



Grigeo Group AB

**CONSOLIDATED INTERIM REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS FOR THE 3 MONTHS PERIOD ENDED
31 MARCH 2025 (UNAUDITED)**

Translation note:

This version of the accompanying documents is a translation from the original, which was prepared in Lithuanian. 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 the accompanying documents takes precedence over this translation.

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MANAGEMENT REPORT

In this report Grigeo Group AB is referred to as the Company and together with subsidiaries is referred to as the Group.

A. Executive summary of the Group for the 3 months of 2025

The changes in key indicator over 3 months of 2025, compared to the respective period of previous year:

- The Group's revenue increased by EUR 10.5 million (22%).
- The Group's EBITDA increased by EUR 0.1 million (1%).
- The Group's EBT decreased by EUR 0.7 million (13%).

| Indicator, EUR million | 2025 | 2024 | Change |
|-------------------------|------|------|--------|
| Revenue | 59.1 | 48.7 | 10.5 |
| EBITDA (Note 17) | 7.5 | 7.4 | 0.1 |
| Profit before tax (EBT) | 4.5 | 5.2 | (0.7) |

More details on reasons of these changes are presented below in a table and comments by Group's business segments.

The Group's revenue, gross profit, and gross margin over 3 months of respective years*:

| Indicator, EUR million | Tissue paper and paper products | | Wood fibre boards | | Raw materials for corrugated cardboard and related products | | Unallocated | | TOTAL | |
|------------------------|---------------------------------|-------|-------------------|-------|---|-------|-------------|--------|-------|-------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Revenue | 31.2 | 22.8 | 7.4 | 7.5 | 19.4 | 17.0 | 1.2 | 1.3 | 59.1 | 48.7 |
| Gross profit | 7.5 | 7.0 | 1.4 | 1.8 | 3.0 | 3.0 | (0.2) | (0.1) | 11.7 | 11.7 |
| Gross margin | 24.2% | 30.8% | 18.4% | 23.5% | 15.7% | 17.5% | (18.4%) | (6.5%) | 19.8% | 24.0% |

*The data is presented after eliminating the impact of transactions between the segments.

Tissue paper products market. Over 3 months of 2025 the revenue from tissue paper segment reached EUR 31.2 million and, when compared to respective period of previous year, increased by 36.6%. The gross profit of the segment amounted to EUR 7.5 million – 7% more if compared to respective period of previous year. The gross margin of the segment decreased from 30.8% to 24.2%. Segment's revenue and margin were mainly impacted by changing structure of product portfolio and evolving competitive environment.

Wood products market. Over 3 months of 2025 the revenues of the segment reached EUR 7.4 million and stayed at the same level when compared to respective period of previous year. The gross profit of the segment reached EUR 1.4 million and was 23% lower when compared to the respective period of previous year. Accordingly, the gross margin has decreased from 23.5% to 18.4%.

Raw materials for corrugated cardboard and related products market. Over 3 months of 2025 the revenues of this segment exceeded previous year level and amounted EUR 19.4 million. The gross profit of the segment reached EUR 3.0 million and stayed at the same level when compared to respective period of previous year. The gross margin of the segment decreased from 17.5% to 15.7%.

The Group's liquidity, capital structure and market value indicators:

| Indicator | 3 months 2025 | 3 months 2024 | 3 months 2023 |
|---------------------------------|------------------|------------------|------------------|
| Revenue, EUR million | 59.1 | 48.7 | 54.1 |
| Net profit, EUR million | 4.5 | 4.2 | 8.2 |
| EBITDA, EUR million (Note 17) | 7.5 | 7.4 | 12.0 |
| EBIT, EUR million | 4.5 | 5.0 | 9.7 |
| Profitability ratios | | | |
| Gross margin | 19.8% | 24.0% | 23.9% |
| EBITDA profitability | 12.6% | 15.2% | 22.3% |
| EBIT profitability | 7.7% | 10.2% | 18.0% |
| Net margin | 7.6% | 8.8% | 15.1% |
| ROE profitability | 3.5% | 3.8% | 8.1% |
| ROA profitability | 2.6% | 2.7% | 5.8% |
| ROCE profitability | 3.1% | 3.8% | 8.4% |
| Liquidity ratios | | | |
| Current ratio | 1.85 | 1.90 | 2.16 |
| Quick ratio | 1.33 | 1.36 | 1.65 |
| Capital structure ratios | | | |
| Debt to equity ratio | 0.37 | 0.39 | 0.36 |
| Debt to total assets ratio | 0.27 | 0.28 | 0.27 |
| Market value ratios | | | |
| P/E | 31.54 | 34.60 | 13.81 |
| Earnings per share, EUR | 0.034 | 0.033 | 0.062 |
| Diluted earnings per share, EUR | 0.034 | 0.032 | 0.061 |

The above-mentioned indicators have been calculated in accordance with the formulas recommended by Nasdaq Vilnius AB. The formulas are presented in [Note 2.2. of year 2024 consolidated annual report](#).

B. Main data about the issuer

| Company | Data |
|-----------------------------------|--|
| Company name | Grigeo Group AB |
| Code | 110012450 |
| Authorised share capital (Note 9) | EUR 38,106,000 |
| LEI | 529900YXT3CDTZGS0R43 |
| Address | Vilnius str. 10, Grigiškės, Vilnius City Municipality, Lithuania |
| Telephone | +370 5 243 5801 |
| E-mail | group@grigeo.com |
| Website | http://www.grigeo.com/en |
| Legal form | Public limited liability company |
| Date of registration | 23 May 1991 |
| Manager of the register | State enterprise Centre of Registers |

C. Audit information

The interim consolidated information of the Company covering 3 months of 2025 is not audited by independent auditor.

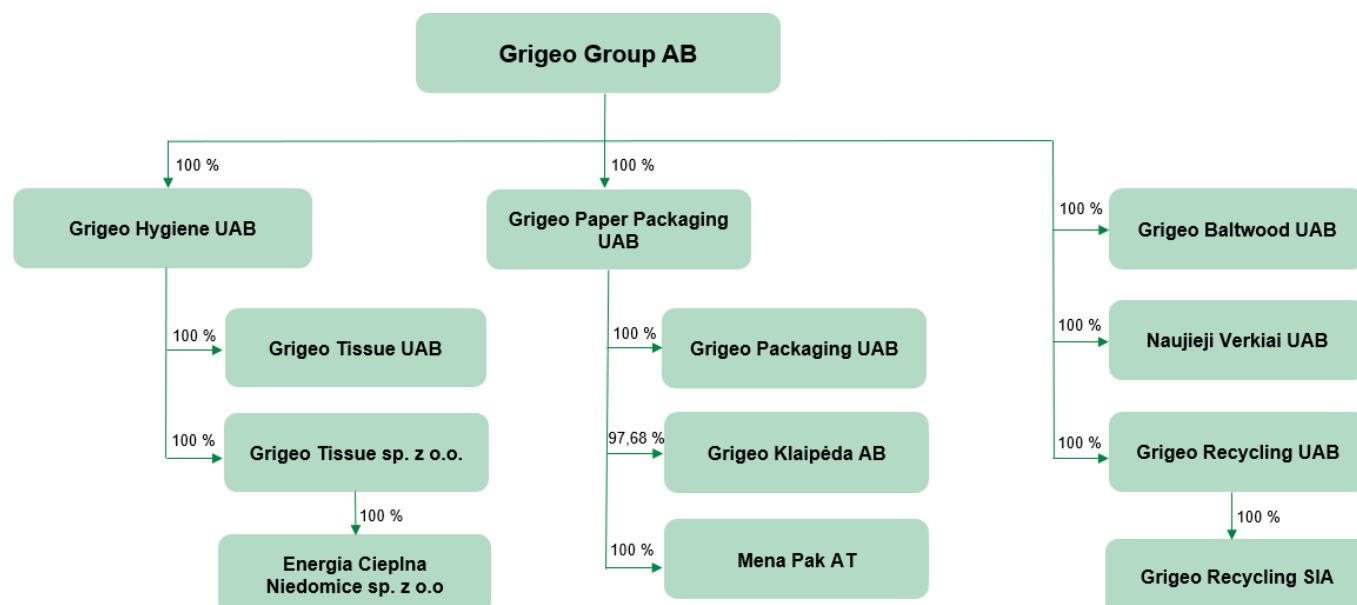
D. Contracts with intermediaries of public trading in securities and credit institutions

The Company has signed a contract with Šiaulių Bankas AB (telephone No 1813 (+370 37 301337 for calls from abroad), kc@sb.lt) on payment of dividends to the shareholders for the previous financial year.

The Company has signed a contract with Orion Securities UAB FMĮ (A. Tumėno str. 4, Vilnius, telephone No +370 231 3833, info@orion.lt) on the handling of securities issued by the Company and on Market Making.

E. Group companies and their contact details

On 31 March 2025, the group comprised the Company (Grigeo Group AB) and twelve subsidiaries as specified below.



F. Nature of core activities of the group companies

In 2024, the Group's structure was reorganized by consolidating companies with similar business profiles under branch holdings. Grigeo Group AB retained its role in consultancy and business management, overseeing all areas of the Group's operations.

The hygiene paper production segment, comprising Grigeo Tissue UAB and Grigeo Tissue sp. z o.o. along with its subsidiary producing heat energy Energia Ciepłna Niedołmice sp. z o.o., is consolidated under Grigeo Hygiene UAB, which is engaged in investment activities and company management.

The cardboard and cardboard products business segment is consolidated under Grigeo Paper Packaging UAB, which also engages in investment activities and company management. This segment includes Grigeo Klaipėda AB, which manufactures raw materials for the production of corrugated cardboard – testliner (smooth layer cardboard), fluting (paper for corrugation), and paper honeycomb – as well as the corrugated cardboard and packaging production companies Grigeo Packaging UAB and Mena Pak AT.

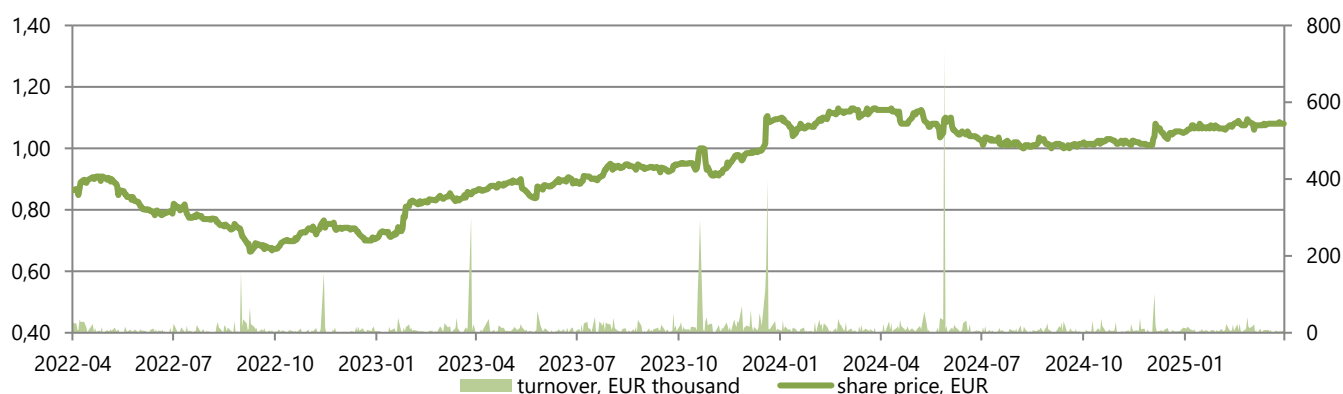
The Group also includes Grigeo Recycling UAB and Grigeo Recycling SIA, which are involved in the collection and preparation of secondary raw materials for recycling; Grigeo Baltwood UAB, which manufactures hardboard and painted hardboard panels; and Naujieji Verkiai UAB, which is involved in real estate development and construction (the latter did not carry out any operations during the reporting period).

G. Data about trade in the issuer's securities in regulated markets

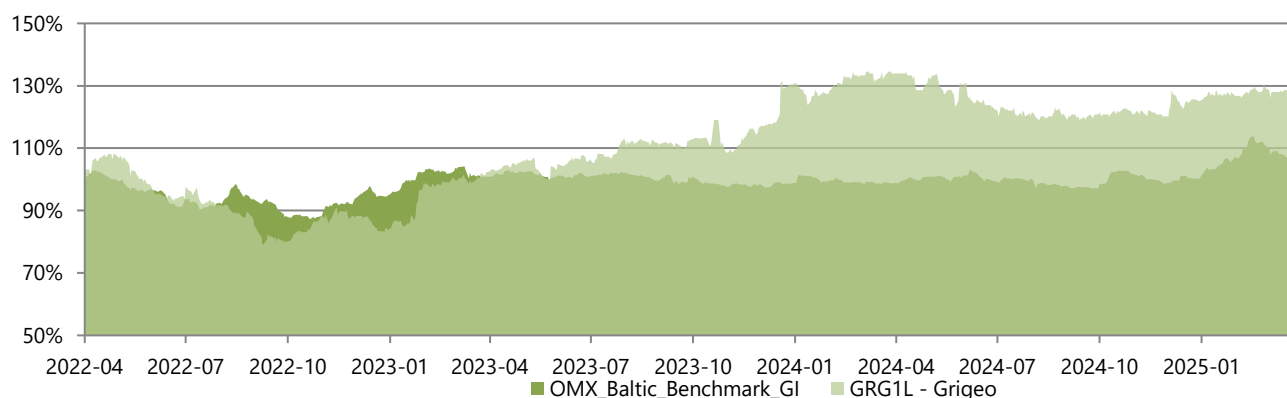
The ordinary registered shares of Grigeo Group AB are listed on the Official Baltic List of Nasdaq Vilnius Stock Exchange (trading code of shares is GRG1L). The main characteristics of the Company's shares:

| Type of shares | VP ISIN code | Number of shares, units | Par value, EUR | Total par value, EUR |
|----------------------------|--------------|-------------------------|----------------|----------------------|
| Ordinary registered shares | LT0000102030 | 131,400,000 | 0.29 | 38,106,000 |

Price and turnover of shares 01/04/2022 – 31/03/2025:



Share price benchmarked against the Baltic market index 01/04/2022 – 31/03/2025:



H. Shareholders

Shareholders owning more than 5% of the authorised capital of the Issuer on the 31 of March 2025 and/or the 31 of December 2024:

| Shareholder's name (company's name, type, headquarters address, corporate ID number) | 31 March 2025 | | | 31 December 2024 | | |
|---|---|--|---|---|--|---|
| | Number of ordinary registered shares owned by the shareholder | Interest in the authorised capital, % | Votes granted by shares held by the right of ownership, % | Number of ordinary registered shares owned by the shareholder | Interest in the authorised capital, % | Votes granted by shares held by the right of ownership, % |
| Ginvildos investicija UAB* Rukeliškių g. 21, Vilnius, 125436533 | 62,628,027 | 47.66 | 47.66 | 62,628,027 | 47.66 | 47.66 |
| Irena Ona Mišeikienė | 17,625,064 | 13.41 | 13.41 | 17,625,064 | 13.41 | 13.41 |

*67.00% of shares of Ginvildos investicija UAB are owned by Gintautas Pangonis.

I. Employees

Over the three months of the year 2025 there were no significant changes in the number of employees. Natural staff turnover rates prevailed in Group companies for the reported period.

Number of employees in the Group:

| | 2025.03.31 | 2024.12.31 |
|---------------------|------------|------------|
| Number of employees | 1,038 | 1,042 |

The average salary in the Group for year 2025 period is presented with the data of newly acquired plant in Poland. The average salary for 2024 1-3 months is shown in line with the Group structure of that period.

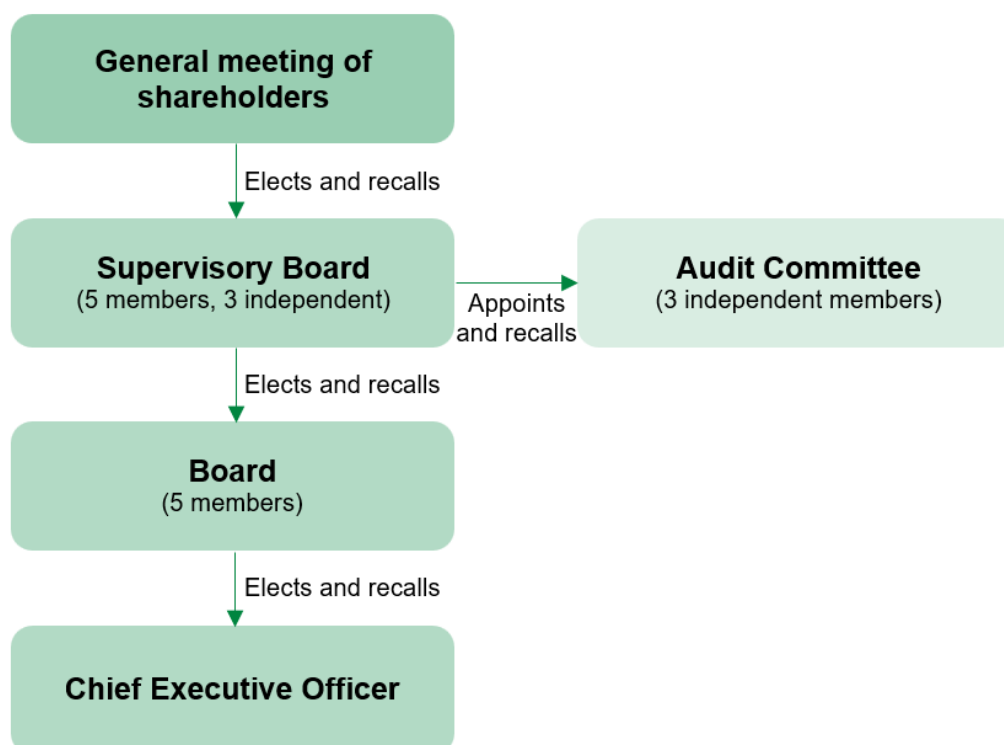
Average salary in the Group*, in euros:

| Employees | 3 months 2025 | 3 months 2024 |
|--------------|------------------|------------------|
| Workpeople | 2,234 | 2,456 |
| Specialists | 2,972 | 2,829 |
| Managers | 8,573 | 8,722 |
| Total | 3,085 | 3,248 |

* information on the average salary is presented without Mena Pak AT in order to show the precise group average salaries unaffected by fluctuations of Ukrainian Hryvnia currency.

J. Information on the management and supervisory bodies of the issuer

According to the Company's Articles of Association, the Company's bodies are the General Meeting of Shareholders, the collegial supervisory body is the Supervisory Board, the collegial management body is the Board, and the Company's Manager is Chief Executive Officer. The Audit Committee is formed, which is the advisory body to the Company's Supervisory Board.



Members of the supervisory council, audit committee, the board, the head of the Company, their education and share of capital and voting rights.

| Name, surname | Position | Education | Tenure | Capital share and votes, % |
|------------------------|--------------------------------|--|--|----------------------------|
| Supervisory Board | | | | |
| Vilius Oškeliūnas | Independent Member, Chairman | Vilnius University, BA and MA in Economics | Since 28 April 2023 until the AGM*, to be held in 2027 | - |
| Marius Stankevičius | Member | University of Liverpool, MA in Management of Information Systems | | 2.92 |
| Ignas Degutis | Independent Member | ISM University of Management and Economics, MA in Economics | | - |
| Arūnas Pangonis | Member | Vilnius Gediminas Technical University, MA in Industrial Engineering | | Indirectly** |
| Daiva Duksienė | Independent Member | Vilnius University, Economist | | - |
| Audit Committee | | | | |
| Daiva Duksienė | Independent Member, Chairwoman | Vilnius University, Economist | Since 28 April 2023 until the AGM*, to be held in 2027 | - |
| Ignas Degutis | Independent member | ISM University of Management and Economics, MA in Economics | | - |
| Vilius Oškeliūnas | Independent Member | Vilnius University, BA and MA in Economics | | - |
| Board | | | | |
| Gintautas Pangonis | Chairman | Kaunas University of Technology, Telecommunications Engineer | Since 28 April 2023 until the AGM*, to be held in 2027 | Indirectly** |
| Vigmantas Kažukauskas | Member | Kaunas University of Technology, Telecommunications Engineer | | 0.88 |
| Saulius Martinkevičius | Member | Vilnius University, MA in Business Administration and Management | | 0.28 |
| Tomas Jozonis | Member | ISM University of Management and Economics, BA in Management and Business Administration; Vilnius University, MA in Business | | Indirectly** |
| Robertas Krutikovas | Member | Baltic Management Institute, MA in Business Administration | Since 30 May 2024 until the AGM*, to be held in 2027 | - |
| Manager of the Company | | | | |
| Tomas Jozonis | Chief Executive Officer | ISM University of Management and Economics, BA in Management and Business Administration; Vilnius University, MA in Business | - | Indirectly** |

*Annual General Meeting of Shareholders.

**Ginvildos investicija UAB holds 47.66% of the Company's shares. 67.00% of shares of Ginvildos investicija UAB are owned by Gintautas Pangonis, 10.00% by Arūnas Pangonis and 10.00% by Tomas Jozonis.

K. Information about compliance with governance code

Grigeo Group AB follows a Corporate Governance Code for the Companies Listed on Nasdaq Vilnius. Information presented in the [Annual Report of 2024](#) has not undergone any changes.

L. Related party transactions

All transactions with related parties were carried out at market prices in course of ordinary economic activities.

Grigeo Klaipėda AB – subsidiary of Grigeo Group AB.

Grigeo Baltwood UAB – subsidiary of Grigeo Group AB.

Mena Pak AT – subsidiary of Grigeo Group AB.

Grigeo Paper Packaging UAB – subsidiary of Grigeo Group AB.

Ginvildos investicija UAB – major shareholders of Grigeo Group AB.

Statybų namai UAB – companies related to the members of Supervisory Council.

Grigeo Packaging UAB – subsidiary of Grigeo Group AB.

Naujieji Verkiai UAB – subsidiary of the group not subject to consolidation.

Grigeo Recycling UAB – subsidiary of Grigeo Group AB.

Grigeo Recycling SIA – subsidiary of Grigeo Group AB.

Grigeo Hygiene UAB – subsidiary of Grigeo Group AB.

Grigeo Tissue UAB – subsidiary of Grigeo Group AB.

Grigeo Tissue sp. z o.o – subsidiary of Grigeo Group AB.

Energia Cieplna Niedomice sp. z o.o – subsidiary of Grigeo Group AB.

Group's transactions with related parties over the 3 months of 2025 presented in the table below. Balances of amounts receivable/payable in relation thereto on the 31 of March 2025.

| Group | Sales of goods and services | Purchases of goods and services | Amounts receivable* | Amounts payable |
|--|-----------------------------|---------------------------------|---------------------|-----------------|
| Companies having significant influence | - | - | - | - |
| Other related companies | - | - | - | - |
| TOTAL | - | - | - | - |

*Receivables include prepayments for goods and services.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statements of financial position

| | Notes | 2025.03.31 | 2024.12.31 |
|------------------------------------|-------|----------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2 | 99,233 | 97,434 |
| Right-of-use assets | 3 | 5,601 | 5,611 |
| Intangible assets | 5 | 6,146 | 5,486 |
| Investment property | 4 | 4,382 | 4,441 |
| Other amounts receivable | 6 | - | - |
| Total non-current assets | | 115,362 | 112,972 |
| Current assets | | | |
| Inventories | 8 | 19,341 | 20,590 |
| Trade and other amounts receivable | 6 | 29,519 | 31,677 |
| Other current assets | | 495 | 522 |
| Cash and cash equivalents | 7 | 19,280 | 14,018 |
| Total current assets | | 68,635 | 66,807 |
| TOTAL ASSETS | | 183,997 | 179,779 |

(Cont'd on the next page)

Consolidated statements of financial position (continued)

| | Notes | 2025.03.31 | 2024.12.31 |
|---|-------|----------------|----------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 9 | 38,106 | 38,106 |
| Share premium | | 1,119 | 1,119 |
| Legal reserve | 9 | 4,033 | 3,811 |
| Reserve for granting shares | 10 | 500 | 500 |
| Foreign currency translation reserve | | (2,600) | (2,858) |
| Retained earnings | | 92,069 | 87,695 |
| Equity attributable to shareholders of the Company | | 133,227 | 128,373 |
| Non-controlling interest | | 672 | 656 |
| Total equity | | 133,899 | 129,029 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Borrowings | 11 | 421 | 677 |
| Lease liabilities | | 4,749 | 4,807 |
| Grants | | 1,902 | 1,934 |
| Deferred income tax liability | | 4,004 | 4,251 |
| Long-term employee benefits | | 565 | 546 |
| Other amounts payable | | 1,397 | 2,034 |
| Total non-current liabilities | | 13,038 | 14,249 |
| Current liabilities | | | |
| Borrowings | 11 | 1,572 | 1,820 |
| Lease liabilities | | 647 | 566 |
| Income tax payable | | 1,231 | 1,221 |
| Trade and other amounts payable | 12 | 33,610 | 32,894 |
| Total current liabilities | | 37,060 | 36,501 |
| Total liabilities | | 50,098 | 50,750 |
| TOTAL EQUITY AND LIABILITIES | | 183,997 | 179,779 |

Consolidated statements of comprehensive income

| | Notes | 3 months 2025 | 3 months 2024 |
|--|-------|---------------|---------------|
| Revenue | 13 | 59,128 | 48,660 |
| Cost of sales | | (47,408) | (36,964) |
| Gross profit | | 11,720 | 11,696 |
| Selling and distribution expenses | | (4,778) | (3,977) |
| Administrative expenses | | (2,684) | (2,965) |
| Other income | 14 | 218 | 216 |
| Other gains/(losses) – net | 15 | 61 | 3 |
| Operating profit | | 4,537 | 4,973 |
| Finance income | | 120 | 343 |
| Finance costs | | (127) | (90) |
| Finance income/(costs) – net | | (7) | 253 |
| Profit before income tax | | 4,530 | 5,226 |
| Income tax | | (15) | (980) |
| PROFIT FOR THE PERIOD | | 4,515 | 4,246 |
| Profit for the period is attributable to: | | | |
| Shareholders of the Company | | 4,499 | 4,272 |
| Non-controlling interest | | 16 | (26) |
| Other comprehensive income/(expenses) | | | |
| Items that will not be reclassified subsequently to profit or loss | | - | - |
| Items that may be reclassified subsequently to profit or loss | | | |
| Exchange differences on translation of foreign operations | | 258 | (55) |
| Cash flow hedges – effective portion of changes in fair value | | - | - |
| Total items that may be reclassified subsequently to profit or loss | | 258 | (55) |
| Other comprehensive income/(expenses) for the period | | 258 | (55) |
| Total comprehensive income for the period | | 4,773 | 4,191 |
| Total comprehensive income for the period is attributable to: | | | |
| Shareholders of the Company | | 4,757 | 4,217 |
| Non-controlling interest | | 16 | (26) |
| Basic earnings per share (in EUR) | 16 | 0.034 | 0.033 |
| Diluted earnings per share (in EUR) | 16 | 0.034 | 0.032 |

Consolidated statements of changes in equity

| | Equity attributable to owners of the Company | | | | | | | Non-controlling interest | Total equity |
|---|--|---------------|---------------|-----------------------------|--------------------------------------|-------------------|----------------|--------------------------|----------------|
| | Share capital | Share premium | Legal reserve | Reserve for granting shares | Foreign currency translation reserve | Retained earnings | Total | | |
| At 1 January 2024 | 38,106 | 1,119 | 2,886 | 500 | (2,821) | 76,184 | 115,974 | 615 | 116,589 |
| Profit for the period | - | - | - | - | - | 4,272 | 4,272 | (26) | 4,246 |
| Other comprehensive income/(expenses) | - | - | - | - | (55) | - | (55) | - | (55) |
| Total comprehensive income/(expenses) | - | - | - | - | (55) | 4,272 | 4,217 | (26) | 4,191 |
| Retained earnings from acquisition | - | - | - | - | - | (122) | (122) | - | (122) |
| Approved dividends | - | - | - | - | - | - | - | - | - |
| Share-based remuneration | - | - | - | - | - | 51 | 51 | - | 51 |
| Transactions with the Company's owners | - | - | - | - | - | (71) | (71) | - | (71) |
| At 31 March 2024 | 38,106 | 1,119 | 2,886 | 500 | (2,876) | 80,385 | 120,120 | 589 | 120,709 |
| | | | | | | | | | |
| At 1 January 2025 | 38,106 | 1,119 | 3,811 | 500 | (2,858) | 87,695 | 128,373 | 656 | 129,029 |
| Profit for the period | - | - | - | - | - | 4,499 | 4,499 | 16 | 4,515 |
| Other comprehensive income/(expenses) | - | - | - | - | 258 | - | 258 | - | 258 |
| Total comprehensive income/(expenses) | - | - | - | - | 258 | 4,499 | 4,757 | 16 | 4,773 |
| Retained earnings from acquisition | - | - | - | - | - | - | - | - | - |
| Transfer to legal reserve | - | - | 222 | - | - | (222) | - | - | - |
| Approved dividends | - | - | - | - | - | - | - | - | - |
| Share-based remuneration | - | - | - | - | - | 97 | 97 | - | 97 |
| Transactions with the Company's owners | - | - | 222 | - | - | (125) | 97 | - | 97 |
| At 31 March 2025 | 38,106 | 1,119 | 4,033 | 500 | (2,600) | 92,069 | 133,227 | 672 | 133,899 |

Consolidated statements of cash flows

| | Notes | 3 months 2025 | 3 months 2024 |
|--|-------|------------------|------------------|
| Cash flows from operating activities | | | |
| Profit before income tax | | 4,530 | 5,226 |
| Adjustments for non-cash items | | | |
| Depreciation and amortisation | | 2,927 | 2,426 |
| Interest expenses from borrowings and lease | | (38) | 103 |
| Interest income | | (81) | (300) |
| (Income)/expenses from other financial activities – net | | 125 | (57) |
| Gain on disposal of property, plant and equipment | | (12) | (7) |
| Share-based payment arrangements | | 98 | 51 |
| | | 7,549 | 7,442 |
| Changes in working capital | | | |
| Decrease/(increase) in trade and other amounts receivable | | 1,444 | (3,209) |
| (Increase)/decrease in inventories | | 1,249 | 361 |
| (Increase)/decrease in other assets | | 26 | (300) |
| Increase/(decrease) in trade and other amounts payable | | 1,666 | 1,262 |
| | | 4,385 | (1,886) |
| Interest paid | | (48) | (92) |
| Income tax paid | | (163) | (163) |
| Net cash inflow from operating activities | | 11,723 | 5,301 |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment and intangible assets | 2 / 5 | (5,946) | (3,045) |
| Acquisition of investment property | 4 | (12) | (61) |
| Investments in subsidiaries (increase), decrease | | - | (18,414) |
| Disposal of property, plant and equipment | 2 | 43 | 17 |
| Interest received | | 77 | 245 |
| Payments for financial assets at amortised cost | | - | 15,051 |
| Net cash inflow/(outflow) from investing activities | | (5,838) | (6,207) |
| Cash flows from financing activities | | | |
| Dividends paid | | (12) | (17) |
| Repayment of borrowings | | (503) | (503) |
| Proceeds from borrowings | | - | - |
| Lease payments | | (108) | (132) |
| Net cash (outflow) from financing activities | | (623) | (652) |
| Net increase/(decrease) in cash flows | | 5,262 | (1,558) |
| Cash and cash equivalents at the beginning of the period | | 14,018 | 18,952 |
| Cash and cash equivalents at the end of the period | | 19,280 | 17,394 |

NOTES TO FINANCIAL STATEMENTS

1. Basis of preparation

The interim financial statements of the Group for the 3-month period ended 31 March 2025 are prepared in accordance with IAS 34 Interim Financial Reporting

These financial statements do not include all the information required for a complete set of annual financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The accounting policies adopted in the preparation of these interim financial statements are consistent with those described in the audited annual financial statements for the financial year ended 31 December 2024.

These financial statements of the Group for the 3-month period ended 31 March 2025 have been prepared under the assumption that the Group will continue as a going concern.

All amounts in these financial statements of the Group are presented in the euros. Amounts are rounded to the nearest thousand (EUR thousands), unless otherwise stated.

Accounting estimates and assessments

The preparation of the financial statements requires the management of each company of the Group to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and judgements are based on the management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant judgements made by management in applying the Group's and Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited financial statements for the year ended 31 December 2024.

Useful lives of property, plant and equipment

The estimation of the useful lives of items of property, plant and equipment is a matter of judgment based on the experience with similar assets. The management assesses the remaining useful lives in accordance with the current technical conditions of the assets and estimated period during which the assets are expected to earn benefits for the Group. In assessing the remaining useful life of property, plant and equipment, the management considers conclusions presented by the employees responsible for technical maintenance of assets.

Impairment of goodwill

Goodwill is tested for impairment annually by calculating the recoverable value. The recoverable value of goodwill is calculated by discounting future cash flows to their present value. The management tested goodwill of EUR 3,001 thousand, which was recognised upon the acquisition of subsidiary Grigeo Klaipėda AB, for impairment and did not establish any indications of impairment.

Legal processes

Subsidiary Grigeo Klaipėda AB has received a claim in relation to indemnification for damage to the environment. Based on the management's estimate, the outcome of the claim involves a high degree of uncertainty. More information is presented in [Note 33 of year 2024 financial statements](#).

2. Property, plant and equipment

| | Buildings and structures | Machinery and equipment | Motor vehicles | Other assets | Construction in progress and prepayments | Total |
|--|--------------------------|-------------------------|----------------|----------------|--|------------------|
| At 1 January 2024 | | | | | | |
| Cost | 49,245 | 131,451 | 2,510 | 3,055 | 5,351 | 191,612 |
| Accumulated depreciation | (25,421) | (94,090) | (1,689) | (1,816) | - | (123,016) |
| Net book amount | 23,824 | 37,361 | 821 | 1,239 | 5,351 | 68,596 |
| Opening net book amount at 1 January 2024 | 23,824 | 37,361 | 821 | 1,239 | 5,351 | 68,596 |
| Additions | 99 | 367 | 1,049 | 179 | 18,228 | 19,922 |
| Business acquisition | 4,496 | 8,803 | 64 | 5,972 | 130 | 19,465 |
| Disposals and write-offs | (43) | - | (109) | (3) | - | (155) |
| Reclassification to right-of-use assets | - | - | - | - | (11) | (11) |
| Transfer from construction work in progress to property, plant and equipment | 605 | 5,613 | 127 | 228 | (6,573) | - |
| Transfer from/to inventory | - | - | - | - | (411) | (411) |
| Reclassification to intangible assets | - | - | - | - | (69) | (69) |
| Foreign exchange effect | 25 | - | - | 60 | 1 | 86 |
| Depreciation charge | (1,799) | (6,439) | (340) | (1,411) | - | (9,989) |
| Closing net book amount at 31 December 2024 | 27,207 | 45,705 | 1,612 | 6,264 | 16,646 | 97,434 |
| At 31 December 2024 | | | | | | |
| Cost | 54,181 | 146,008 | 3,195 | 9,535 | 16,646 | 229,565 |
| Accumulated depreciation | (26,974) | (100,303) | (1,583) | (3,271) | - | (132,131) |
| Net book amount | 27,207 | 45,705 | 1,612 | 6,264 | 16,646 | 97,434 |
| Opening net book amount at 1 January 2025 | 27,207 | 45,705 | 1,612 | 6,264 | 16,646 | 97,434 |
| Additions | - | 45 | 91 | 25 | 4,128 | 4,289 |
| Disposals and write-offs | - | - | (30) | - | - | (30) |
| Transfer from construction in progress to property, plant and equipment | 19 | 1,572 | 111 | - | (1,702) | - |
| Reclassification | - | 5,147 | - | (5,147) | - | - |
| Foreign exchange effect | 52 | 45 | - | 73 | 2 | 172 |
| Depreciation charge | (488) | (1,932) | (105) | (107) | - | (2,632) |
| Closing net book amount at 31 March 2025 | 26,790 | 50,582 | 1,679 | 1,108 | 19,074 | 99,233 |
| At 31 March 2025 | | | | | | |
| Cost | 54,247 | 153,907 | 3,312 | 3,303 | 19,074 | 233,843 |
| Accumulated depreciation | (27,457) | (103,325) | (1,633) | (2,195) | - | (134,610) |
| Net book amount | 26,790 | 50,582 | 1,679 | 1,108 | 19,074 | 99,233 |

All of the Group's property, plant and equipment are held for its own use.

On the 31 March 2025, the part of the Group's property, plant and equipment with a carrying value of EUR 6,971 thousand (31 December 2024 – EUR 5,433 thousand) is pledged as a security for repayment of the loans granted by banks.

3. Right-of-use assets

| | Land | Buildings and structures | Machinery and equipment | Total |
|---|--------------|--------------------------|-------------------------|----------------|
| At 1 January 2024 | | | | |
| Cost | 3,902 | 625 | 569 | 5,096 |
| Accumulated depreciation | (424) | (246) | (111) | (781) |
| Net book amount | 3,478 | 379 | 458 | 4,315 |
| Opening net book amount at 1 January 2024 | 3,478 | 379 | 458 | 4,315 |
| Change in value-in-use | 41 | 214 | 1,674 | 1,929 |
| Foreign exchange effect | 1 | - | - | 1 |
| Business acquisition | 101 | - | - | 101 |
| Reclassification from property, plant and equipment | 11 | - | - | 11 |
| Disposals and write-offs | (136) | - | (19) | (155) |
| Amortisation charge | (72) | (168) | (351) | (591) |
| Closing net book amount at 31 December 2024 | 3,424 | 425 | 1,762 | 5,611 |
| At 31 December 2024 | | | | |
| Cost | 4,122 | 650 | 1,864 | 6,636 |
| Accumulated depreciation | (698) | (225) | (102) | (1,025) |
| Net book amount | 3,424 | 425 | 1,762 | 5,611 |
| Opening net book amount at 1 January 2025 | 3,424 | 425 | 1,762 | 5,611 |
| Change in value-in-use | - | - | 174 | 174 |
| Disposals and write-offs | - | - | - | - |
| Foreign exchange effect | 2 | - | - | 2 |
| Amortisation charge | (47) | (42) | (97) | (186) |
| Closing net book amount at 31 March 2025 | 3,379 | 383 | 1,839 | 5,601 |
| At 31 March 2025 | | | | |
| Cost | 4,124 | 650 | 2,040 | 6,814 |
| Accumulated depreciation | (745) | (267) | (201) | (1,213) |
| Net book amount | 3,379 | 383 | 1,839 | 5,601 |

As at 31 March 2025, the part of the Group's land lease rights with the carrying amount of EUR 641 thousand (31 December 2024: EUR 644 thousand) were pledged to the banks as security for borrowings.

4. Investment property

| | Buildings and structures | Other assets | Construction in progress | Total |
|--|--------------------------|--------------|--------------------------|----------------|
| At 1 January 2024 | | | | |
| Cost | 5,063 | 19 | 690 | 5,772 |
| Accumulated depreciation | (1,148) | (3) | - | (1,151) |
| Net book amount | 3,915 | 16 | 690 | 4,621 |
| | | | | |
| Opening net book amount at 1 January 2024 | 3,915 | 16 | 690 | 4,621 |
| Additions | (32) | - | 245 | 213 |
| Disposals, write-offs | (1) | - | - | (1) |
| Transfer from/to inventory | (126) | - | - | (126) |
| Depreciation charge | (261) | (5) | - | (266) |
| Closing net book amount at 31 December 2024 | 3,495 | 11 | 935 | 4,441 |
| | | | | |
| At 31 December 2024 | | | | |
| Cost | 4,904 | 19 | 935 | 5,858 |
| Accumulated depreciation | (1,409) | (8) | - | (1,417) |
| Net book amount | 3,495 | 11 | 935 | 4,441 |
| | | | | |
| Opening net book amount at 1 January 2025 | 3,495 | 11 | 935 | 4,441 |
| Additions | - | - | 12 | 12 |
| Depreciation charge | (70) | (1) | - | (71) |
| Closing net book amount at 31 March 2025 | 3,425 | 10 | 947 | 4,382 |
| | | | | |
| At 31 March 2025 | | | | |
| Cost | 4,904 | 19 | 947 | 5,870 |
| Accumulated depreciation | (1,479) | (9) | - | (1,488) |
| Net book amount | 3,425 | 10 | 947 | 4,382 |

5. Intangible assets

| | Goodwill | Licences, patents | Software | Other assets | Total |
|---|--------------|----------------------|----------------|--------------|----------------|
| At 1 January 2024 | | | | | |
| Cost | 3,001 | 84 | 2,527 | 1,176 | 6,788 |
| Accumulated amortisation | - | (56) | (2,091) | (370) | (2,517) |
| Net book amount | 3,001 | 28 | 436 | 806 | 4,271 |
| Opening net book amount at 1 January 2024 | 3,001 | 28 | 436 | 806 | 4,271 |
| Additions | - | 7 | 6 | 1,377 | 1,390 |
| Business acquisition | - | - | - | 5 | 5 |
| Transfer from development work in progress to intangible assets | - | - | 369 | (369) | - |
| Reclassification from property, plant and equipment | - | - | - | 69 | 69 |
| Amortisation charge | - | (13) | (210) | (26) | (249) |
| Closing net book amount at 31 December 2024 | 3,001 | 22 | 601 | 1,862 | 5,486 |
| At 31 December 2024 | | | | | |
| Cost | 3,001 | 91 | 2,901 | 2,352 | 8,345 |
| Accumulated amortisation | - | (69) | (2,300) | (490) | (2,859) |
| Net book amount | 3,001 | 22 | 601 | 1,862 | 5,486 |
| Opening net book amount at 1 January 2025 | 3,001 | 22 | 601 | 1,862 | 5,486 |
| Additions | - | - | - | 730 | 730 |
| Transfer from property, plant and equipment | - | - | 194 | (194) | - |
| Foreign exchange effect | - | - | - | - | - |
| Amortisation charge | - | (2) | (59) | (10) | (71) |
| Closing net book amount at 31 March 2025 | 3,001 | 20 | 736 | 2,389 | 6,146 |
| At 31 March 2025 | | | | | |
| Cost | 3,001 | 91 | 3,094 | 2,955 | 9,141 |
| Accumulated amortisation | - | (71) | (2,358) | (566) | (2,995) |
| Net book amount | 3,001 | 20 | 736 | 2,389 | 6,146 |

6. Amounts receivable

| | 2025.03.31 | 2024.12.31 |
|---|---------------|---------------|
| Trade receivables – gross | 25,457 | 27,595 |
| Loss allowance | (39) | (39) |
| Trade receivables – net | 25,418 | 27,556 |
| VAT receivable | 2,572 | 2,419 |
| Subsidies receivable | 722 | 1,367 |
| Other amounts receivable – gross | 876 | 335 |
| Total trade and other amounts receivable – net | 29,588 | 31,677 |
| Of which: | | |
| Non-current amounts receivable | - | - |
| Current amounts receivable | 29,588 | 31,677 |

7. Cash and cash equivalents

| | 2025.03.31 | 2024.12.31 |
|--------------|---------------|---------------|
| Cash at bank | 3,289 | 3,142 |
| Cashpool | 15,991 | 10,876 |
| TOTAL | 19,280 | 14,018 |

As at 31 March 2025 and 31 December 2024, Grigeo Tissue UAB, Grigeo Packaging UAB and Grigeo Baltwood UAB had pledged current accounts and future inflows to secure the repayment of bank borrowings.

8. Inventories

| | 2025.03.31 | 2024.12.31 |
|------------------------|---------------|---------------|
| Materials | 9,182 | 9,242 |
| Work in progress | 2,572 | 2,613 |
| Finished products | 6,479 | 7,492 |
| Inventories in transit | 830 | 863 |
| Prepayments | 278 | 380 |
| Total | 19,341 | 20,590 |

As at 31 March 2025, the acquisition value (cost) of the Group's inventories was decreased by respectively EUR 1,115 thousand (31 December 2024: EUR 1,086 thousand respectively) to net realisable value. The net realisable value adjustment was accounted for under cost of sales.

9. Share capital and legal reserve

On 31 of March 2025 and on 31 December 2024 share capital of the Company consisted of 131,400,000 ordinary shares at a par value of EUR 0.29 each. All shares were fully paid.

The Company has one class of ordinary shares which carry no right to fixed income.

The legal reserve is a compulsory reserve under Lithuanian legislation. Annual contributions of 5% of the net profit are required until the mandatory reserve reaches 10% of the statutory capital.

On 31 of March 2025 the Company's legal reserve amounts 10.6% of the statutory capital.

10. Reserve for granting shares

The Group are implementing long term strategic goals and are aiming that the employees who are implementing the strategy are motivated through long term motivational programs. Due to this on 29 April 2022 the Annual General Meeting of Shareholders has approved the rules for granting shares of the Company. The rules stipulate the conditions and procedure for granting Company's shares (free of charge) to the employees of the Company and its subsidiaries.

Not earlier than after 3 years the employees who concluded the transactions shall be entitled to the right to receive shares of the Company free of charge.

On 29 April 2022 the Annual General Meeting of Shareholders has approved the appropriation of the profit of the Company where EUR 500 thousand have been transferred to the reserve for granting shares.

During 17-22 June 2022 the Company has concluded the transactions with senior management employees of the Group and the Company for the option of granting (free of charge) 1,660,000 Company's shares.

11. Non-current and current borrowings

| | 2025.03.31 | 2024.12.31 |
|--------------------------------|--------------|--------------|
| Non-current borrowings: | 421 | 677 |
| Bank borrowings | 421 | 677 |
| Current borrowings: | 1,572 | 1,820 |
| Bank borrowings | 1,572 | 1,820 |
| TOTAL | 1,993 | 2,497 |

12. Trade and other payables

| | 2025.03.31 | 2024.12.31 |
|--|---------------|---------------|
| Trade payables | 24,849 | 25,462 |
| Wages and salaries and social security contributions | 6,395 | 4,744 |
| Advance amounts received | 289 | 189 |
| Accrued expenses | 224 | 435 |
| Other amounts payable | 1,853 | 2,064 |
| TOTAL | 33,610 | 32,894 |
| Of which: | | |
| Attributable to financial liabilities | 26,926 | 27,961 |
| Not attributable to financial liabilities | 6,684 | 4,933 |

13. Segment information

For decision making purposes, the Group is organised into three operating business units based on its products produced and has three reportable segments: paper and paper products, wood fibre boards and wood products, raw materials for corrugated cardboard and related products. The Group analyses segment information only up to gross profit, as other operating income and finance income and expenses are not attributed to any segment. Assets and liabilities of the Group are not divided into segments for decision-making purposes.

Segment information about these three business segments is presented below:

| Group 3 months 2025 | Paper and paper products | Wood fibre boards | Raw materials for corrugated cardboard and related products | Total reportable segments | Unallocated | Elimination | TOTAL |
|------------------------------|--------------------------|-------------------|---|---------------------------|--------------|-------------|---------------|
| Unconsolidated segment sales | 33,694 | 7,690 | 26,325 | 67,709 | 5,314 | (13,895) | 59,128 |
| Inter-segment sales | (2,528) | (316) | (6,911) | (9,755) | (4,140) | 13,895 | - |
| Sales to third parties | 31,166 | 7,374 | 19,414 | 57,954 | 1,174 | - | 59,128 |
| Cost of sales | (23,631) | (6,014) | (16,373) | (46,018) | (1,390) | - | (47,408) |
| Gross profit | 7,535 | 1,360 | 3,041 | 11,936 | (216) | - | 11,720 |

| Group 3 months 2024 | Paper and paper products | Wood fibre boards | Raw materials for corrugated cardboard and related products | Total reportable segments | Unallocated | Elimination | TOTAL |
|------------------------------|--------------------------|-------------------|---|---------------------------|-------------|-------------|---------------|
| Unconsolidated segment sales | 24,255 | 7,837 | 22,747 | 54,839 | 3,692 | (9,871) | 48,660 |
| Inter-segment sales | (1,438) | (304) | (5,736) | (7,478) | (2,393) | 9,871 | - |
| Sales to third parties | 22,817 | 7,533 | 17,011 | 47,361 | 1,299 | - | 48,660 |
| Cost of sales | (15,783) | (5,764) | (14,033) | (35,580) | (1,384) | - | (36,964) |
| Gross profit | 7,034 | 1,769 | 2,978 | 11,781 | (85) | - | 11,696 |

Sales by region

| | 3 months 2025 | 3 months 2024 |
|-----------------------------|---------------|---------------|
| Domestic market (Lithuania) | 13,725 | 14,858 |
| European Union | 39,141 | 29,595 |
| Other countries | 6,262 | 4,207 |
| TOTAL | 59,128 | 48,660 |

14. Other income

| | 3 months 2025 | 3 months 2024 |
|---------------|------------------|------------------|
| Rental income | 218 | 216 |
| TOTAL | 218 | 216 |

15. Other gains/(losses) – net

| | 3 months 2025 | 3 months 2024 |
|------------------------------|------------------|------------------|
| Result of disposal of assets | 11 | 7 |
| Other gains/(losses) | 50 | (4) |
| TOTAL | 61 | 3 |

16. Basic and diluted earnings per share

The calculation of the basic and diluted earnings per share is presented below:

| | 3 months 2025 | 3 months 2024 |
|--|------------------|------------------|
| Net profit for the period attributable to the Company's shareholders | 4,499 | 4,272 |
| Number of ordinary shares | 131,400,000 | 131,400,000 |
| Share-based option | 1,660,000 | 1,660,000 |
| Weighted average number of ordinary shares | 133,060,000 | 133,060,000 |
| Earnings per share (in EUR) | 0.034 | 0.033 |
| Diluted earnings per share (in EUR) | 0.034 | 0.032 |

17. Adjusted EBITDA

The management of the Group calculate the adjusted EBITDA and believes that this indicator is important for understanding the Group's financial performance. The adjusted EBITDA is calculated by adjusting profit from continuing operations to exclude the impact of taxation, net finance costs, depreciation, amortisation, impairment losses/reversals related to goodwill, intangible assets, property plant and equipment. The calculation also includes amortisation of subsidies related to non-current assets which affects the profit for the period.

The adjusted EBITDA as a performance indicator is not established by IFRS. The Group's definition of the adjusted EBITDA may not match with similarly named performance indicators and disclosures of other entities.

| | 3 months 2025 | 3 months 2024 |
|---------------------------------|------------------|------------------|
| Profit for the period | 4,515 | 4,246 |
| Income tax | 15 | 980 |
| Profit before income tax | 4,530 | 5,226 |
| Adjustment: | | |
| Finance costs – net | 7 | (253) |
| Depreciation | 2,702 | 2,264 |
| Amortisation | 257 | 191 |
| Amortisation of grants | (32) | (30) |
| Adjusted EBITDA | 7,464 | 7,398 |

18. Court and arbitration proceedings

In 2021 the pre-trial investigation regarding the wastewater management of Grigeo Klaipėda AB, a subsidiary company of Grigeo Group AB (hereinafter - the Subsidiary), was completed by the Klaipėda District Prosecutor's Office of Klaipėda County Prosecutor's Office and the criminal case was referred to court. The court hearings have started in September 2022.

The Subsidiary is charged in criminal case under Articles 270(2), 228(2) and 300(3) of the Criminal Code of the Republic of Lithuania. The Subsidiary received a Civil Claim of the Environmental Protection Department in criminal case regarding compensation of damage caused to the environment in the amount of EUR 48,257,676.57 from the Klaipėda District Prosecutor's Office of Klaipėda County Prosecutor's Office on 26 January 2021. There were no other material events related to this trial over 3 months of 2025 and until the date of signing these interim financial statements.

More information is presented in [Note 33 of year 2024 financial statements](#).

Over 3 months of 2025 the Group and the Company were not involved in other court or arbitration proceedings which would have a material impact on the financial position of Grigeo Group AB.

19. Material uncertainties

Russia's invasion of Ukraine on 24 February 2022 has a negative impact over the Group's financial performance. The Group's subsidiary Grigeo Paper Packaging UAB has investments in Ukrainian subsidiary Mena Pak AT.

Since the beginning of the war the Group and the Company has discontinued all business relationships with Russia and Belarus and has no receivables from or payables to these countries. The discontinued business with mentioned countries has no impact over Group's and Company's financial results.

Uncertainties related to the investment in Mena Pak AT

The Group's statement of financial position includes the following consolidated assets and liabilities of Mena Pak AT:

| Mena Pak AT | 2025.03.31 | 2024.12.31 |
|-------------------------------------|--------------|--------------|
| Non-current assets | 456 | 490 |
| Current assets | 2,340 | 2,222 |
| TOTAL ASSETS | 2,796 | 2,712 |
| Shareholders' equity | 2,548 | 2,479 |
| Non-current liabilities | 2 | 2 |
| Current liabilities | 247 | 231 |
| TOTAL EQUITY AND LIABILITIES | 2,796 | 2,712 |

The Group's statement of comprehensive income for 3 months of 2025 includes the following consolidated results of Mena Pak AT:

| Mena Pak AT | 3 months 2025 |
|-------------------|------------------|
| Revenue | 1,173 |
| Profit before tax | 137 |
| Net profit | 119 |
| EBITDA | 162 |

Mena Pak AT did not incur any physical damage during the war. However, the Group's management estimates that a high uncertainty exists in relation to Mena Pak AT's assets of EUR 2.8 million and liabilities of EUR 0.2 million due to the ongoing war and high uncertainty of future events.

20. Risk factors

Information about financial and other risks and its management is provided in [note 3](#) of financial statements and in [note 2.4](#) of consolidated annual report for year 2024. There are no significant changes during year 2025.

21. Events after the end of the reporting period

There were no material or otherwise significant events after the end of the reporting period.

CONFIRMATION OF RESPONSIBLE PERSONS

In accordance with the Law on Securities of the Republic of Lithuania, and the Rules on the Disclosure of Information by the Bank of Lithuania, we, Chief Executive Officer Tomas Jozonis and Chief Finance Officer Mindaugas Sologubas hereby confirm that, to the best of our knowledge, unaudited interim consolidated financial statements of Grigeo Group AB for the three months period ended 31 March 2025, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of assets, liabilities, financial position, profit or loss and cash flows of the Group, and also that the unaudited interim consolidated report shows fair business environment as well as description of the Group's performance.

Chief Executive Officer of Grigeo Group AB

Tomas Jozonis

Chief Finance Officer of Grigeo Group AB

Mindaugas Sologubas