MÁDARA
organic skincare

AS MADARA COSMETICS
YEAR 2018 - THE MOST PROFITABLE YEAR EVER
PROFIT 1.5 M EUR

GROWING FASTER THAN GLOBAL BEAUTY MARKETS

<table>
<thead>
<tr>
<th>Year</th>
<th>Total beauty market growth</th>
<th>Total skincare market growth</th>
<th>MADARA cosmetics growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017*</td>
<td>5%</td>
<td>6%</td>
<td>26.3%</td>
</tr>
<tr>
<td>2018*</td>
<td>5.5%</td>
<td>9%</td>
<td>29%</td>
</tr>
</tbody>
</table>
We export to **34 COUNTRIES**

Products are available online in **120 COUNTRIES WORLDWIDE**

**GEOGRAPHICAL SALES BREAKDOWN 2018**
- EU (excl. Latvia) **64%**
- Other markets **8%**
- Latvia **28%**

**SALES BREAKDOWN BY BRAND 2018**
- MĀDARA **85%**
- MOSSA **9%**
- Contract manufacturing **6%**
THE ORIGIN

Born in 2006, MÁDARA Organic Skincare is a natural cosmetics brand from Latvia. Founded by four Latvian women, who, unable to find exactly what they were looking for, created it themselves.

In as little as 10 years, AS MADARA Cosmetics has grown from a dream to a famous and acknowledged producer of cosmetics for various skin care brands.

Today MÁDARA enjoys its greatest popularity in Finland and several other Northern countries, as well as throughout the Europe.
MÁDARA pioneered scientific research and ingredient innovations based on Northern plants more than 12 years ago, and now owns one of the best-equipped and most advanced organic cosmetics factories in Northern Europe.

In 2017, AS MADARA Cosmetics became a Nasdaq Baltic First North listed company.
Being a value-driven enterprise, MÁDARA believes that the best skin care is the kind of care that goes deeper than skin. MÁDARA challenges traditional cultural and industry norms with NATURE, SCIENCE, HUMANITY AND SUSTAINABILITY.

As a result, people tired from the urban life and challenges are inspired to rediscover their natural appearance and values to feel comfortable in their own skin again.
UNIQUE INGREDIENTS
FROM NORTHERN AND ARCTIC REGIONS

Our unique ingredients are harvested mainly in the Baltic/Northern region: e.g., rejuvenating birch water, vitamin-rich berries, mineral-rich fossil mud, antioxidant-packed herbs and omega-rich seed oils.

At first being charmed by Asian Beauty, starting MÁDARA I realised that there is a huge potential in the ingredients coming from my own region. I love to call it Northern Beauty.

LOTTE, MÁDARA FOUNDER
PRODUCT DEVELOPMENT,
RESEARCH AND INNOVATION

Each product is exclusively developed in the company’s own R&D department and lab in collaboration with the leading scientists and dermatologists.

This ensures unique and highly specialised formulations, fast integration of innovative solutions, and quick adaptation to ever-changing market and customer needs, as well as new trends.
ORGANIC VS. CONVENTIONAL

MÁDARA undertakes the task and challenge to find ways how to push the industry in a natural and responsible direction.

HIGHLIGHTS

Natural non-invasive alternative to skin filling: NEW RE:GENE VOLUME REBUILD LIFTING MASK

Natural, certified sunscreens, FREE FROM chemical filters, synthetic preservatives, fragrances and colourants: NEW NATURAL SUNSCREEN RANGE FOR FACE & BODY

Silicone-Free Serum for proven EFFECTIVENESS: TIME MIRACLE CELLULAR REPAIR SERUM
Proud to be the first

World’s 1st Birch water-based anti-ageing skin care

- 0% water added -

We were the first to research and introduce Northern birch water into anti-ageing skin care
BIRCH WATER – THE LONGEVITY fluid

55 ACTIVE SKIN BOOSTING MOLECULES

- Age-defying amino acids
- Skin-brightening organic acids
- Hydrating polysacharides
- Nourishing minerals (K, Mg and Ca)
- Antioxidants
BIRCH WATER

REVERSES GENETIC AGEING

+25% CELL REGENERATION / 91% collagen increase
FUTURISTIC HAIR CARE

BASED ON FUNCTIONAL MUSHROOMS
UNTAPPED POTENTIAL
OF NORTHERN MUSHROOMS:

CHANTERELLE
CHANterelle Fungi

Hair Growth Vitamins

Niacin [B3]
Pantothenic acid [B5]
Biotin [B7]

Silicone-Like Fungi Polymers

Smoothness without compromising volume
A VERY CLOSE LOOK:
SCANNING ELECTRON MICROSCOPY

Magnification 800 x

**BEFORE:**
Heat-damaged hair, treated with water

**AFTER (silicone):**
Heat-damaged hair, treated with 2% silicone containing conditioner

**AFTER (chanterelle):**
Heat-damaged hair, treated with chanterelle fungi containing conditioner
NATURAL UVA/UVB PROTECTION

365 DAYS A YEAR | FACE & BODY
LAUNCH OF THE YEAR!
PACKAGING COMMITMENTS OF THE INDUSTRY

<table>
<thead>
<tr>
<th>Brand</th>
<th>Commitment</th>
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<tbody>
<tr>
<td>MÁDARA</td>
<td>100% Recyclable since 2006</td>
</tr>
<tr>
<td>L'ORÉAL</td>
<td>100% Recyclable or reusable by 2025</td>
</tr>
<tr>
<td>WELEDA</td>
<td>75% Recyclable by 2025</td>
</tr>
<tr>
<td>P&amp;G</td>
<td>100% Recyclable by 2030</td>
</tr>
<tr>
<td>EU STRATEGY</td>
<td>100% Recyclable by 2030</td>
</tr>
</tbody>
</table>

EU PLASTIC WASTE GENERATION*

59% OF PLASTIC WASTE IS PLASTIC PACKAGING

To reduce plastic in the environment, plastic packaging has to be addressed. This is the 1st target of public policies.

* DATA: 2015

59% PACKAGING

- 54% OTHERS
- 5% AGRICULTURE
- 5% AUTOMOTIVE
- 8% ELECTRICAL AND ELECTRONIC EQUIPMENT
- 5% CONSTRUCTION AND DEMOLITION
- 4% NON PACKAGING HOUSEHOLD
CERTIFIED NATURAL AND ORGANIC
MÁDARA cosmetics are certified according to the international ECOCERT or COSMOS standards, which defines and supervises ingredient sourcing, packaging and manufacturing processes.

POWERED BY 100% GREEN ELECTRICITY
In 2018, all electricity consumed came from 100% renewable sources.

FIRST PRODUCT DEVELOPED IN PLANT-BASED PACKAGING
This tube is made from plant-based plastics.

100% RECYCLABLE PACKAGING
Our primary packaging (e.g. bottles, flacons) is made of recyclable materials.

LOW CO₂ EMISSION
113 tons in 2018

GENDER DIVERSITY RATIO
Female employees at MÁDARA: 70.37%

HELPING THE COMMUNITY
During 2018, we have helped around 143 children and youngsters

Our contribution to NGO MARTA in 2018 provided 500 FREE of charge legal and psychological consultation sessions for victims of human trafficking and domestic violence, mostly women and children. THIS MEANS 10 CONSULTATIONS PER WEEK.