before corporate income tax in 2025, amounting to EUR 447,660, was materially affected by a one-off impact related to the transition to the Shopify e-commerce platform – an accelerated write-off of the previous system's fixed asset value amounting to EUR 571 thousand (approximately 2.5% of net turnover). The

transition to Shopify is a strategically important long-term investment that strengthens the Group's e-commerce infrastructure and already delivered early wins in the final quarter of the year – improved conversion rates and the most successful "Black Friday" campaign in the company's history, generating EUR 1.4 million in direct revenue.

In 2025, the largest dividend in the Group's history was distributed – EUR 3.48 million (EUR 0.92 per share), in relation to which corporate income tax of EUR 837 thousand was paid, significantly reducing the profit after tax for the reporting year to a loss of EUR 389 thousand. Dividend distribution is a shareholder decision and is not directly linked to the profit generated in the reporting year; therefore, profit after tax is not considered an indicator of the Group's core operating performance.

In 2025, the Group continued the long-term diversification of its sales channels and geographies. Cooperation was initiated with Al Dawaa – one of the largest parapharmacy chains in Saudi Arabia – establishing a presence in the Middle East region across more than 200 physical retail locations as well as online. In Germany, the brand's availability was expanded to 125 Müller stores, while new partners were onboarded in France, Spain and Poland. The Spanish market stood out for its rapid growth – turnover more than doubled, with the B2B segment increasing fivefold following the launch of cooperation with the retail chain Druni.

In the United Kingdom, the TikTok Shop experienced significant growth, reaching EUR 231 thousand in turnover and achieving Level 4 Seller status on TikTok. At the end of 2025, the Group agreed on a revised cooperation model with its Finnish distribution partner Transmeri, taking over the management of the direct e-commerce platform. Also at the end of the year, the Group launched operations in a new business segment, offering tailored cosmetics solutions for the hospitality industry under the specially developed Wild Woods product line.

In 2025, 23 new products were launched under the MÁDARA brand, generating more than EUR 1.5 million in turnover in total. The most notable new releases included the Kojic Acid Alternative Serum for pigmentation, the expansion of the AGE PRO line with a day cream, night cream, eye cream and hyaluronic acid jelly, as well as the updated leading tinted moisturiser line Skin Equal with improved SPF 20 protection. In parallel, the

MANAGEMENT REPORT (continued)

product assortment was reviewed, and 21 products were discontinued during 2025.

The Group's non-current investments in 2025 totalled EUR 1.05 million, directed towards three main areas: the modernisation of e-commerce infrastructure (including the development of the MÁDARA Shopify platform), the development of production and laboratory equipment, and the renovation of leased premises and IT infrastructure. Research and development costs for new products in the 2025 reporting year exceeded EUR 900 thousand. In 2025, the Group continued to participate in and receive funding from ERDF support programmes; in total, the Group received EUR 445 thousand in state and European Union co-financing to support the achievement of its development project objectives.

2025 was also a significant year in the Group's sustainability journey. By completing the B Corp certification process in the first half of the year, MADARA Cosmetics AS strengthened its commitment to the highest standards of responsible, sustainable and impact-driven business, becoming the second Latvian company to obtain this internationally recognised certification.

MADARA Retail SIA provides retail sales of MÁDARA brand products and operates stores in Riga, in the shopping centres "Galerija Centrs", "Spice", "AKROPOLE Alfa" and "Galeria Rīga". MADARA Cosmetics GmbH provides cosmetics trading services in Germany and

organises the distribution of products manufactured by the parent company in the German market. MADARA Cosmetics Inc. operates in the online retail sector of cosmetics in the US market. MADARA Cosmetics Ltd manages product sales through the TikTok e-commerce channel in the United Kingdom. The subsidiary Brand Lab Cosmetics SIA is engaged in the manufacture of perfumes and body care products.

The production capacity of the Group's parent company remains sufficient to support continued growth. The Group's adopted financial risk management policy is disclosed in Note 31 to these financial statements.

The Group's management plans to achieve a minimum turnover growth of 10% in 2026, corresponding to EUR 25.54 million, and a double-digit EBITDA margin.

No significant events have occurred since the end of the reporting year that would need to be reflected in the 2025 financial statements and would be material to a reassessment of the Group's assets and liabilities, its financial position, or the financial results of the reporting year.

The proposal of the parent company's board is to distribute a portion of prior years' retained earnings as dividends – EUR 1,514,213.60, or EUR 0.40 per share (number of shares on the date of signing the financial statements: 3,785,534) – and to transfer the 2025 profit to retained earnings to support further development.



Lote Tisenkopfa - Iltner
Chairman of the Board



Tatjana Nagle
Member of the Board



Uldis Iltners
Member of the Board



Gunta Šulte
Member of the Board



STATEMENT OF PROFIT AND LOSS

	Note	Group 2025 / EUR	Group 2024 / EUR *reclassified	Company 2025 / EUR	Company 2024 / EUR *reclassified
Revenue	2	23 217 129	21 521 854	22 608 670	20 505 076
Cost of goods sold	3	(8 053 163)	(7 489 568)	(7 903 997)	(7 742 535)
Gross profit		15 163 966	14 032 286	14 704 673	12 762 541
Selling expenses	4	(12 750 263)	(10 491 181)	(11 926 983)	(9 598 279)
Administration expenses	5	(2 468 819)	(2 433 765)	(2 209 152)	(2 153 931)
Other operating income	6	648 431	4 900 563	669 548	4 732 256
Other operating expenses	7	(226 418)	(219 098)	(390 818)	(200 465)
Interest and similar income	8	117 190	219 136	117 251	218 091
Interest and similar expenses	9	(36 427)	(18 304)	(36 434)	(17 221)
Profit before corporate income tax		447 660	5 989 637	928 085	5 742 992
Corporate income tax for the reporting year	10	(836 581)	(553 342)	(836 394)	(553 283)
Profit after corporate income tax		(388 921)	5 436 295	91 691	5 189 709
Profit for the year		(388 921)	5 436 295	91 691	5 189 709

*See Note 1 to the financial statements.

The accompanying notes on pages 13 to 34 are an integral part of these financial statements.

BALANCE SHEET

Assets	Note	Group 31.12.2025. EUR	Group 31.12.2024. EUR	Company 31.12.2025. EUR	Company 31.12.2024. EUR
Non-current assets					
Intangible assets					
Concessions, patents, licenses, trademarks and similar rights		392 513	1 047 237	392 513	1 047 237
Other intangible assets		8 868	15 127	8 868	15 127
Prepayments for intangible assets		30 369	-	30 369	-
Total intangible assets	12	431 750	1 062 364	431 750	1 062 364
Property, plant and equipment					
Land		468 722	468 722	468 722	468 722
Leasehold improvements		300 356	306 636	199 746	208 222
Technological equipment and machinery		1 509 506	1 671 261	1 509 506	1 671 261
Other fixed assets		471 322	309 349	447 259	280 523
Construction in progress		38 739	83 154	38 739	83 154
Prepayments for property, plant and equipment		-	15 502	-	15 502
Total property, plant and equipment	13	2 788 645	2 854 624	2 663 972	2 727 384
Non-current financial investments					
Investments in subsidiaries	14	-	-	226 076	310 684
Other non-current receivables	15	102 172	101 949	61 915	61 915
Other securities and investments		691	691	691	691
Total non-current financial investments		102 863	102 640	288 682	373 290
Total non-current assets		3 323 258	4 019 628	3 384 404	4 163 038
Current assets					
Inventories					
Raw materials, materials and consumables	16	2 875 629	3 049 331	2 875 629	3 049 331
Unfinished goods		4 421	-	4 421	-
Finished goods and goods for sale	17	1 287 916	1 555 598	1 228 500	1 333 776
Prepayments for inventories		410 130	240 820	410 130	240 820
Total inventories		4 578 096	4 845 749	4 518 680	4 623 927
Receivables					
Trade receivables	18	2 692 203	1 801 457	2 691 558	1 800 509
Trade receivables from subsidiaries	19	-	-	628 313	473 122
Other receivables	20	43 430	73 025	8 003	63 583
Accrued revenue		178 577	53 630	178 577	53 630
Deferred expenses		90 985	103 567	83 957	98 128
Total receivables		3 005 195	2 031 679	3 590 408	2 488 972
Long-term financial investments					
Other loans	11	4 500	690 000	4 500	714 049
Cash and cash equivalents	21	5 660 455	8 601 020	5 328 846	8 157 612
Total current assets		13 248 246	16 168 448	13 442 434	15 984 560
Total assets		16 571 504	20 188 076	16 826 838	20 147 598

The accompanying notes on pages 13 to 34 are an integral part of these financial statements.

BALANCE SHEET

Equity and liabilities	Note	Group 31.12.2025. EUR	Group 31.12.2024. EUR	Company 31.12.2025. EUR	Company 31.12.2024. EUR
Equity					
Share capital	22	378 298	378 044	378 298	378 044
Share premium		4 023 455	4 023 455	4 023 455	4 023 455
Foreign currency revaluation reserve		3 034	205	-	-
Retained earnings:					
a) prior year retained earnings		9 465 641	7 509 947	9 290 200	7 581 092
b) profit for the year		(388 921)	5 436 295	91 691	5 189 709
Total equity		13 481 507	17 347 946	13 783 644	17 172 300
Liabilities					
Non-current liabilities					
Deferred revenue	25	237 220	279 154	237 220	279 154
Total non-current liabilities		237 220	279 154	237 220	279 154
Current liabilities					
Advances from customers		14 813	109 123	14 813	109 123
Trade payables		851 859	666 220	806 490	652 230
Taxes and mandatory state social insurance contributions	23	690 452	508 268	681 301	494 235
Other liabilities	24	309 723	278 312	284 552	249 508
Deferred revenue	25	133 826	72 075	133 826	72 075
Accrued liabilities	26	852 104	926 978	884 992	1 118 973
Total current liabilities		2 852 777	2 560 976	2 805 974	2 696 144
Total liabilities		3 089 997	2 840 130	3 043 194	2 975 298
Total equity and liabilities		16 571 504	20 188 076	16 826 838	20 147 598

The accompanying notes on pages 13 to 34 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

	Note	Group 2025 / EUR	Group 2024 / EUR	Company 2025 / EUR	Company 2024 / EUR
Cash flow from operating activities					
Profit before corporate income tax		447 660	5 989 637	928 085	5 742 992
Adjustments for:					
Depreciation of property, plant and equipment	13	594 557	595 819	556 678	545 545
Amortisation of intangible assets	12	582 266	496 006	582 266	448 042
Net loss/ (gain) on disposal of property, plant and equipment	6, 7	(31 374)	976	(31 374)	(9 135)
Net profit on disposal of intangible assets	6	-	(3 993 704)	-	(3 993 706)
Write-off of intangible assets (website)		570 901	-	570 901	-
Losses from impairment of equity investments		-	-	170 651	-
Net gain on investments in subsidiaries	6	-	(578 740)	-	(197 172)
Foreign currency revaluation reserve		2 829	205	-	-
Government and the EU institutions co-financing	6	(445 045)	(230 298)	(445 045)	(230 298)
Other interest and similar income	8	(116 978)	(219 136)	(116 978)	(218 091)
Profit before adjustments for current assets and current liabilities		1 604 816	2 060 765	2 215 184	2 088 177
Adjustments for:					
(Increase)/ decrease in receivables		(806 989)	(183 557)	(934 686)	82 710
Increase/ (decrease) in inventories		267 653	(696 356)	105 247	(332 879)
Increase in payables and other payables		218 768	757 803	36 797	472 685
Gross cash flow from operating activities		1 284 248	1 938 655	1 422 542	2 310 693
Corporate income tax paid		(825 299)	(557 635)	(825 112)	(557 576)
Net cash flow from operating activities		458 949	1 381 020	597 430	1 753 117
Cash flow from/ (used in) investment activities					
Proceeds from sale of other investments	6	-	135	-	135
Proceeds from sale of shares in subsidiaries	6	-	200 000	-	200 000
Acquisition of shares in subsidiaries	14	-	-	(86 043)	(295 356)
Payments for property, plant and equipment and intangible assets	12, 13	(1 053 295)	(782 344)	(1 017 983)	(588 005)
Proceeds from sale of the property, plant and equipment	6, 7	33 538	44 463	33 538	54 463
Proceeds from sale of intangible assets	6	-	4 000 000	-	4 000 000
Loans issued	11	(4 500)	(14 097)	(21 564)	(24 049)
Loans repaid		690 000	300 000	731 113	300 000
Interest received		116 978	209 271	116 978	208 226
Net cash flow from / (used in) investing activities		(217 279)	3 957 428	(243 961)	3 855 414
Cash flows used in financing activities					
Proceeds from government and the EU institution co-financing	25	298 112	193 089	298 112	193 089
Dividends paid		(3 480 347)	(2 190 415)	(3 480 347)	(2 190 415)
Net cash flow used in financing activities		(3 182 235)	(1 997 326)	(3 182 235)	(1 997 326)
Net increase/ (decrease) in cash and cash equivalents		(2 940 565)	3 341 122	(2 828 766)	3 611 205
Cash transferred as the result of disposed subsidiary	6	-	(226 817)	-	-
Cash and cash equivalents at the beginning of the reporting year	21	8 601 020	5 486 715	8 157 612	4 546 407
Cash and cash equivalents at the end of the reporting year	21	5 660 455	8 601 020	5 328 846	8 157 612

The accompanying notes on pages 13 to 34 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Group	Share capital EUR	Share premium EUR	Retained earnings EUR	Foreign currency revaluation reserve EUR	Total equity EUR
Balance as of 31.12.2023.	377 658	4 023 455	9 700 749	-	14 101 862
Distribution of dividends	-	-	(2 190 415)	-	(2 190 415)
Increase in share capital	386	-	(386)	-	-
Profit for the reporting year	-	-	5 436 295	-	5 436 295
Foreign currency revaluation reserve	-	-	-	205	205
Balance as of 31.12.2024.	378 044	4 023 455	12 946 242	205	17 347 946
Distribution of dividends	-	-	(3 480 347)	-	(3 480 347)
Increase in share capital	254	-	(254)	-	-
Profit for the reporting year	-	-	(388 921)	-	(388 921)
Foreign currency revaluation reserve	-	-	-	2 829	2 829
Balance as of 31.12.2025.	378 298	4 023 455	9 076 720	3 034	13 481 507

Company	Share capital EUR	Share premium EUR	Retained earnings EUR	Total equity EUR
Balance as of 31.12.2023.	377 658	4 023 455	9 771 893	14 173 006
Distribution of dividends	-	-	(2 190 415)	(2 190 415)
Increase in share capital	386	-	(386)	-
Profit for the reporting year	-	-	5 189 709	5 189 709
Balance as of 31.12.2024.	378 044	4 023 455	12 770 801	17 172 300
Distribution of dividends	-	-	(3 480 347)	(3 480 347)
Increase in share capital	254	-	(254)	-
Profit for the reporting year	-	-	91 691	91 691
Balance as of 31.12.2025.	378 298	4 023 455	9 381 891	13 783 644

The accompanying notes on pages 13 to 34 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(1) STATEMENT OF ACCOUNTING POLICIES – GENERAL PRINCIPLES

Basis of preparation

The annual Report has been prepared in accordance with the Laws of the Republic of Latvia on *Accounting and on Annual Reports and Consolidated Annual Reports*. The statement of profit and loss is prepared based on function of expense method and statement of cash flows is prepared using the indirect method. These are consolidated and separate financial statements of the Company.

Principal accounting policies adopted

The Annual Report has been prepared in accordance with the following policies:

- a) Going concern assumption, the Parent Company and Group will continue as a going concern.
- b) principles are consistent with the prior year, except for the reclassification of comparative period figures, which is described in detail in the notes to the financial statements.
- c) Items have been valued in accordance with the principle of prudence:
 - The Annual Report reflects only the profit generated till the date of the balance sheet;
 - All incurred liabilities and current or prior year losses have been taken into consideration even if discovered within the period after the balance sheet date;
 - All impairments and depreciation have been taken into consideration irrespective of whether the financial result was a loss or profit.
- d) Revenue and expenses incurred during the reporting year have been taken into consideration irrespective of the payment date or date when the invoice was issued or received. Expenses have been matched with revenues for the reporting period.
- e) Asset and liability items have been valued separately.
- f) The opening balance sheet of the current reporting year corresponds to the closing balance sheet of the previous year.
- g) All accounts, which significantly affect the evaluation and decision-making of the annual report users, have been disclosed. Insignificant items have been combined and the details disclosed in the Notes.
- h) Business transactions are recorded in the annual report taking into account their economic content and substance, not merely the legal form.

Consolidation principles

Subsidiaries, in which the Group has direct or indirect control over operating activities, are consolidated. Control is obtained if the Group has an ability to influence the financial and management matters in a subsidiary, thereby benefiting from it. The control is obtained if the Group is entitled to influence the financial and operating policies applied in a subsidiary, as well as to benefit from its transactions. The consolidation of subsidiaries is based on a cost or acquisition method. The subsidiaries of the Group are consolidated from the moment when the Group has taken over control and the consolidation is discontinued with the disinvestment of the Group's subsidiary. The financial statements of subsidiaries are consolidated in the Group's financial statements, combining the respective assets, liabilities, profit and loss items. All transactions between the Group companies, settlements and unrealised profit or loss from transactions are eliminated. If necessary, the accounting policies of the Group's subsidiaries have been changed to the Group's accounting policies to ensure compliance with the accounting and measurement methods used by the Group.

When including a foreign-registered Group subsidiary in the consolidated annual report, the annual report of that subsidiary prepared in a foreign currency is translated into euros as follows: assets and liabilities are translated into euros at the foreign currency exchange rate prevailing at the balance sheet date; income and expenses are translated into euros at the average exchange rate for the reporting year. Differences arising from the translation are recognised in the equity item "Foreign currency translation reserve".

Companies included in consolidation

The 2025 consolidation includes all companies in which MADARA Cosmetics AS is the Parent Company, directly or through subsidiaries.

Name of the Company	Country	Group's ownership as of 31 December 2025	Group's ownership as of 31 December 2024
MADARA Retail SIA	Latvia	100%	100%
MADARA Cosmetics GmbH	Germany	100%	100%
Madara Cosmetics LTD	United Kingdom	100%	0%
Brand Lab Cosmetics SIA	Latvia	100%	0%
MADARA Cosmetics Inc.	United States of America	100%	100%

The reporting period

The reporting year covers the period from 1 January 2025 to December 31, 2025.

Foreign currency transactions

These financial statements are presented in the currency of the European Union, the euro (hereinafter – EUR), which is the Group's functional and presentational currency.

All transactions denominated in foreign currencies are translated into EUR at the exchange rate set by the European Central Bank on the transaction day. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate set by the European Central Bank on 31 December.

Gain or loss resulting from the exchange rate fluctuations is recognised in the corresponding period's statement of profit and loss. As of end of the reporting year, the Group has no significant assets and liabilities denominated in foreign currencies.

Investments in subsidiaries and other financial investments

Investments in subsidiaries (i.e. where the Company owns more than 50% of share capital or otherwise controls the investee Company) are measured initially at cost. The control is the power to govern the financial and operating policies of the investee Company.

Other financial investments are investments in the share capital of other companies in the amount not exceeding 20% of the Company's share capital.

Subsequent to initial recognition, all investments of the Company are stated at historical cost less any accumulated impairment losses. The carrying amounts of investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised in the profit and loss statement.

Intangible assets and property, plant and equipment

In the balance sheet, intangible assets and property, plant and equipment are recognised at their cost of acquisition less accumulated depreciation and amortisation. The Group capitalises items of property, plant and equipment with an initial cost exceeding 1 000 EUR.

Acquired property, plant and equipment below 1 000 EUR are recognised in the low value inventory account.

The asset purchase value is the sum of the purchase price, import duties, non-deductible taxes and other directly attributable expenses needed to deliver the asset to its intended location and prepare it for its intended use.

Only the rights acquired for consideration are recognised as "Concessions, patents, licences, trademarks and similar rights".

Depreciation and amortisation is calculated over the useful life of the asset according to the straight-line method, applying the following depreciation rates:

Intangible assets:

Licences	20-33%
Other intangible assets	10-20%

Property, plant and equipment:

Technological equipment	10-20%
Hardware and electronic equipment	33%
Vehicles	20%
Other fixed assets	20-33%

Profit or loss arising from the asset disposal is recognised in the profit and loss statement for the respective period.

Repair and renovation expenses increasing useful life or asset value are capitalised and depreciated over its useful life. All other repair and maintenance costs are recognised on profit and loss statement, in the period when they incurred.

Leasehold improvements are capitalised and are included in the asset's carrying amount. Leasehold improvements are depreciated using the straight line method over the shortest period – useful life or lease term.

Research costs are recognised in the profit and loss statement in the reporting period they incurred. The development costs are capitalised if the ability of the asset to generate economic benefits can be reliably demonstrated. Amortisation is calculated over the period of development cost use.

Impairment of non-current assets

If the non-current asset's recoverable amount at the balance sheet date is lower than its acquisition value less accumulated depreciation, the asset is measured at the lower of cost. The value of assets is reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the amount by which the asset's carrying amount exceeds its recoverable amount.

Inventories

Inventory cost is determined using the weighted average cost method.

Inventories are stated at the lower cost, purchasing or net realisable value. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and sales expenses.

Inventories held in net realisable value are recognised at carrying amount of inventories reduced by allowances.

Trade receivables

Trade receivables are recognised according to the value of initial invoices less allowances for doubtful debts. An allowance for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect the full amount. Receivables are written off if considered to be uncollectible.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, current bank account balances and short-term bank deposits with the initial maturity of 90 days or less.

Deferred expenses

Expenses incurred before the balance sheet date but related to the next reporting periods are recognised as deferred expenses.

Financial assets

- Non-current loans and claims

are financial assets created by the Company and Group by providing money or rendering services directly to the debtor and which are not intended to be sold immediately or in a short time period. Initially loans are recognised at fair value plus costs related to the loan issuance. Subsequent to initial recognition loans are stated at amortised value, using the effective interest rate method. Amortised value is calculated considering loan issuance costs incurred, as well as any loan-related discounts or premiums. Profit or loss arising from the amortisation is recognised in the profit and loss statement as an interest income or expense. If events or changes in circumstances indicate that the carrying amount is impaired, provisions of asset impairment are recognised.

- Other non-current financial investments

Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturities that the Company or the Group has decided and is able to hold to maturity. Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequent to initial recognition all loans are carried at amortised value, using the effective interest rate method.

Held-for-sale financial assets are financial assets other than issued loans, invoices and held-to-maturity investments.

These assets can be sold in order to increase liquidity or in the event of changes in interest rates, exchange rates and capital value. If there is an objective indication that the carrying amount of an asset could be impaired, an allowance for impairment is made.

- Current financial investments

are financial assets held for trading, which are acquired or incurred for the primary purpose of making profit from short-term fluctuations of price or profit margins. Financial assets held for trading are initially recognised at cost value plus transaction costs directly attributable to the acquisition of the financial asset. Cost value usually corresponds to the amount paid for the asset, including fees and commissions. Cost value is an amount at which a financial asset is measured at initial recognition less principal repayments, and is adjusted for any allowance for impairment.

Accrual for unused employee vacations

Accrual is computed by multiplying employees' average daily salary for the last 6 months by the number of unused vacation days at the end of the reporting year, additionally calculating employers' mandatory social insurance contributions.

Leases

Lease that in essence transfers all the risks and rewards associated with the asset to the lessee is classified as finance lease. All other leases are classified as operating leases.

Operating lease

Lease under which the risks and rewards of ownership are not transferred to the lessee is classified as operating lease. Operating lease payments are recognised in the profit and loss statement over the term of the lease, using the linear method.

Provisions

Provisions are recognised when the Company and the Group has a liability (legal or reasonable) due to a past event and it is probable that an outflow of resources embodying economic benefits from the Company or Group will be required to settle the obligation and the amount of the liability can be measured reliably.

Trade payables

Initially trade payables are recognised at fair value. In subsequent periods, the carrying amount of trade receivables is measured at amortised initial value by applying the effective interest rate. Trade payables are classified as current liabilities if the payment is due within one year or less. Otherwise, they are classified as non-current liabilities. The amount of the Group's liabilities can be reliably estimated.

Revenue recognition

Revenue is recognised based on the expectation that it is probable the Company and the Group will obtain

economic benefits and to the extent that it can be reasonably determined, excluding value-added tax and sales-related discounts. Revenues are recognised in accordance with the economic substance and nature of the transaction, rather than its legal form. In recognising revenue, the following conditions are also considered:

Sale of goods:

- Goods (in relevant cases – ownership rights to goods), all risks associated with their damage or destruction (hereinafter referred to as the risks inherent to the ownership rights of goods), and all potential benefits from these goods (such as income and value appreciation) have been transferred to the buyer;
- The Company or the Group is able to reliably estimate the revenue;
- It is expected that the Company or the Group will receive the economic benefits associated with the transaction;
- The Company or the Group is able to reliably estimate the expenses incurred or to be incurred in relation to the sale of goods.

Provision of services:

Revenue from services is recognized in the period when the services are rendered. Revenue from services and the corresponding costs are recognised based on the stage of completion of the transaction as of the balance sheet date. If the outcome of the service-related transaction cannot be reliably estimated, revenue is recognised only to the extent of the recoverable costs incurred.

Dividend income is recognised when the shareholder's right to receive the payment is established.

Interest income is recognised over the relevant time period. Accrual of interest income is discontinued when its collection is doubtful.

Corporate income tax

Corporate income tax is recognised in the profit and loss statement on the basis of calculations made by the management in accordance with the laws and regulations of the Republic of Latvia.

Corporation tax is calculated on the profits distributed, calculated as 20/80 of the net amount payable to members and certain expenses attributable to the distribution of profits, applying a coefficient of 0.8. Corporation tax on distributed profits will be recognised at the time when the members of the Company decide on the distribution of profits.

Fair value

The fair value represents the value, at which an asset may be sold or liabilities settled within the normal market conditions. If based on the management assessment the fair value of financial assets and liabilities significantly

differs from its carrying value, the fair value is disclosed separately in notes to the financial statements.

Use of estimates

To prepare the financial statements, the management of the Company and the Group makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The management has assessed the profit and loss and believes that based on all the available information the financial statements give a true and fair view of the financial position.

- Allowance for doubtful and bad trade receivables:

The Group's management evaluates the carrying amounts of trade receivables and assesses their recoverability, making an allowance for doubtful and bad trade receivables, if necessary. Provisions are based on the aging analysis of receivables and the Company's experience in working with each individual debtor. The management has assessed the receivables and believes that significant additional provisions are not necessary as of 31 December 2025.

- Net realisable value of inventories:

The Group's management evaluates the net realisable value of inventories based on the expected sales prices and selling expenses, as well as assesses the physical condition of inventories during the annual inventory counting. If the net realisable value of inventories is lower than the cost of inventories, then an allowance is recorded. The Group's management has evaluated the net realisable value of inventories and believes that no significant additional allowance is required as of 31 December 2025.

- Useful life of property, plant and equipment:

Useful life of property, plant and equipment is assessed at each balance sheet date and adjusted, if necessary, to reflect the Company's management current view on the remaining useful life of the assets, taking into account changes in technology, the remaining economic life of the assets and their physical condition.

- Contingent liabilities:

Contingent liabilities are disclosed in notes to these financial statements. They are recognised as liabilities only if the possibility of an outflow of resources embodying economic benefits becomes probable.

- Carrying amount of issued loans:

The management of the Group's Parent Company evaluates the issued loans and assesses their recoverability, making an allowance for doubtful loans, if necessary. The management has evaluated the issued loans and considers that it is not necessary to make an additional significant allowance as of 31 December 2025.

Deferred Revenue

Deferred revenue represents non-current and current portion of advances received from customers for services which have not been provided as of the balance sheet date. Deferred revenue is initially recognised at the present value of the consideration received. Revenue is recognised in the statement of profit and loss in the period when the services have been provided.

In 2024, the Group's Parent Company launched a customer loyalty program – rewards programme, under which customers earn reward points from each purchase. These points are awarded at a specific rate based on the purchase amount. Rewarded points, expressed in monetary value, can be used by customers as partial payment for the future purchases with no expiration period.

Based on the rewarded points, expressed in monetary value, the corresponding portion of revenue is deferred until the points are redeemed – i.e., when related services are provided, and revenue is recognised in the statement of profit and loss. As of 31 December 2025, deferred revenue related to the rewards program is estimated based on the historical experience with repeat customer purchases. The Group's management considers that is not necessary to make an additional adjustments to deferred revenue as of 31 December 2025.

Government and the EU institution co-financing

Government and EU institution aid is included in the balance sheet of the Company and the Group when it is certain that the terms will be met and the Company and Group will be eligible to receive it. If state aid is received for

long-term investments, state aid is reflected in the balance sheet as a deferred income.

Government and the EU institution aid is not recognised until there is reasonable assurance that the Company and Group will comply with the terms and that the aid will be received. Aid is recognised as revenue over the period in which the Company and the Group incur costs that are offset by government aid. Thus, government aid, the aim of which is a purchase or creation of the non-current assets, is recognised as deferred revenue in the balance sheet and included in the profit and loss statement in a systematic and rational manner over the non-current asset's useful life.

Events after the reporting date

The financial statements reflect such events after the balance sheet date that provide additional information about the financial position of the Company and the Group at the balance sheet date (adjusting events). If the events after the end of the reporting year are not adjusting, they are reflected in the notes to the financial statements only if they are significant.

Reclassification of comparative item figures

To improve the comprehensibility of the financial statements, in 2025 the Company's management changed the classification of representation expenses, which resulted in the reclassification of certain comparative items in the 2024 statement of profit and loss presented in these financial statements:

The Company's statement of profit and loss for 2024:

The Company's statement of profit and loss for 2024:

Item name	Amount for 2024 before reclassification / EUR	Amount of reclassification / EUR	Amount for 2024 after reclassification / EUR
Selling expenses	(9 540 250)	(58 029)	(9 598 279)
Administration expenses	(2 211 960)	58 029	(2 153 931)
Other operating expenses	(227 755)	27 290	(200 465)
Cost of goods sold	(7 715 245)	(27 290)	(7 742 535)

The Group's statement of profit and loss for 2024:

Item name	Amount for 2024 before reclassification / EUR	Amount of reclassification / EUR	Amount for 2024 after reclassification / EUR
Selling expenses	(10 433 152)	(58 029)	(10 476 696)
Administration expenses	(2 491 794)	58 029	(2 448 250)
Other operating expenses	(246 388)	27 290	(219 098)
Cost of goods sold	(7 462 278)	(27 290)	(7 489 568)

(2) Net revenue

Net revenue is the revenue generated during the year from the main operating activities – the sale of goods and rendering services less value added tax and discounts granted. Revenue is generated from the production and sale of cosmetics, as well as from the provision of services and the sale of makeup stands.

	Group 2025 / EUR	Group 2024 / EUR	Company 2025 / EUR	Company 2024 / EUR
Distribution net turnover by geographical markets:				
Revenue from the sale of goods in the European Union	14 626 592	14 830 323	14 626 592	14 110 673
Revenue from the sale of goods in Latvia	6 824 874	5 066 553	6 245 375	5 044 594
Revenue from the sale of goods in other markets	1 684 678	1 474 623	1 655 718	1 244 517
Revenue from the provision of services	75 265	102 558	75 265	102 558
Other revenue from operating activities	5 720	47 797	5 720	2 734
Total	23 217 129	21 521 854	22 608 670	20 505 076

	Group 2025 / EUR	Group 2024 / EUR *reclassified	Company 2025 / EUR	Company 2024 / EUR *reclassified
(3) Cost of goods sold				
Material costs	4 498 577	3 678 155	4 364 616	4 046 880
Remuneration for work	939 059	1 835 049	939 059	1 792 711
Social security contributions	386 331	432 587	386 331	422 500
Depreciation of fixed assets and amortisation of intangible assets (Note 13)	419 291	403 398	419 291	388 714
Costs of production services	89 631	215 456	89 631	203 750
Research and development costs for new products	907 767	207 379	907 767	207 379
Current assets consumed	245 333	200 011	245 333	196 905
Premises rental and management costs	170 810	196 264	170 810	162 437
Resource costs	108 233	96 615	108 233	96 615
Leasehold improvements write-off (Note 13)	95 623	91 897	95 623	91 897
Maintenance costs of the ECOCERT quality certificate	44 622	32 465	44 622	32 465
Car maintenance and fuel costs	17 100	16 919	17 100	16 919
Employee health insurance	27 290	27 290	27 290	27 290
Business trip costs	35 326	10 004	35 326	10 004
Other production and production maintenance costs	68 170	46 079	52 965	46 069
Total	8 053 163	7 489 568	7 903 997	7 742 535

*See Note 1 to the financial statements.

	Group 2025 / EUR	Group 2024 / EUR *reclassified	Company 2025 / EUR	Company 2024 / EUR *reclassified
(4) Selling expenses				
Advertising costs	4 714 007	3 847 818	4 353 787	3 725 595
Remuneration for work	2 405 080	2 110 910	2 241 027	1 774 629
Delivery costs	1 096 397	1 083 035	1 096 397	1 024 550
Sample production costs	593 720	699 790	593 720	699 790
Mandatory state social insurance contributions	566 006	497 522	527 410	418 197
Depreciation of property, plant and equipment and amortisation of intangible assets (Note 12 and Note 13)	1 147 076	533 432	1 137 968	476 801
Costs of intermediation services	523 405	587 465	523 405	598 173
Employee health insurance	33 097	43 544	33 097	43 544
Cost of maintenance services for trading platforms	173 848	135 595	173 848	135 595
Costs of promotion of trade events	140 876	98 453	140 876	98 453
Premises maintenance costs and rent	167 443	183 840	-	-
Sales activity risk insurance	23 645	25 014	23 645	25 014
Provisions for doubtful debts (Note 18)	52 793	14 485	52 793	14 485
Business trips and exhibitions costs	114 932	65 973	114 932	65 954
Royalties	6 994	17 404	6 994	17 404
WEB shop maintenance costs and other IT costs	100 592	109 747	100 592	109 747
Warehousing service costs	171 496	-	80 917	-
Car maintenance and fuel costs	13 017	15 992	13 017	14 265
Depreciation of fixed investments in property, plant and equipment (Note 13)	28 771	26 922	-	-
Other costs of sales	677 068	394 240	712 558	356 083
Total	12 750 263	10 491 181	11 926 983	9 598 279

	Group 2025 / EUR	Group 2024 / EUR	Company 2025 / EUR	Company 2024 / EUR
(5) Administration expenses				
Remuneration for work	1 007 679	912 041	853 238	784 106
Office costs	268 143	264 642	266 416	244 165
Mandatory state social insurance contributions	237 083	215 337	200 757	184 912
Cash turnover incidental expenses	52 785	203 274	43 612	163 460
Premises rental and management costs	271 504	162 962	261 585	162 962
Employee health insurance	37 608	49 478	30 678	80 454
Depreciation of property, plant and equipment and amortisation of intangible assets (Note 12 and Note 13)	59 127	36 176	59 127	36 176

*See Note 1 to the financial statements.



	Group 2025 / EUR	Group 2024 / EUR	Company 2025 / EUR	Company 2024 / EUR
(5) Administration expenses (continued)				
Personnel sustainability costs	85 257	81 424	83 637	77 933
Research, consultancy and conference costs	33 402	43 217	33 402	43 217
Employee meal costs	101 811	82 519	95 027	74 690
Securities circulation costs	19 923	19 057	19 923	19 057
Legal and other professional fees	23 623	93 618	20 300	89 381
Car maintenance and fuel costs	28 759	39 218	27 592	35 693
Travel expenses	2 472	6 272	2 472	6 272
Communication costs	21 506	21 195	19 361	17 890
Audit costs*	46 648	42 393	43 537	40 593
Other management and administration costs	171 489	160 942	148 488	150 999
Total	2 468 819	2 433 765	2 209 152	2 153 931
(6) Other operating income				
Income from ERAF projects co-financing	445 045	230 298	445 045	230 298
Income from the sale of current assets	6 026	37 786	6 026	37 786
Net gain on disposal of property, plant and equipment	31 374	-	31 374	9 135
<i>Proceeds from the sale of property, plant and equipment</i>	33 538	-	33 538	54 463
<i>Residual carrying amount of property, plant and equipment</i>	(2 164)	-	(2 164)	(45 328)
Net gain from disposal of other non-current assets	-	3 993 704	-	3 993 706
<i>Proceeds from the sale of the "MOSSA" brand</i>	-	4 000 000	-	4 000 000
<i>Residual carrying amount of non-current assets</i>	-	(6 296)	-	(6 294)
Net gain from disposal of shares in subsidiary	-	578 740	-	197 172
<i>Proceeds from the sale of subsidiary shares</i>	-	578 740	-	200 000
<i>Carrying amount of the investment into subsidiary (Note 14)</i>	-	-	-	(2 828)
Net gain from disposal of other securities and investments	-	-	-	-
<i>Proceeds from the sale of other securities and investments</i>	-	135	-	135
<i>Carrying amount of other securities and investments</i>	-	(135)	-	(135)
Net change in allowance for doubtful receivables (Note 18)	-	-	-	185 515
Other income	165 986	60 035	187 103	78 644
Total	648 431	4 900 563	669 548	4 732 256

*Deloitte Audits Latvia, the auditor of the parent company, provided only services related to the statutory audit of the annual accounts during the reporting year.

	Group 2025 / EUR	Group 2024 / EUR *reclassified	Company 2025 / EUR	Company 2024 / EUR *reclassified
(7) Other operating expenses				
Donations	10 750	4 415	10 750	4 000
Employees recruitment and training costs	53 143	58 733	53 143	58 733
Net loss on disposal of property, plant and equipment	-	976	-	-
<i>Proceeds from the sale of property, plant and equipment</i>	-	(44 463)	-	-
<i>Residual carrying amount of property, plant and equipment (Note 13)</i>	-	45 439	-	-
Nature protection costs	55 619	34 355	55 556	33 455
Resold purchased goods and services	-	3 681	-	3 681
Labour protection costs	26 509	13 795	23 807	13 795
Representation costs	6 968	22 367	6 818	22 367
Write-off of equity investments	-	-	170 651	-
Other expenses	73 429	80 776	70 093	64 434
Total	226 418	219 098	390 818	200 465
(8) Interest and similar income				
Interest income from short-term deposits	117 190	219 136	117 251	218 091
Total	117 190	219 136	117 251	218 091
(9) Interest and similar expenses				
Net loss on foreign currency exchange rate fluctuations	35 801	13 549	35 808	13 549
Factoring fees	-	529	-	-
Other interest payments	76	484	76	-
Penalties paid	550	3 742	550	3 672
Total	36 427	18 304	36 434	17 221
(10) Corporate income tax for the reporting year				
Corporate income tax calculated**	836 581	553 342	836 394	553 283
Total	836 581	553 342	836 394	553 283
(11) Other loans				
Loans to related parties	-	-	-	24 049
Other short term loans	-	690 000	-	690 000
Other short term loans	4 500	-	4 500	-
Total	4 500	690 000	4 500	714 049

*See Note 1 to the financial statements.

**During 2025 year corporate income tax calculated on previously retained 2024 year distributed profit into dividends, less tax benefits.

(12) INTANGIBLE ASSETS

Group	Concessions, patents, licenses, trademarks, and similar rights (EUR)	Other intangible assets (EUR)	Prepayments for intangible assets (EUR)	Total intangible assets (EUR)
Cost as of 31.12.2024.	2 161 338	31 226	-	2 192 564
Additions	-	-	522 553	522 553
Disposals	(1 885 130)	-	-	(1 885 130)
Transfers	492 184	-	(492 184)	-
Cost as of 31.12.2025.	768 392	31 226	30 369	829 987
Accumulated amortisation 31.12.2024.	1 114 101	16 099	-	1 130 200
Depreciation charged	576 007	6 259	-	582 266
Disposals	(1 314 229)	-	-	(1 314 229)
Accumulated amortisation 31.12.2025.	375 879	22 358	-	398 237
Net carrying amounts 31.12.2024.	1 047 237	15 127	-	1 062 364
Net carrying amounts 31.12.2025.	392 513	8 868	30 369	431 750

Company	Concessions, patents, licenses, trademarks, and similar rights (EUR)	Other intangible assets (EUR)	Prepayments for intangible assets (EUR)	Total intangible assets (EUR)
Cost as of 31.12.2024.	2 161 338	31 226	-	2 192 564
Additions	-	-	522 553	522 553
Disposals	(1 885 130)	-	-	(1 885 130)
Transfers	492 184	-	(492 184)	-
Cost as of 31.12.2025.	768 392	31 226	30 369	829 987
Accumulated amortisation 31.12.2024.	1 114 101	16 099	-	1 130 200
Depreciation charged	576 007	6 259	-	582 266
Disposals	(1 314 229)	-	-	(1 314 229)
Accumulated amortisation 31.12.2025.	375 879	22 358	-	398 237
Net carrying amounts 31.12.2024.	1 047 237	15 127	-	1 062 364
Net carrying amounts 31.12.2025.	392 513	8 868	30 369	431 750



During 2025, the website of the previous e-commerce platform was derecognised from intangible assets, resulting in the write-off of the remaining carrying amount of EUR 570,901 to expenses. The write-off is related to the transition to the new Shopify e-commerce platform, which was completed at the end of 2025 and represents a strategically significant long-term investment in the development of the Group's e-commerce infrastructure.

(13) PROPERTY, PLANT AND EQUIPMENT

Group	Land (EUR)	Leasehold improvements (EUR)	Technological equipment and machinery (EUR)	Other fixed assets (EUR)	Construction in progress (EUR)	Prepayments for property, plant and equipment (EUR)	Total property, plant and equipment (EUR)
Cost as of 31.12.2024.	468 722	1 059 587	4 661 456	1 077 225	83 154	15 502	7 365 646
Additions	-	-	-	-	198 733	332 009	530 742
Disposals	-	-	-	(104 423)	-	-	(104 423)
Transfers	-	118 114	168 383	304 162	(243 148)	(347 511)	-
Cost as of 31.12.2025.	468 722	1 177 701	4 829 839	1 276 964	38 739	-	7 791 965
Accumulated depreciation 31.12.2024.	-	752 951	2 990 195	767 876	-	-	4 511 022
Depreciation charged	-	124 394	330 138	140 025	-	-	594 557
Disposals	-	-	-	(102 259)	-	-	(102 259)
Accumulated depreciation 31.12.2025.	-	877 345	3 320 333	805 642	-	-	5 003 320
Net carrying amounts 31.12.2024.	468 722	306 636	1 671 261	309 349	83 154	15 502	2 854 624
Net carrying amounts 31.12.2025.	468 722	300 356	1 509 506	471 322	38 739	-	2 788 645

Company	Land (EUR)	Leasehold improvements (EUR)	Technological equipment and machinery (EUR)	Other fixed assets (EUR)	Construction in progress (EUR)	Prepayments for property, plant and equipment (EUR)	Total property, plant and equipment (EUR)
Cost as of 31.12.2024.	468 722	840 402	4 661 456	1 010 442	83 154	15 502	7 079 678
Additions	-	-	-	-	169 435	325 995	495 430
Disposals	-	-	-	(104 423)	-	-	(104 423)
Transfers	-	87 147	168 383	299 817	(213 850)	(341 497)	-
Cost as of 31.12.2025.	468 722	927 549	4 829 839	1 205 836	38 739	-	7 470 685
Accumulated depreciation 31.12.2024.	-	632 180	2 990 195	729 919	-	-	4 352 294
Depreciation charged	-	95 623	330 138	130 917	-	-	556 678
Disposals	-	-	-	(102 259)	-	-	(102 259)
Accumulated depreciation 31.12.2025.	-	727 803	3 320 333	758 577	-	-	4 806 713
Net carrying amounts 31.12.2024.	468 722	208 222	1 671 261	280 523	83 154	15 502	2 727 384
Net carrying amounts 31.12.2025.	468 722	199 746	1 509 506	447 259	38 739	-	2 663 972

(14) INVESTMENTS IN SUBSIDIARIES

	Company 31.12.2025 / EUR	Company 31.12.2024 / EUR
Acquisition value	226 076	310 684
Total	226 076	310 684

Name of the company	Acquisition cost / EUR	Owned shares, % 31.12.2025.	Owned shares, % 31.12.2024.	Carrying amount of investment 31.12.2025. /EUR	Carrying amount of investment 31.12.2024. /EUR	Investment in participation / (disposal) 2025 / EUR
MADARA Retail SIA	2 828	100	100	2 828	2 828	-
Brand Lab Cosmetics SIA	200 000	100	100	29 349	200 000	(170 651)
MADARA Cosmetics GmbH	25 000	100	100	25 000	25 000	-
MADARA Cosmetics Inc.	22 647	100	100	108 690	22 647	86 043
Madara Cosmetics LTD	60 209	100	100	60 209	60 209	-
Total	310 684	-	-	226 076	310 684	(84 608)

Brand Lab Cosmetics SIA – the carrying amount of the investment was decreased by EUR 170 651, reflecting impairment losses resulting from the subsidiary's operating performance in 2025.

MADARA Cosmetics Inc. – the carrying amount of the investment was increased by EUR 86 043, reflecting a capital contribution made by the Parent Company during 2025.

	31.12.2025 / (EUR)	31.12.2024 / (EUR)
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MADARA Retail SIA, registration number 40103212103, 131 Zeltinu street, Marupe, Latvia.

Type of operating activities – retail sale of cosmetics products.

Equity, EUR, audited by another auditor	114 374	112 975
Loss for the reporting year, EUR, audited by another auditor	1 399	(70 056)

Brand Lab Cosmetics SIA, registration number 40203612673, 20A Balozu street, Riga, LV-1048, Latvia.

Type of operating activities – manufacture of perfumes and body care products.

Equity, EUR, unaudited	29 349	199 990
Profit or (loss) of the reporting year, EUR, unaudited	(170 641)	(10)

MADARA Cosmetics GmbH, registration number HRB 177689, Potsdamer Platz 1, Berlin.

Type of operating activities – cosmetics products distribution services.

Equity, EUR, unaudited	40 040	8 032
Profit or (loss) of the reporting year, EUR, unaudited	(7 992)	(6 754)

MADARA Cosmetics Inc., registration number 37-2087771, 291 Main Street, Beacon, NY 12508.

Type of operating activities – retail sale of cosmetics products.

Equity, EUR, unaudited	17 647	(7 669)
Profit or (loss) of the reporting year, EUR, unaudited	(62 796)	(30 794)

MADARA Cosmetics LTD., registration number 15967488, 10 Village Way, Pinner, United Kingdom HA5 5AF.

Type of operating activities – retail sale of cosmetics products.

Equity, EUR, unaudited	(125 390)	52 118
Profit or (loss) of the reporting year, EUR, unaudited	(177 941)	(8 145)

(15) OTHER NON-CURRENT RECEIVABLES

	Group 31.12.2025 / EUR	Group 31.12.2024 / EUR	Company 31.12.2025 / EUR	Company 31.12.2024 / EUR
Rent security deposits	102 172	101 949	61 915	61 915
Total	102 172	101 949	61 915	61 915

(16) RAW MATERIALS, MATERIALS AND CONSUMABLES

	Group 31.12.2025 / EUR	Group 31.12.2024 / EUR	Company 31.12.2025 / EUR	Company 31.12.2024 / EUR
Raw materials and materials, gross value	2 572 493	2 833 196	2 572 493	2 833 196
Goods in transit	303 136	216 135	303 136	216 135
Total	2 875 629	3 049 331	2 875 629	3 049 331

(17) FINISHED GOODS AND GOODS FOR SALE

	Group 31.12.2025 / EUR	Group 31.12.2024 / EUR	Company 31.12.2025 / EUR	Company 31.12.2024 / EUR
Cosmetic products at gross value	1 112 166	1 326 819	1 052 750	1 104 997
Advertising materials	147 243	174 402	147 243	174 402
Goods in transit	32 007	57 877	32 007	57 877
Allowance for obsolete and slow-moving inventories	(3 500)	(3 500)	(3 500)	(3 500)
Total	1 287 916	1 555 598	1 228 500	1 333 776

	Group 2025 / EUR	Group 2024 / EUR	Company 2025 / EUR	Company 2024 / EUR
Allowance for obsolete and slow-moving inventories at the beginning of the year"	3 500	3 500	3 500	3 500
Allowance for obsolete and slow-moving inventories at the end of the year	3 500	3 500	3 500	3 500

(18) TRADE RECEIVABLES

	Group 31.12.2025 / EUR	Group 31.12.2024 / EUR	Company 31.12.2025 / EUR	Company 31.12.2024 / EUR
Trade receivables, gross value	2 710 972	1 834 318	2 710 327	1 833 370
Allowance for doubtful trade receivables	(18 769)	(32 861)	(18 769)	(32 861)
Total	2 692 203	1 801 457	2 691 558	1 800 509

Changes in allowance for doubtful trade receivables and trade receivables from related parties:

	Group 2025 / EUR	Group 2024 / EUR	Company 2025 / EUR	Company 2024 / EUR
Allowance for doubtful trade receivables at the beginning of the reporting year	32 861	18 700	32 861	218 376
Allowance charged	6 707	14 485	6 707	14 485
Release of allowance for doubtful trade receivables from related parties	-	-	-	(200 000)
Receivables written off as uncollectible during the reporting year	(20 799)	(324)	(20 799)	-
Allowance for doubtful trade receivables at the end of the reporting year	18 769	32 861	18 769	32 861

(19) TRADE RECEIVABLES FROM SUBSIDIARIES

	Company 31.12.2025 / EUR	Company 31.12.2024 / EUR
MADARA Retail SIA	334 838	227 544
Madara Cosmetics Inc.	-	218 019
Madara Cosmetics LTD	293 475	27 559
Total	628 313	473 122

(20) OTHER RECEIVABLES

	Group 31.12.2025 / EUR	Group 31.12.2024 / EUR	Company 31.12.2025 / EUR	Company 31.12.2024 / EUR
VAT overpayment (Latvia, United Kingdom)	31 564	-	-	-
Security deposits	-	239	-	-
Other receivables	11 866	72 786	8 003	63 583
Total	43 430	73 025	8 003	63 583

(21) CASH AND CASH EQUIVALENTS

	Group 31.12.2025 / EUR	Group 31.12.2024 / EUR	Company 31.12.2025 / EUR	Company 31.12.2024 / EUR
Cash in bank accounts	917 430	1 062 668	585 821	774 050
Short-term deposits in a commercial bank	4 743 025	7 538 352	4 743 025	7 383 562
Total	5 660 455	8 601 020	5 328 846	8 157 612

(22) Share capital

As of December 31, 2025, the issued and fully paid-up share capital of the Group's parent company is 378298.40, consisting of 3 782 984 shares (31.12.2024: 378 043.40 EUR, 3 780 434 shares). The share capital has increased by 255 EUR compared to 31 December 2024, using previously accumulated retained earnings under the employee option programme. The nominal value of one share is 0.10 EUR.

The Parent Company MADARA Cosmetics AS implements an employee option programme as an additional tool for employee motivation and engagement. Employee options can be granted to the Company's employees, heads of departments, and board members who have made a significant contribution to the Company. The allocation of employee options is carried out by the Board in accordance with the procedures and the volume of options determined by the shareholders' meeting. The Company does not apply the fair value model to the option programme, and in accordance with the stated procedures, the exercise of the options is carried out at nominal value, charged against retained earnings. In 2025, 2550 employee options were exercised, resulting in the option holders acquiring 2550 shares of the Company. As of 31 December 2025, the number of share options granted for which the rights to use will vest in the following years is 29 858 (31.12.2024: 32 408 options). As a result of using these options, share options participants – employees will acquire 29 858 shares of the Parent Company.

(23) TAXES AND MANDATORY STATE SOCIAL INSURANCE CONTRIBUTIONS

	Group 31.12.2025 / EUR	Group 31.12.2024 / EUR	Company 31.12.2025 / EUR	Company 31.12.2024 / EUR
Value added tax (incl. OSS)	414 536	279 253	414 536	279 253
Mandatory state social insurance contributions	145 026	129 722	138 561	120 206
Personal income tax	69 763	67 545	67 187	63 050
Corporate income tax	11 356	876	11 282	876
Other taxes and duties (Italy, United Kingdom, France)	49 771	30 872	49 735	30 850
Total	690 452	508 268	681 301	494 235

(24) OTHER LIABILITIES

	Group 31.12.2025 / EUR	Group 31.12.2024 / EUR	Company 31.12.2025 / EUR	Company 31.12.2024 / EUR
Salaries	285 656	247 308	272 944	230 598
Balance of gift cards	22 754	20 163	7 774	9 009
Other liabilities	1 313	10 841	3 834	9 901
Total	309 723	278 312	284 552	249 508

(25) DEFERRED REVENUE

	Group 31.12.2025 / EUR	Group 31.12.2024 / EUR	Company 31.12.2025 / EUR	Company 31.12.2024 / EUR
Non-current portion:				
Deferred revenue from European Union fund co-financing	237 220	279 154	237 220	279 154
Total non-current portion	237 220	279 154	237 220	279 154
Current portion:				
Deferred revenue from European Union fund co-financing	69 039	55 260	69 039	55 260
Deferred revenue from the loyalty programme	64 787	16 815	64 787	16 815
Total current portion	133 826	72 075	133 826	72 075
Total	371 046	351 229	371 046	351 229

In 2025, the Group's parent company continued its participation in research projects of SIA "Farmācijas, biomedicīnas un medicīnas tehnoloģiju Kompetences centrs" (Pharmaceutical, Biomedical and Medical Technology Competence Centre), focusing on the development of innovative products and a scientific foundation. Co-financing of EUR 333 890 was attracted for the implementation of project activities in 2025.

During the reporting year, the Group continued to make targeted investments in the improvement of digital processes and the security of information technology infrastructure. Projects were implemented under the LIAA programme "Support for the Digitalisation of Processes in Commercial Activity", attracting funding of EUR 15 606, which enabled the optimisation of internal operations and resource management.

Special attention was paid to risk management and data protection through the implementation of a CFLA cybersecurity transformation project. Within the framework of this project, support of EUR 52 201 was received, ensuring the highest standards in digital security and business continuity.

Alongside technological improvements, the Company has made targeted investments in human capital development, utilising the opportunities provided by the European Union Recovery Fund. In 2025, the support funding attracted for these activities exceeded EUR 15 000, thereby promoting the acquisition of digital skills and the professional development of the team in line with industry trends.

Post-monitoring was also ensured for the project implemented under the Norwegian Financial Instrument Programme, successfully maintaining the green innovation and ICT solutions introduced into production in accordance with the programme's conditions. The Company will continue the post-monitoring of this project until 2030, demonstrating the long-term value of the investments and compliance with the project objectives.

(26) ACCRUED LIABILITIES

	Group 31.12.2025 / EUR	Group 31.12.2024 / EUR	Company 31.12.2025 / EUR	Company 31.12.2024 / EUR
Accrued liabilities for unused vacations	294 114	310 243	280 836	296 355
Accrued liabilities for services received	26 458	385 096	399 236	369 075
Accrued liabilities for employee remuneration	403 888	24 938	26 458	24 938
Accrued liabilities for goods received	127 644	206 701	178 462	428 605
Total	852 104	926 978	884 992	1 118 973

(27) TRANSACTIONS OF THE PARENT COMPANY WITH SUBSIDIARIES AND GROUP TRANSACTIONS WITH RELATED PARTIES DURING THE REPORTING YEAR

Group transactions with related parties during the reporting year:

	Goods sale and provision of services / EUR	Purchased goods and receipt of services / EUR
Cosmetics NORD SIA	2 488 395	2 172
MC PROPERTIES SIA	960	262 583
KALVI SIA	-	33 378
Transmeri Group Ab Oy	2 135 637	205 757
Total	4 624 992	503 890

Parent Company transactions with subsidiaries:

	Goods sale and provision of services / EUR	Purchased goods and receipt of services / EUR
MADARA Retail SIA*	539 875	334
Madara Cosmetics LTD*	282 578	50 818
Madara Cosmetics Inc*	23 697	3 664
Total	846 150	54 816

(28) NUMBER OF EMPLOYEES

	Group 2025 / EUR	Group 2024 / EUR	Company 2025 / EUR	Company 2024 / EUR
Average number of employees in the year, including	214	207	188	183
Members of the Board	4	4	4	4
Members of the Council	3	5	3	5

(29) INFORMATION ON THE REMUNERATION OF MEMBERS OF THE COUNCIL AND THE BOARD

	Group 2025 / EUR	Group 2024 / EUR	Company 2025 / EUR	Company 2024 / EUR
Board members remuneration for the work at the Board	414 109	393 273	414 109	393 273
Council members remuneration for the work at the Council	5 874	6 681	5 874	6 681
Total	419 983	399 954	419 983	399 954

*Trade receivables of these parties included in the balance sheet item "Trade receivables from subsidiaries" (Note 19).



(30) Off-balance sheet liabilities and contingent liabilities

(a) Operating lease agreements

On 17 March 2015, the Parent Company entered into a premises rent agreement with MC PROPERTIES SIA, Reg. No 40103872324, for leasing production and office premises in Marupe, 131 Zeltinu Street. The agreement matures in 2030. The Parent Company of the Group has concluded an agreement on lease of office premises with Kalvi SIA at 20A Balozu Street, the term of the agreement is 2026. The Group has concluded lease agreements for rent of premises in four shopping centres in Riga: "Galerija Rīga", "Galerija Centrs", "Spice" and "AKROPOLE Alfa". The long-term lease agreement for warehouse and office space at 6 Kauguru Street, Riga, has been terminated, and the Parent Company has concluded a new long-term lease agreement for warehouse and office space at Lielmani, Marupe. The maturity of these agreements is up to the years 2028-2030 with a possibility to prolong.

(b) Issued guarantees

On 15 March 2015, a mortgage agreement was signed between SWEDBANK A/S and Group's Parent Company's lessor MC PROPERTIES SIA on pledged item – real estate on 131 Zeltinu Street, Marupe. Real estate is pledged in favour of SWEDBANK A/S and the Group's Parent Company is the guarantor for the MC PROPERTIES SIA obtained borrowings; the amount of the guarantee, in accordance with the terms of the contract, is the amount of the outstanding liabilities. As of 31 December 2025, the outstanding amount of MC PROPERTIES SIA loan to SWEDBANK A/S was 480 522 EUR (31 December 2024: 650 640 EUR). The Group's management has assessed the need to make provisions for the above guarantee and is of the opinion that no such provision is required as at 31 December 2025.

(c) Legal Risk

The Company and the Group are subject to various foreign laws, including taxation laws, as the Group's activities related to the supply of goods to individuals and legal entities take place in various foreign markets. The period of supervision by the tax authorities of the relevant countries may vary from country to country, generally between 3 and 5 years from the time of incurring or declaring the tax liability. The Group and the Company are exposed to legal risks related to possible actions by the tax authorities of these countries, including tax liabilities that could arise for periods in which the limitation period has not yet expired as at 31 December 2025 and the date of signing the annual report. The Group's management has considered all known circumstances that have arisen up to the date of signing the annual report and believes that the provision for possible tax liabilities arising from the supervision of these foreign tax administrations is not material and therefore no provision is made as at 31 December 2025.

(31) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks: foreign currency risk, interest rate risk, credit risk and liquidity risk.

- Foreign currency risk

Foreign currency risk is the risk of financial losses incurred by the Group due to adverse fluctuations in foreign currency exchange rates. This risk arises when financial assets denominated in a foreign currency do not match financial liabilities in that currency, which results in open currency positions. The Group companies do not hold any material balances of financial assets and liabilities denominated in other currencies. Therefore, during the reporting year, the Group's exposure to foreign currency risk was not significant. The Group does not undertake measures to mitigate the risk.

- Credit risk

Credit risk is the risk that the Group will incur a financial loss as a result of the counterparty being unable to meet its obligations to the Group's entities. Credit risk arises principally from cash at banks, trade receivables and/or long-term and short-term borrowings. In order to reduce this risk, the Group monitors trade receivables on a regular basis and, if necessary, takes additional debt recovery measures.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of similar counterparties. Certain trade receivables of the Parent Company are insured.

- Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations in full and on time. Liquidity risk arises when the maturities of financial assets and liabilities do not coincide. As of 31 December 2025, the Group's current assets exceeds current liabilities.

The Parent Company of the Group regularly assesses the matching of financial assets and liabilities by maturity and the stability of funding sources for long-term investments.

(32) Events after the reporting date

During the period from the last day of the reporting year until the date of the signing of this financial statement, there have been no events that should result in adjustments or be reflected in this financial statement.

(33) Proposal for profit distribution

The Management Board of the Parent Company proposes distributing a portion of prior years' retained earnings as dividends – EUR 1 514 213.60, or EUR 0.40 per share (number of shares as of the date of signing the financial statements: 3 785 534), and to transfer the 2025 profit to retained earnings for further development.

The Annual Report was approved by:

Lote Tisenkopfa - Iltnere
Chairman of the Board

Tatjana Nagle
Member of the Board

Uldis Iltners
Member of the Board

Gunta Šulte
Member of the Board

The Annual Report was prepared by:

Dace Reinsone
Chief accountant



Translation from Latvian

Independent Auditor's Report To the shareholders of MADARA Cosmetics AS

Our Opinion on the Separate and Consolidated Financial Statements

We have audited the accompanying separate financial statements of MADARA Cosmetics AS ("the Company") and accompanying consolidated financial statements of the Company and its subsidiaries ("the Group") set out on pages 8 to 34 of the accompanying separate and consolidated annual report, which comprise:

- the separate and consolidated balance sheet as at 31 December 2025,
- the separate and consolidated profit and loss statement for the year then ended,
- the separate and consolidated statement of changes in equity for the year then ended,
- the separate and consolidated statement of cash flows for the year then ended, and
- the notes to the separate and consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying separate and consolidated financial statements give a true and fair view of the separate and consolidated financial position of the Company and the Group, respectively, as at 31 December 2025, and of their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Basis for Opinion

In accordance with the Law on Audit Services of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and independence requirements included in the Law on Audit Services of the Republic of Latvia that are relevant to our audit of the separate and consolidated financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) and Law on Audit Services of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have not determined any key audit matters to be communicated in our report on the separate and consolidated financial statements of the current period.

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Reporting on Other Information

The Company's management is responsible for the other information. The other information comprises:

- Information about the Group, as set out on page 3 of the accompanying consolidated Annual Report,
- the Management Report, as set out on page 5 and 6 of the accompanying consolidated Annual Report.

Our opinion on the separate and consolidated financial statements does not cover the other information included in the separate and consolidated Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other reporting responsibilities in accordance with the legislation of the Republic of Latvia* section of our report.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the Company and the Group and their environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other reporting responsibilities in accordance with the legislation of the Republic of Latvia

In addition, in accordance with the Law on Audit Services of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Based solely on the work required to be undertaken in the course of our audit, in our opinion:

- the information given in the Management Report for the financial year for which the separate and consolidated financial statements are prepared is consistent with the separate and consolidated financial statements; and
- the Management Report has been prepared in accordance with the requirements of the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Responsibilities of Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

Management is responsible for the preparation of the separate and consolidated financial statements that give a true and fair view in accordance with the 'Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and Group's financial reporting process.

Auditor's Responsibility for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Audits Latvia SIA

Licence no. 43



Inguna Stasa
Member of the Board
Certified auditor
Certificate no. 145

Riga, Latvia
22 May 2026





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