



AS MADARA Cosmetics Supervisory Board Report for 2024

During the reporting year, the MADARA Cosmetics Group consisted of the Parent Company MADARA Cosmetics AS and its subsidiaries: MADARA Retail SIA, Brand Lab Cosmetics SIA, MADARA Cosmetics GmbH (Germany), MADARA Cosmetics Inc. (USA), Madara Cosmetics LTD (United Kingdom), Cosmetics NORD SIA (until 30 June 2024), and NORD Beauty SIA (until 30 June 2024), which is a subsidiary of Cosmetics NORD SIA.

In 2024, the Group took significant steps to refine its business strategy, including the divestment of the MOSSA and SELFNAMED.COM brands, along with its participation shares in Cosmetics NORD SIA. On 30 April 2024, MADARA Cosmetics AS signed a binding agreement with Finnish cosmetics distributor Oy Transmeri Ab for EUR 4 million, transferring the MOSSA brand assets while continuing production through contract manufacturing. Furthermore, on 1 July 2024, a contract was signed for the sale of 100% participation shares in Cosmetics NORD SIA. These strategic initiatives enabled the Group to focus more effectively on its core brand MÁDARA while ensuring sustained production capabilities and fostering innovation through newly established partnerships.

The Supervisory Board regularly monitored the activities of the Management Board by reviewing the financial results and their compliance with the approved budget. This process facilitated assessment of the Group's operational efficiency and financial stability.

In 2024 the Group achieved revenue of EUR 21.52 million, reflecting an 11% increase compared to the previous year's like-for-like figures (Group's adjusted revenue) or a 6.4% growth compared to the previous year. Profit before corporate income tax amounted to EUR 6 million, while net profit after tax was EUR 5.46 million. These results were significantly influenced by the divestment of the MOSSA brand and sale of Cosmetics NORD SIA (SELFNAMED.com). Although transitioning to a contract manufacturing model had a short-term negative impact on revenue growth, the sales proceeds from these transactions increased the Group's overall profitability.

Group's earnings per share for 2024 amounted to EUR 1.44 (3 782 984 total shares as of the financial statements approval date).

The Group's non-current investments in 2024 totaled EUR 782 thousand, including EUR 377 thousand invested in the MÁDARA brand website and over EUR 90 thousand in technological equipment.



MADARA Cosmetics AS created 6 new positions during 2024 to strengthen its team and support the achievement of the Group's development goals.

The Parent Company's production capacity remains sufficient to support further growth. For the next reporting year, the Group's priorities remain unchanged – to foster innovation, expand market and channel presence, and continue building stable and sustainable growth.

The Supervisory Board actively participated in meetings throughout the year, making decisions on matters as required by the Articles of Association and the Commercial Law, and provided strategic advice to the Management Board.

Supervisory Board of AS MADARA Cosmetics

Anna Ramata-Stunda

Chairperson of the Supervisory Board

27.05.2025