



# Grigeo Group AB

## CONSOLIDATED MANAGEMENT REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

The management report, sustainability report, and financial statements (excluding the auditor's report) are additionally provided in PDF format as a copy of the published ESEF information.

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**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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## CEO'S FOREWORD



Dear Shareholders, Investors, and Partners,

2025 was a year of significant strategic transformation for the Companies of Grigeo Group AB. Despite a volatile macroeconomic environment and ongoing market challenges, we pursued an active growth strategy: we continued to invest in production technologies, expanded the Group's structure, and consistently strengthened our competitive advantage.

One of the year's most significant achievements was the acquisition of Huchtemeier Papier GmbH, based in Dortmund, Germany. With long-standing experience in the tissue paper segment and strong partner trust, the newly acquired company will help reinforce our position in Central and Western Europe. Employing a team of over 50 professionals, Huchtemeier Papier GmbH generates annual revenues exceeding EUR 90 million, directly contributing to the Group's overall growth.

As part of the ongoing development of our tissue paper business, we announced a landmark investment program of EUR 106 million. In 2026, two modern converting lines will be installed in Lithuania and one in Poland. By 2029, we plan to commission a new paper machine that will double our current production volumes. We believe these investments, together with strengthening commercial positions in Germany, will ensure continued improvements in product quality and enable us to better meet evolving customer needs. Despite fluctuations in GDP growth, this segment continues to demonstrate stable year-on-year growth.

Looking at the financial results for 2025, we achieved consolidated revenue of EUR 246.4 million, an increase of EUR 33.4 million compared to 2024. While the Group's EBITDA decreased by EUR 3.5 million year-on-year to EUR 31.3 million, most of our businesses remained stable. The decline in EBITDA was driven by unfavourable market trends in the corrugated cardboard segment, which faced excess raw material supply and stagnant consumption in Western Europe. Such market dynamics had a direct impact on production volumes and profitability; however, the agile adjustment of our operating models enabled us to effectively manage the situation.

We continue to consistently pursue the Group's sustainability commitments. Following detailed calculations and scenario assessments, we have set and submitted for approval our GHG emissions reduction targets under the SBTi framework, establishing a clear and science-based pathway to 2034. This step reinforces the Group's commitment to operate transparently and responsibly, while supporting further investments in energy efficiency, process modernization, and advanced technologies.

We expect a ruling from the Šiauliai Regional Court in 2026 regarding the environmental pollution incident involving one of the Group's companies, Grigeo Klaipėda AB. The company has accepted responsibility and is committed to ensuring that any environmental impact is fully addressed once its extent is determined in accordance with European Union methodologies. From the outset, Grigeo Klaipėda AB has also been actively working to obtain the necessary approvals to remove pollutants from the lagoon through targeted environmental remediation measures as promptly as possible.

Our people are the key driver of our growth, and we are pleased to increase wages year after year. In 2025, salaries across our companies grew by 10.8%, remaining competitive with the national average of 8.5%. As we expand our production capacity, we welcomed 68 new colleagues to our teams this year. While operating across multiple locations and countries, we are committed to integrating all employees into a unified Grigeo Group AB companies' culture.

Looking ahead, 2026 will be a year of intensive preparation and investment execution, with a strong focus on driving sales growth and enhancing operational efficiency.

Tomas Jozonis

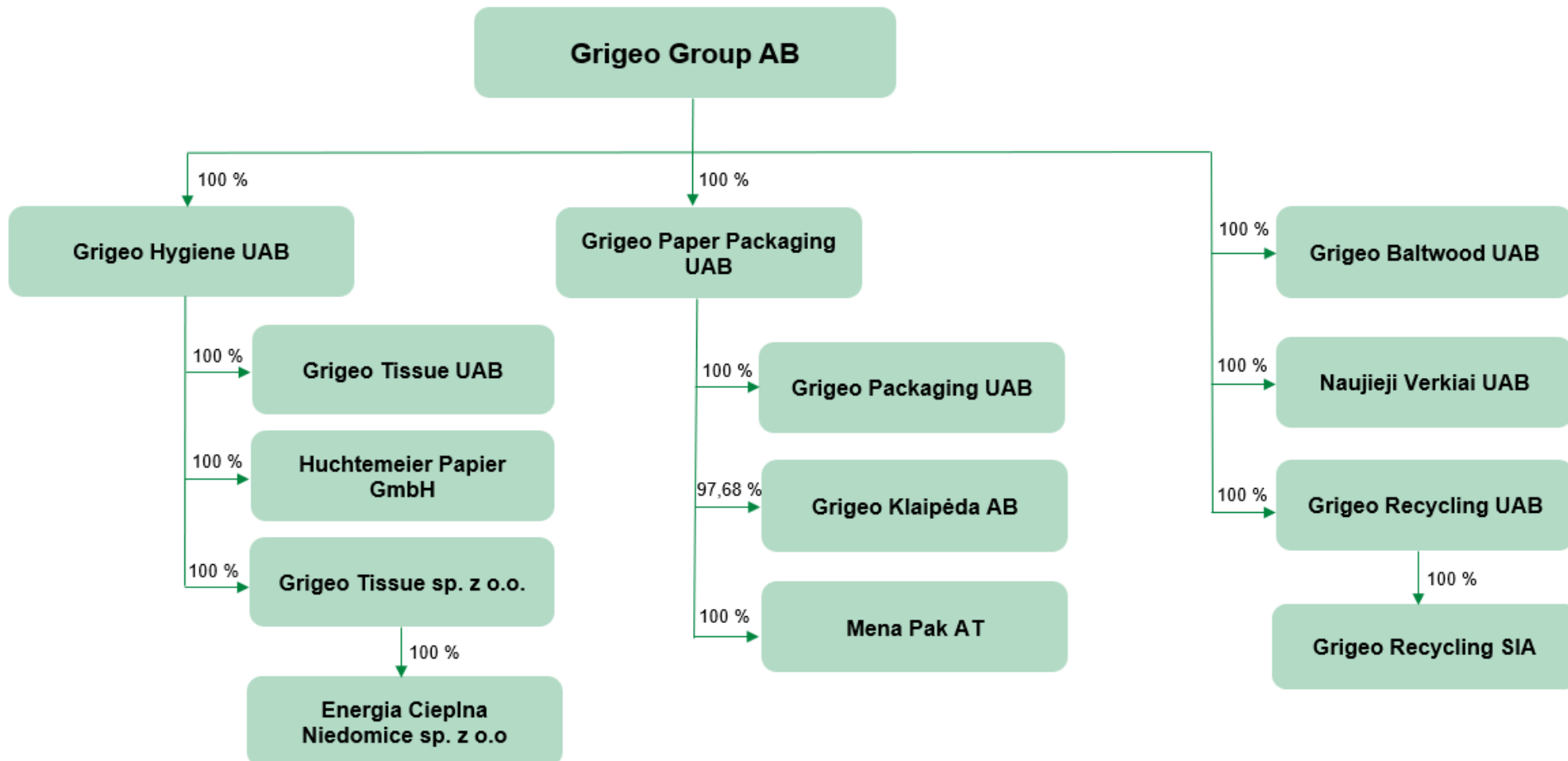
Chief Executive Officer of Grigeo Group AB



**CONSOLIDATED MANAGEMENT REPORT**

## 1. Business model

The Grigeo Group AB (hereinafter the “Company” or the “Issuer”) is the only paper and wood industry group of companies in Lithuania and one of the largest groups in the Baltic countries. As at 31 December 2025, the Group consisted of the Company and thirteen subsidiaries as indicated below:



All amounts are in EUR thousands unless otherwise stated

## 1.1. The future is circular

The Group operates following the principle of a circular economy. A part of paper used for the production of tissue paper products and all raw materials designated for the production of corrugated cardboard, i.e., testliner (smooth layered cardboard) and fluting (paper for corrugation and raw material for paper honeycomb), are produced by recycling secondary raw materials, i.e., waste paper, thus contributing to the reduction of waste in Lithuania and neighbouring countries as well as to the preservation of forests:

### Production of tissue paper

- Recycling of white waste paper
- 26 727 tonnes recycled into tissue paper

### Collecting, sorting and recycling of waste paper

- 147 437 tonnes of waste paper recycled
- 82% of waste paper used for packaging production

### Production of recycled containerboard

- Used paper comprises 99% of all materials
- 120 710 tonnes recycled into raw material for packaging



### Significant role in logistics

- Reducing food waste: corrugated cardboard packaging is hygienic and storing fruits and vegetables for longer periods.
- Corrugated cardboard packaging is cost-efficient and highly versatile which allows optimisation of pace for transport and storage.

### Converting paper to packaging

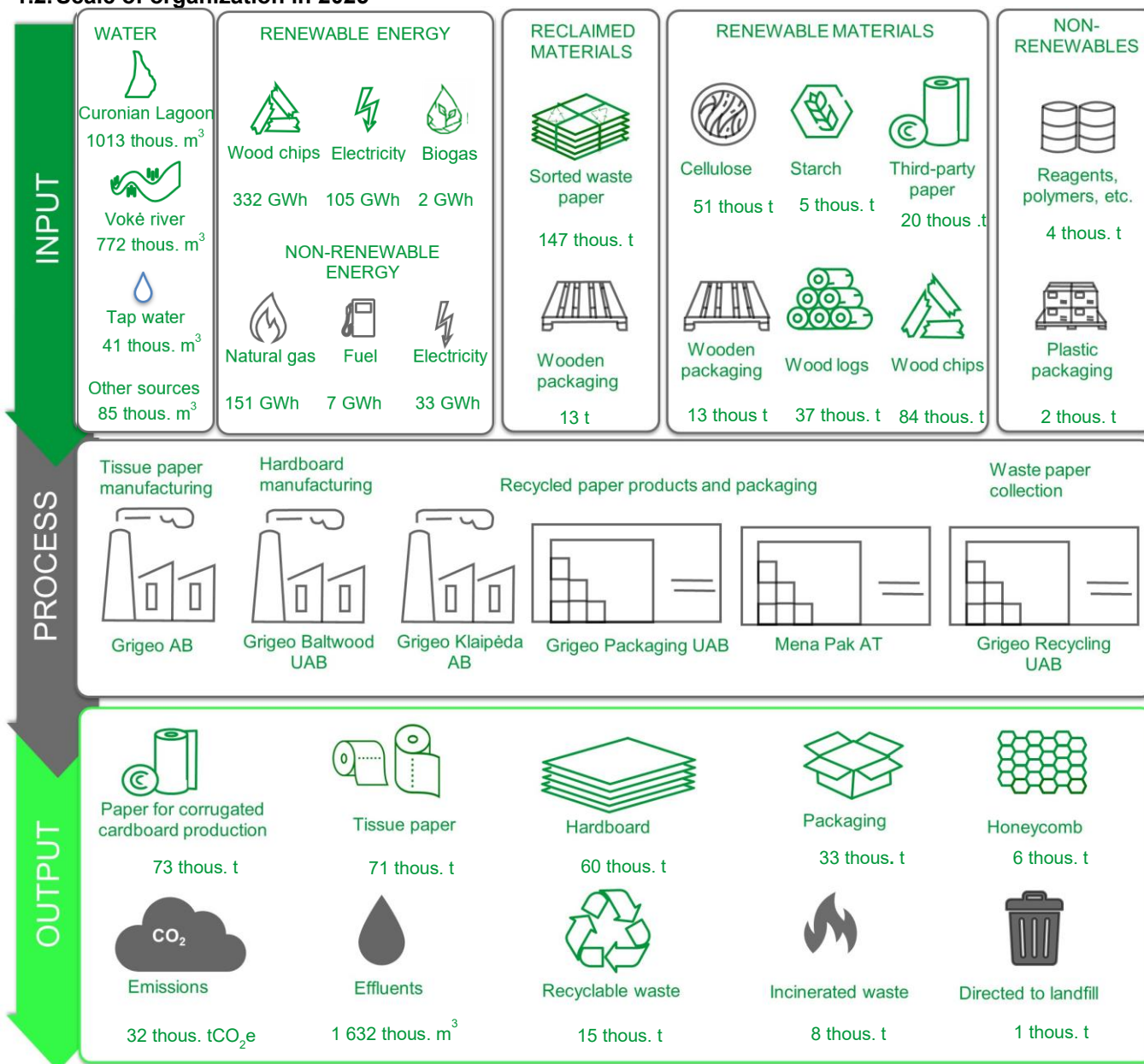
- 26% of paper made by Grigeo Klaipėda AB is further converted to corrugated cardboard in our packaging plants.
- We cooperated closely with our clients, 100% of our packaging is custom-made.

In the scope of its operational processes, the Group performs an almost complete cycle of processing of wood and paper components, producing products with higher added value: tissue paper, i.e., toilet paper, tissues, paper towels, paper to produce corrugated cardboard, honeycomb, corrugated cardboard and packaging, as well as solid hardboard.

Corrugated cardboard packaging products are 100% recyclable, organic and biodegradable. The 2021 [study](#) conducted by Graz University of Technology in Austria concluded that corrugated cardboard can be recycled up to 25 times. Corrugated cardboard packaging is currently one of the most recycled paper products and the market of secondary raw materials is well established. Efficient recycling processes allow reusing fibre to produce new packaging.

All amounts are in EUR thousands unless otherwise stated

### 1.2. Scale of organization in 2025



Consolidated revenue: EUR 246.4m  
 Consolidated EBITDA: EUR 31.3m  
 Consolidated net profit: EUR 16.5m  
 Employee remuneration fund: EUR 39.5m  
 Sponsorship provided: EUR 0.15m

#### EMPLOYEES

Lithuania: 815  
 Poland: 160  
 Ukraine: 72  
 Germany: 45  
 Latvia: 18



#### MEMBERSHIPS IN ASSOCIATIONS



Lithuanian Confederation of Industrialists



EUROPEAN PANEL FEDERATION  
 WOOD-BASED PANELS



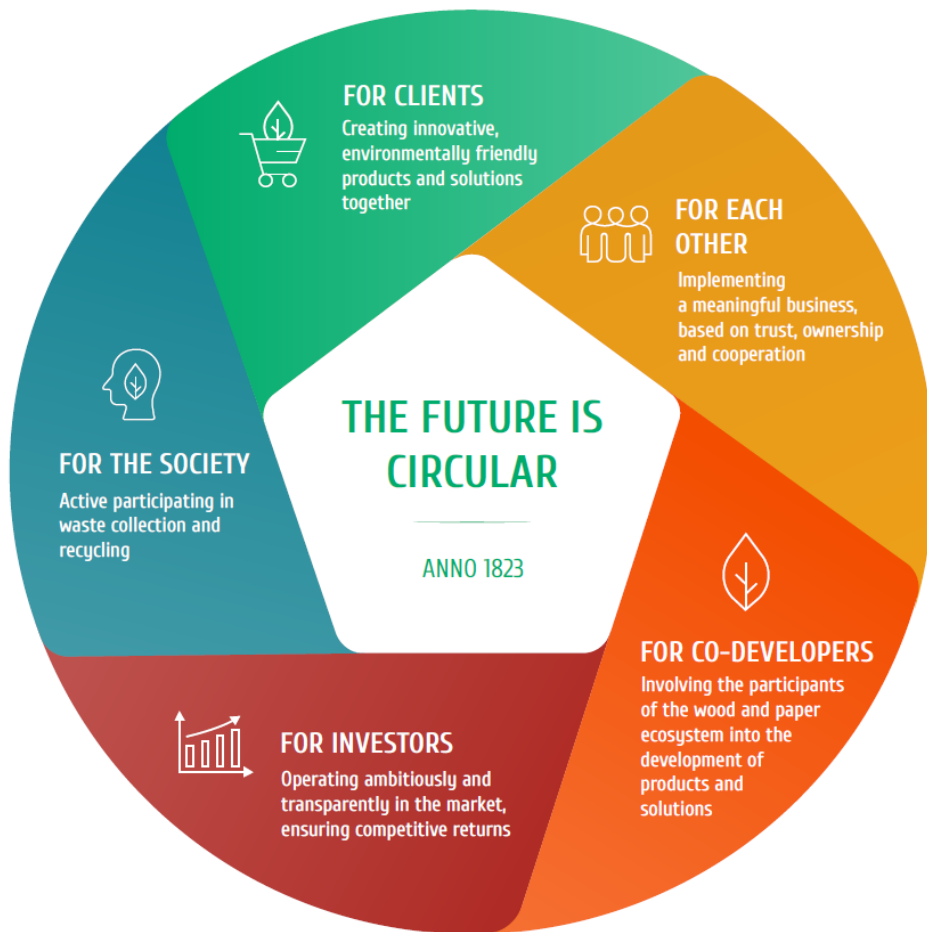
KLAIPĖDOS PRAMONININKŲ ASOCIACIJA



All amounts are in EUR thousands unless otherwise stated

### 1.3. Our mission and values

Our mission and areas of focus:



#### FOR CLIENTS:

Creating innovative, environmentally friendly products and solutions together

#### FOR EACH OTHER:

Implementing a meaningful business, based on trust, ownership and cooperation

#### FOR CO-DEVELOPERS:

Involving the participants of the wood and paper ecosystem into the development of products and solutions

#### FOR INVESTORS:

Operating ambitiously and transparently in the market, ensuring competitive returns

#### FOR THE SOCIETY:

Active participating in waste collection and recycling



#### Responsible 360°

Whatever we do, let's always think about the impact on our environment because it's our home.

The best measurement of our work is a satisfied client.

Working like for ourselves makes us proud with the work done.



#### Agile

We grow faster than the market.

Even the best result can be better.

Every investor's euro that is targeted makes us more valuable.



#### Professional

A preconception is eliminated while considering proposed ideas.

Knowing everything is impossible – we improve by learning and sharing a good practice.

We speak the language of numbers and facts.



#### Teamwork

Good result is a merit of a good team.

The team is as strong as you are in it.

Before demanding from others, demand more from ourselves.

All amounts are in EUR thousands unless otherwise stated

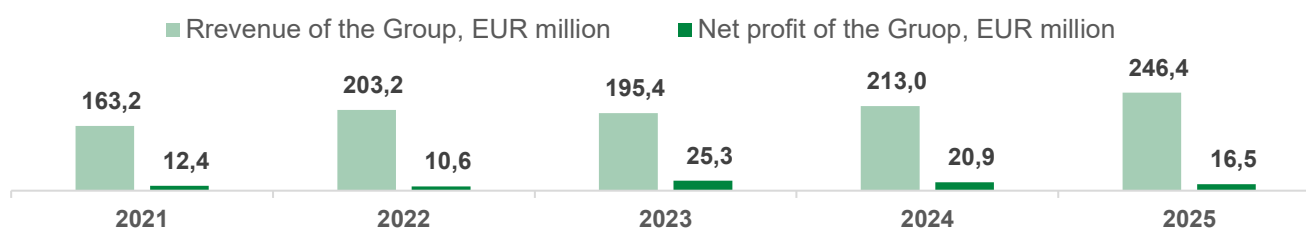
## 2. Overview of operations

### 2.1. Executive summary of 2025

The Group's revenue increased by EUR 33.4 million (16%). The Group's EBITDA was lower by EUR 3.5 million (10%). The Group's EBT decreased by EUR 5.4 million (22%).

Indicator, EUR million	Group		
	2025	2024	Change
Revenue	246.4	213.0	16%
EBITDA	31.3	34.8	(10%)
Earnings before tax (EBT)	18.5	23.9	(22%)

In 2025, the Group turnover reached EUR 246.4 million (EUR 213.0 million in 2024).



The Group's net profit amounted to EUR 16.5 million in 2025 (EUR 20.9 million in 2024). The Group's profitability ratios decreased due to increase of certain group of raw materials' prices (the comparison of ratios is presented in section 2.2).

More detailed information on reasons of these changes is presented in the table and explanations below according to operating segments.

Revenue, gross profit, and gross margin of the business segments\*:

Indicator, EUR million	Tissue paper and paper products		Wood hardboards		Raw materials for corrugated cardboard and related products		Unallocated		TOTAL	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenue	140.1	109.0	27.4	25.7	75.2	74.3	3.7	4.0	246.4	213.0
Gross profit	30.8	26.8	5.6	5.5	12.7	14.8	0.8	(1.7)	50.0	45.4
Gross margin	22.0%	24.6%	20.5%	21.3%	16.9%	19.9%	21.6%	-42.9%	20.3%	21.3%

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

#### Segment of tissue paper and paper products

The segment's revenue in 2025 reached EUR 140.1 million, when compared to respective period of previous year, increased by 28.6%. The gross profit of the segment amounted to EUR 30.8 million – 15.7% higher if compared to the same period of the previous year. The gross margin of the segment decreased from 24.6% to 22.0%. Segment profitability was mainly affected by increase of certain group of raw materials' prices and changing structure of product portfolio.

#### Segment of wood hardboards

In 2025, the segment's revenue amounted to EUR 27.4 million and, when compared to respective period of previous year, increased by 6.3%. The gross profit of the segment reached EUR 5.6 million and stayed at the same level when compared to respective period of previous year. The gross margin has slightly decreased from 21.3% to 20.5%.

#### Raw materials for corrugated cardboard and related products

Over 12 months of 2025 the revenues of this segment exceeded previous year level and amounted EUR 75.2 million. The gross profit of the segment reached EUR 12.7 million and, when compared to respective period of previous year, decreased by 14%. The gross margin of the segment decreased from 19.9% to 16.9%.

All amounts are in EUR thousands unless otherwise stated

## 2.2. Financial and operating performance of the Group and the Company

In 2025, the profitability indicators decreased due to higher prices in certain groups of raw materials. The liquidity and capital structure ratios continue to prove the financial stability as well as low financial risk of the Group.

Indicator	Group			Company		
	2025	2024	2023	2025	2024*	2023
Revenue, EUR million	246.4	213.0	195.4	7.3	36.7	101.7
Net profit, EUR million	16.5	20.9	25.3	11.4	6.7	25.4
EBITDA, EUR million	31.3	34.8	38.9	2.2	8.0	28.0
EBIT, EUR million	19.0	23.8	29.4	11.6	7.6	28.4
<b>Profitability ratios</b>						
Gross profit margin	20.3%	21.3%	26.4%	25.6%	24.5%	30.5%
EBITDA margin	12.7%	16.3%	19.9%	30.6%	21.9%	27.5%
EBIT margin	7.7%	11.2%	15.1%	159.0%	20.6%	27.9%
Net profit margin	6.7%	9.8%	13.0%	156.7%	18.4%	24.9%
ROE margin	12.4%	17.0%	23.6%	13.3%	8.0%	33.4%
ROA margin	8.7%	12.4%	16.9%	11.3%	6.4%	25.2%
ROCE margin	11.8%	16.6%	23.3%	13.1%	9.0%	31.7%
<b>Liquidity ratios</b>						
Current ratio	1.49	1.83	2.45	0.88	0.93	2.46
Quick ratio	0.93	1.27	1.98	0.88	0.93	2.19
<b>Capital structure ratios</b>						
Debt to equity ratio	0.47	0.39	0.35	0.17	0.18	0.31
Debt to total assets ratio	0.32	0.28	0.26	0.15	0.15	0.24
<b>Market value ratios</b>						
P/E	9.04	6.63	5.69	13.15	20.45	5.67
Dividend pay-out ratio	47.5%	44.2%	26.0%	69.1%	136.3%	25.9%
Basic earnings per share, in EUR	0.126	0.158	0.193	0.086	0.051	0.193
Diluted earnings per share, in EUR	0.126	0.156	0.190	0.086	0.051	0.191

\*On 1 May 2024 the Company transferred the tissue business to its subsidiary Grigeo Tissue UAB (more information can be found in [Nasdaq notification on material events at 30 April 2024](#)).

The above-mentioned indicators have been calculated in accordance with the formulas recommended by Nasdaq Vilnius AB:

EBITDA margin = EBITDA / sales revenue. EBITDA to revenue ratio shows the overview of operational efficiency and cash flows. Gross profit margin = Gross profit / sales revenue. Gross profit margin shows the ability to earn profit from operating activity, control the level of sales revenue and cost.

EBIT margin = Profit from operations / sales revenue. A monetary value of the coefficient shows operating profit to EUR 1 of sales. A higher ratio shows higher profitability.

Net profit margin = Net profit attributable to shareholders / sales revenue. The ratio describes the profitability of the final total operating result.

ROE margin = Net profit attributable to shareholders / average equity. This ratio estimates shareholders' return on investment.

ROA margin = Net profit attributable to shareholders / average assets. The return on assets shows how effectively assets are used to generate profit.

ROCE margin = EBIT / capital used. The used capital return shows income generated by each euro invested in the capital.

Current ratio = Current assets / current liabilities. The ratio shows the ability to cover current liabilities with current assets.

Quick ratio = (Current assets – Inventories) / current liabilities. Liquidity describing the ability to fulfil current liabilities from quickly realisable current assets.

Debt to equity ratio = Liabilities / equity. The ratio estimates the combination of fund resources in the balance and compares funds from owners and those that were borrowed.

Debt to total assets ratio = Liabilities / assets. The ratio shows the asset share financed from borrowed funds. The lower the value, the more borrowings are covered with assets.

P/E = the market price of share / total of attributable profit. The ratio shows how much investors pay for one EUR of profit.

Dividend pay-out ratio = Dividends / Net profit attributable to shareholders. The ratio shows the portion of earnings paid out as dividends.

Basic earnings per share = (Net profit – preferred stock dividends) / weighted average number of ordinary shares in circulation. The calculated profit shows the earned net profit per share.

Diluted earnings per share = (Net profit – preferred stock dividends) / (weighted average number of ordinary shares in circulation + weighted average number of dilutive shares, i.e. shares that can be converted to ordinary shares). The calculated profit shows the diluted net profit per share.

All amounts are in EUR thousands unless otherwise stated

### 2.3. Employees

Increased number of the Group's employees reflects workforce of newly acquired German company Huchtemeier Papier GmbH (45 employees as at 31.12.2025). There were no significant changes in the number of employees in other Group companies and natural staff turnover rates prevailed during the reported period.

The average salary in the Group increased for all categories of employees as compared to the year 2024. The growth of the average salary was mostly driven by the consistent salary increase policy and recruitment of workers with higher competences.

The number of employees in the Group and in the Company as at 31 December:

Employees	Group		Company	
	2025	2024	2025	2024
<b>Total</b>	<b>1,110</b>	<b>1,042</b>	<b>53</b>	<b>52</b>

The average salary in the Group and in the Company\*, in euros:

Employees	Group		Company	
	2025	2024**	2025	2024**
Workers	2,536	2,296		
Specialists	3,091	2,831	3,442	3,308
Management personnel	6,649	6,131	9,237	8,251
<b>Total</b>	<b>3,113</b>	<b>2,810</b>	<b>5,529</b>	<b>4,910</b>

\*Information on the average salary does not include data of Mena Pak AT to show a more precise average salary in the Group that is not affected by fluctuations in exchange rate of the Ukrainian hryvnia.

\*\*The average salary for 2024 was adjusted to reflect the integration of newly acquired companies and structural changes within the Group, ensuring the comparability of data.

All amounts are in EUR thousands unless otherwise stated

## 2.4. Risk management

### Environmental risk

The Group is constantly exposed to environmental risks during its manufacturing activities. To properly manage environmental risks, ISO 14001 (Environmental Management System) has been implemented in all manufacturing companies of the Group in Lithuania, the effectiveness of which is constantly monitored with the help of external certification consultants.

The Group companies follow the integrated pollution prevention and control principles in its economic activities. The Company rationally uses energy and natural resources through the application of modern production technologies and technologies for the treatment of environmental components without worsening the quality of the products manufactured.

### Product risk

The Group's hygiene paper segment manufactures products that come into contact with food or are used as personal hygiene products. For these reasons, the Group must apply the highest quality standards.

In 2020, Grigeo Tissue UAB was the first personal hygiene product manufacturer in Lithuania to receive an IFS HPC quality certificate. It accredits that tissue paper products are manufactured in compliance with the highest quality and safety standards and the products supplied to the market are safe to be in contact with food.

IFS HPC certificate is renewed on an annual basis.

In 2025, the Grigeo Tissue Sp. z o.o. tissue paper mill successfully obtained the international BRC Global Standard certification, confirming that the company's production processes meet the highest quality and safety requirements.

In 2024, Grigeo Packaging UAB received the international BRCGS Packaging Materials certificate. This confirms that corrugated cardboard and packaging products are manufactured in accordance with the highest quality and safety standards.

### Climate change risk

The Group's management is consistently strengthening the governance of climate related risks and opportunities by integrating them into the overall Group risk assessment process and aligning with TCFD and ESRS principles. The year 2025 marked a key preparation phase, as the Group aims to formally approve ambitious decarbonisation targets in 2026 under the Science Based Targets initiative (SBTi).

Given that the largest share of the "Grigeo Group" GHG footprint comes from Scope 3 emissions related to raw material extraction, production and logistics processes, our new targets encompass the entire value chain. To manage transition risks, we actively engage suppliers and customers, develop transformation plans, and strategically invest in energy efficiency and renewable energy solutions across the Group.

### Risk of prices of raw materials

The situation in the raw material markets related to the paper and wood industry was volatile. In order to manage this risk, the Group companies renewed annual supply contracts with the main suppliers of raw materials, ensuring the necessary quantities of raw materials and linking prices to the relevant price indices.

### Risk of prices of energy resources

In 2025, the Group companies renewed electricity, gas and biofuel supply contracts, focusing on the reliability and flexibility of the selected partners, i.e. the ability to ensure the necessary energy resources and promptly respond to market changes. Electricity prices remained at a similar level to 2024. In the market of natural gas, price growth trends could be observed in 2025. Biofuel prices in the Lithuanian price zone of the Baltpool exchange remained largely unchanged. Part of the electricity in the Group was produced by newly installed solar power generators on the roofs of production buildings. In addition, the Group invests in new technologies that allow increasing energy efficiency and at the same time reduce the need for energy resources.

### Risk related to the process of financial reporting

The Company's financial accounting is performed, and financial statements are prepared in accordance with the requirements of International Financial Reporting Standards, as adopted by the European Union effective at 31 December 2025. The annual financial statements are audited by the independent auditors elected by the General Meeting of Shareholders. Independence of the auditors is assessed by the Company's Audit Committee. This procedure guarantees the relevance and transparency of the data presented in the Company's financial statements.

### Financial risk

The information on financial risks and their management is disclosed in Note 3 to the consolidated and separate financial statements.

All amounts are in EUR thousands unless otherwise stated

### 3. Group companies

The Company has no branches or representative offices.

Status	Parent company	Subsidiary	Subsidiary
Company name	<b>Grigeo Group AB</b>	<b>Grigeo Klaipėda AB</b>	<b>Grigeo Packaging UAB</b>
Code	110012450	141011268	302329061
Authorised share capital	EUR 38,106,000	EUR 11,890,549.55	EUR 15,202,900
Profile of activities	Business and other management consultancy activities	Manufacture of raw material for production of corrugated cardboard	Manufacture of corrugated cardboard and corrugated cardboard products
Direct or indirect ownership interest of Grigeo Group AB	The Company has not acquired own shares	97.68%	100%
LEI code	529900YXT3CDTZGS0R43	6488004VY4HF60K96D17	-
Address	Vilniaus g. 10, Grigiškės, Vilnius City Municipality, Lithuania	Nemuno g. 2, Klaipėda	Vilniaus g. 10, Grigiškės, Vilnius City Municipality
Telephone	+370 5 243 5801	+370 46 39 5601	+370 5 243 5838
Fax	-	+370 46 39 5600	-
E-mail	<a href="mailto:group@grigeo.com">group@grigeo.com</a>	<a href="mailto:klaipeda@grigeo.com">klaipeda@grigeo.com</a>	<a href="mailto:packaging@grigeo.com">packaging@grigeo.com</a>
Website	<a href="https://www.grigeo.lt/en">https://www.grigeo.lt/en</a>	<a href="https://www.grigeo.lt/en">https://www.grigeo.lt/en</a>	<a href="https://www.grigeo.lt/en">https://www.grigeo.lt/en</a>
Legal form	Public limited liability company	Public limited liability company	Private limited liability company
Date of registration	23 May 1991	22 September 1994	10 April 2009
Manager of the register	State enterprise Centre of Registers	State enterprise Centre of Registers	State enterprise Centre of Registers

Status	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Company name	<b>Grigeo Tissue UAB</b>	<b>Grigeo Baltwood UAB</b>	<b>Grigeo Recycling UAB</b>	<b>Grigeo Recycling SIA</b>
Code	306639125	126199731	302529158	40203001091
Authorised share capital	EUR 76,000,000	EUR 4,000,000	EUR 2,960,000	EUR 500,000
Profile of activities	Production of tissue paper	Manufacture of uncoloured hardboard and painted hardboard panels	Collection of secondary raw materials and preparation of them for recycling	Collection of secondary raw materials and preparation of them for recycling
Direct or indirect ownership interest of Grigeo Group AB	100%	100%	100%	100%
Address	Vilniaus g. 10, Grigiškės, Vilnius City Municipality	Vilniaus g. 10, Grigiškės, Vilnius City Municipality	Vilniaus g. 10, Grigiškės, Vilnius City Municipality	Ēdoles iela 5, Rīga, Latvia
Telephone	+370 5 243 5801	+370 5 243 5900	+370 5 243 3393	+370 5 243 3393
E-mail	<a href="mailto:tissue.LT@grigeo.com">tissue.LT@grigeo.com</a>	<a href="mailto:baltwood@grigeo.com">baltwood@grigeo.com</a>	<a href="mailto:recycling.LT@grigeo.com">recycling.LT@grigeo.com</a>	<a href="mailto:recycling.lv@grigeo.com">recycling.lv@grigeo.com</a>
Website	<a href="https://www.grigeo.lt/en">https://www.grigeo.lt/en</a>	<a href="https://www.grigeo.lt/en">https://www.grigeo.lt/en</a>	<a href="https://www.grigeo.lt/en">https://www.grigeo.lt/en</a>	-
Legal form	Private limited liability company	Private limited liability company	Private limited liability company	Private limited liability company
Date of registration	1 December 2023	10 April 2003	16 July 2010	16 June 2016
Manager of the register	State enterprise Centre of Registers	State enterprise Centre of Registers	State enterprise Centre of Registers	Register of Enterprises of the Republic of Latvia

All amounts are in EUR thousands unless otherwise stated

Status	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Company name	<b>Mena Pak AT</b>	<b>Grigeo Paper Packaging UAB</b>	<b>Naujieji Verkiai UAB</b>	<b>Grigeo Hygiene UAB</b>
Code	00383260	302416687	300015674	302674488
Authorised share capital	UAH 4,011,470	EUR 19,329,776	EUR 28,962	EUR 97,200,000
Profile of activities	Manufacture of corrugated cardboard and corrugated cardboard products	Investment activities and management of companies	Construction and development of real estate; the company was dormant in 2023	Investment activities and management of companies
Direct or indirect ownership interest of Grigeo Group AB	100%	100%	100%	100%
Address	Koševovo g. 6, Chernihiv region, Mena, Ukraine	Vilniaus g. 10, Grigiškės, Vilnius City Municipality	Popieriaus g. 15, Vilnius	Vilniaus g. 10, Grigiškės, Vilnius City Municipality
Telephone	+380 4644 21341	+370 5 243 5838	+370 5 243 5933	+370 5 243 5801
E-mail	<a href="mailto:menapack@ukr.net">menapack@ukr.net</a>	<a href="mailto:paperpackaging@grigeo.com">paperpackaging@grigeo.com</a>	<a href="mailto:info@grigeo.lt">info@grigeo.lt</a>	<a href="mailto:hygiene@grigeo.com">hygiene@grigeo.com</a>
Website	<a href="http://www.menapack.com.ua">www.menapack.com.ua</a>	<a href="https://www.grigeo.lt/en">https://www.grigeo.lt/en</a>	-	<a href="https://www.grigeo.lt/en">https://www.grigeo.lt/en</a>
Legal form	Public limited liability company	Private limited liability company	Private limited liability company	Private limited liability company
Date of registration	30 December 1993	10 July 2009	6 April 2004	7 October 2011
Manager of the register	Mena District State Administration, Chernihiv Region	State enterprise Centre of Registers	State enterprise Centre of Registers	State enterprise Centre of Registers

More information on the German company Huchtemeier Papier GmbH acquisition can be found in [Nasdaq notification on material events at 2 October 2025](#).

Status	Subsidiary	Subsidiary	Subsidiary
Company name	<b>Grigeo Tissue sp. z o.o</b>	<b>Energia Ciepna Niedomice sp. z o.o</b>	<b>Huchtemeier Papier GmbH</b>
Code	(KRS) 0001051685	(KRS) 0001051726	HRB 19842
Authorised share capital	85,888,050 PLN	5,000 PLN	25 000 Eur
Profile of activities	Production of tissue paper	Production of heat energy	Sales of hygienic paper products
Direct or indirect ownership interest of Grigeo Group AB	100%	100%	100%
Address	33-132 Niedomice, ul. Niedomicka 45, Poland	33-132 Niedomice, ul. Niedomicka 45, Poland	Gernotstraße 18, 44319 Dortmund, Vokietija
Telephone	+48 722 390 330	+48 14 888 9207	+49 231 4494 0
E-mail	<a href="mailto:tissue.PL@grigeo.com">tissue.PL@grigeo.com</a>	<a href="mailto:EnergiaCiepna@grigeo.com">EnergiaCiepna@grigeo.com</a>	<a href="mailto:info@huchtemeier.com">info@huchtemeier.com</a>
Website	-	-	<a href="https://www.huchtemeier.com/eng/">https://www.huchtemeier.com/eng/</a>
Legal form	Private limited liability company	Private limited liability company	Private limited liability company
Date of registration	9 August 2023	9 August 2023	1895
Manager of the register	KRS	KRS	The German company register

The transactions between related parties are disclosed in Note 30 to the financial statements.

All amounts are in EUR thousands unless otherwise stated

#### 4. Data on the Issuer's securities

The ordinary registered shares of Grigeo Group AB are listed on the Baltic Main List of Nasdaq Vilnius Stock Exchange (ticker symbol of the Company's shares is GRG1L).

During 2025 1,420,000 shares of the Company have been granted to employees of the Company and its subsidiaries free of charge through the issuance of new shares. The newly issued shares were fully paid for out of the reserve established by the Company for the purpose of granting shares. More information can be found in [Nasdaq notification at 29 August 2025](#).

The Company and the companies of the Group did not purchase own shares during the reporting period and have no such shares acquired.

##### 4.1. Contracts with intermediaries of public trading in securities

The Company has signed a contract with Artea Bankas AB (telephone No +370 610 44447, [info@artea.lt](mailto:info@artea.lt)) on payment of dividends to the shareholders for the previous financial years.

The Company has signed a contract with FMJ Orion Securities UAB (A. Tumėno g. 4, Vilnius, tel. +370 5 231 3833, [info@orion.lt](mailto:info@orion.lt)) on the bookkeeping of securities issued by the Company and on market making activities.

##### 4.2. Main characteristics of the Company's shares

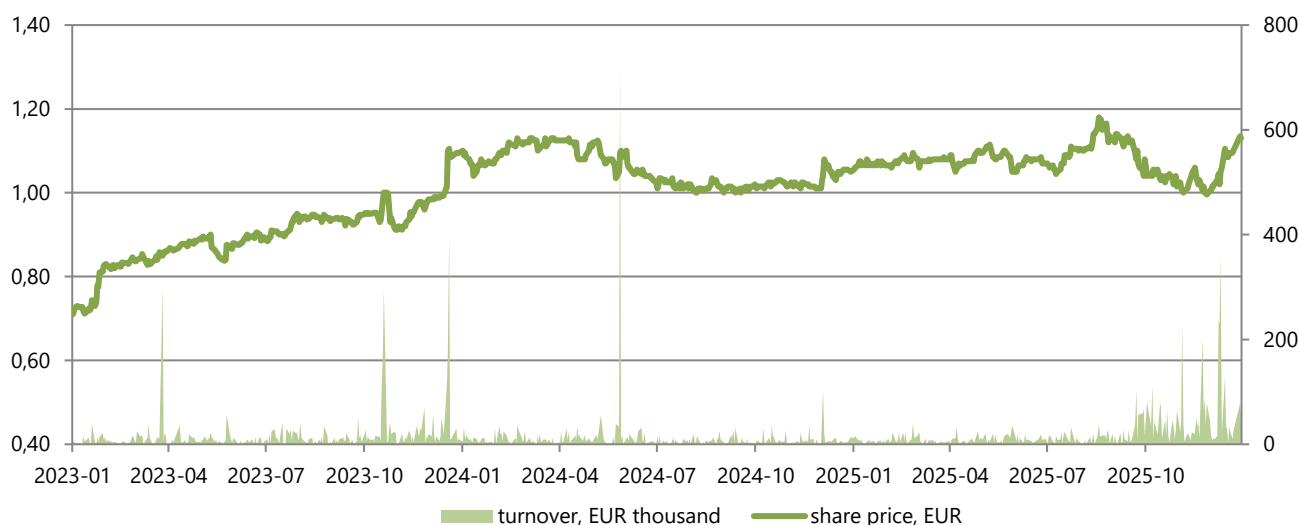
Type of shares	Securities' ISIN code	Number of shares, units	Par value, EUR	Total par value, EUR
Ordinary registered shares	LT0000102030	132,820,000	0.29	38,517,800

##### 4.3. Trade in the Company's shares

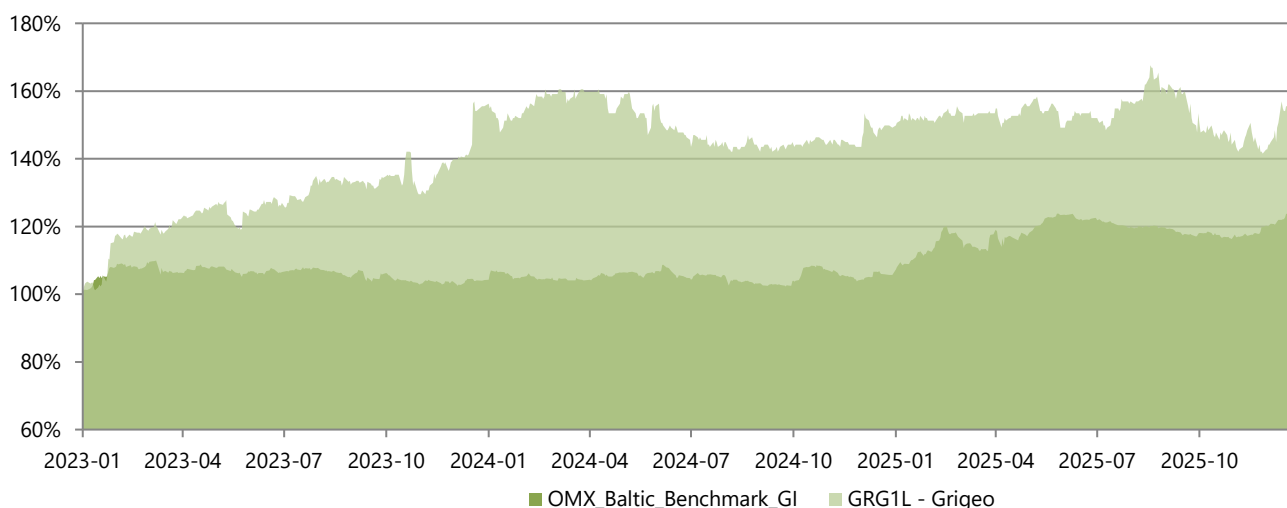
Reporting period	Price, EUR				Turnover, EUR			Total turnover	
	Max.	Min.	Last session	Average	Max.	Min.	Last session	Units	EUR
<b>2022</b>	<b>0.944</b>	<b>0.650</b>	<b>0.704</b>	<b>0.782</b>	<b>160,293</b>	<b>97</b>	<b>3,831</b>	<b>3,278,619</b>	<b>2,564,490</b>
2023, Q1	0.860	0.710	0.860	0.823	300,835	320	654	994,544	818,344
2023, Q2	0.906	0.838	0.894	0.879	57,063	318	4,655	593,794	521,829
2023, Q3	0.950	0.884	0.946	0.927	52,027	121	4,532	802,325	743,660
2023, Q4	1.105	0.912	1.095	0.996	397,140	2,269	10,367	2,241,728	2,233,520
<b>2023</b>	<b>1.105</b>	<b>0.710</b>	<b>1.095</b>	<b>0.932</b>	<b>397,140</b>	<b>121</b>	<b>10,367</b>	<b>4,632,391</b>	<b>4,317,354</b>
2024, Q1	1.130	1.040	1.125	1.097	36,374	868	1,521	565,648	620,687
2024, Q2	1.130	1.030	1.030	1.089	736,317	353	6,288	1,333,222	1,452,309
2024, Q3	1.035	1.000	1.015	1.012	30,291	158	553	425,611	430,928
2024, Q4	1.080	1.010	1.050	1.025	102,051	591	13,452	594,697	609,280
<b>2024</b>	<b>1.130</b>	<b>1.000</b>	<b>1.050</b>	<b>1.066</b>	<b>736,317</b>	<b>158</b>	<b>13,452</b>	<b>2,919,178</b>	<b>3,113,204</b>
2025, Q1	1.095	1.055	1.080	1.073	41,168	123	5,367	461,042	494,620
2025, Q2	1.115	1.050	1.070	1.078	35,621	697	10,073	553,094	596,154
2025, Q3	1.180	1.040	1.040	1.099	103,066	279	67,339	954,045	1,048,518
2025, Q4	1.135	0.996	1.130	1.033	361,156	3,161	43,862	3,225,248	3,332,866
<b>2025</b>	<b>1.180</b>	<b>0.996</b>	<b>1.130</b>	<b>1.054</b>	<b>361,156</b>	<b>123</b>	<b>43,862</b>	<b>5,193,429</b>	<b>5,472,158</b>

All amounts are in EUR thousands unless otherwise stated

Price and turnover of shares over the period 01/01/2023 – 31/12/2025:



Share price benchmarked against the Baltic market index over the period 01/01/2023 – 31/12/2025:



#### 4.4. Capitalisation of the Company's shares

Last session date	Capitalisation, EUR
<b>31/12/2022</b>	<b>92,505,600</b>
31/03/2023	113,004,000
30/06/2023	117,471,600
30/09/2023	124,304,400
<b>31/12/2023</b>	<b>143,883,000</b>
31/03/2024	147,825,000
30/06/2024	135,342,000
30/09/2024	133,371,000
<b>31/12/2024</b>	<b>137,970,000</b>
31/03/2025	141,912,000
30/06/2025	140,598,000
30/09/2025	138,132,800
<b>31/12/2025</b>	<b>150,086,600</b>

All amounts are in EUR thousands unless otherwise stated

## 5. Corporate governance report

The applied corporate governance code and information on compliance with the code are presented in the section “Statement of compliance with the corporate governance code”.

### 5.1. Significant direct or indirect ownership interests

As at 31 December 2025, the number of shareholders of Grigeo Group AB was 5,190 (31 December 2024: 4,843).

There are no shareholders holding special controlling rights at the Company. There are no limitations of voting rights at the Company. Moreover, the Company is not aware of any agreements between the shareholders, including those under which a transfer of securities and / or voting rights could be restricted.

Shareholders holding more than 5% of the Issuer’s authorised share capital by the right of ownership as at 31 December 2025 and 31 December 2024 are presented in the table below:

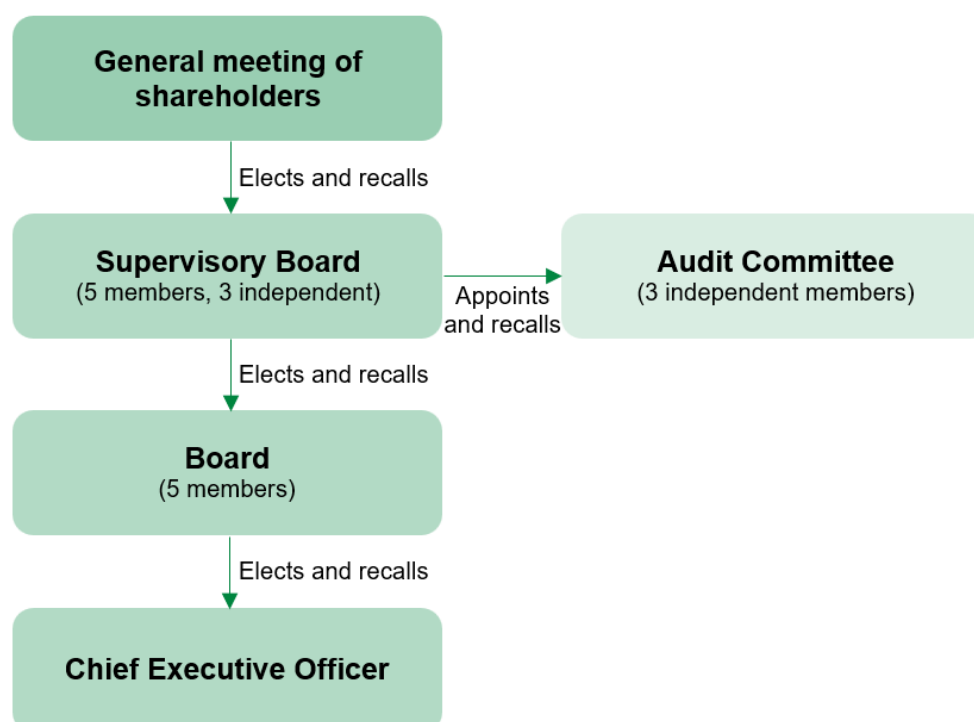
Shareholder’s name, surname (company’s name, type, registered office address, company code)	31 December 2025			31 December 2024		
	Number of ordinary registered shares owned by the shareholder, units	Ownership interest, %	Voting interest, %	Number of ordinary registered shares owned by the shareholder, units	Ownership interest, %	Voting interest, %
Ginvilδος Investicija UAB* Rukeliškių g. 21, Vilnius, 125436533	62,895,755	47.35	47.35	62,628,027	47.66	47.66
Irena Ona Mišeikienė	17,883,064	13.46	13.46	17,625,064	13.41	13.41

\*67.00% of the shares of Ginvilδος investicija UAB are held by Gintautas Pangonis, who is the ultimate beneficial owner of the Company.

### 5.2. Rules regulating the election and replacement of the management and supervisory bodies

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

The Company’s objective is to ensure diversity of qualifications, professional experience and competences as well as gender equality of the elected members of the management and supervisory bodies.



All amounts are in EUR thousands unless otherwise stated

## General Meeting of Shareholders

The shareholders of the Company exercise their rights through the General Meeting of Shareholders. The General Meeting of Shareholders is the highest governing body of the Company, which adopts decisions in accordance with the Law on Companies of the Republic of Lithuania and the Articles of Association of the Company. The competence of the General Meeting of Shareholders includes, inter alia, the amendment of the Articles of Association of the Company; the approval of the annual financial statements of the Company and the annual consolidated financial statements of the Group; the adoption of a decision on the appropriation of profit (loss); the appointment and removal of the auditor or audit firm performing the audit of the Company's financial statements and the consolidated financial statements of the Group; the determination of the terms of remuneration for audit services; as well as other competences provided for in the Law on Companies of the Republic of Lithuania and the Articles of Association of the Company.

Shareholders of the Company entered in the Company's register of shareholders by the record date, i.e. the fifth business day prior to the General Meeting of Shareholders, shall have the right to attend the General Meeting of Shareholders and to vote on matters within its competence.

## Supervisory Board

The Supervisory Board consists of five members. The members of the Supervisory Board are elected by the General Meeting of Shareholders for a period of four years as defined by the Articles of Association of the Company. The General Meeting of Shareholders may recall the entire Supervisory Board or its individual members before the end of the term of office of the Supervisory Board. In the election of the members of the Supervisory Board, each shareholder holds the number of votes which is equal to the number of votes conferred by the shares held by them multiplied by the number of the Supervisory Board members to be elected. The shareholder distributes these votes at his own discretion – in favour of one or several candidates. The candidates who have collected the largest number of votes are elected. In case the number of candidates who collected equal number of votes exceeds the number of vacancies on the Supervisory Board, a repeated voting is organised during which each shareholder may vote only for one of the candidates who collected equal number of votes. The Supervisory Board performs its functions for a period defined by the Articles of Association or until a new Supervisory Board is elected but no longer than until the Ordinary General Meeting of Shareholders is held in the year in which the Supervisory Board's term of office ends. The number of terms of office of a member of the Supervisory Board is unlimited.

More than a half of the Supervisory Board members must have no employment relations with the Company, at least 1/3 of the Supervisory Board members must be independent and cannot be members of the Supervisory Board of the Company for more than 10 years. The Supervisory Board or its members commence their activities after the end of the General Meeting of Shareholders which elected the Supervisory Board or its members. The Supervisory Board is chaired by its chairperson who is elected by the Supervisory Board from its members.

## Audit Committee

The Audit Committee is formed at the Company, and it consists of three members. The Audit Committee is formed, and its composition is approved by the decision of the Supervisory Board for the period defined therein but no longer than for four years. Only a private individual may be a member of the Audit Committee. The Audit Committee must include at least one Audit Committee member with knowledge of at least one of the following areas: finance, accounting, audit of financial statements, or the sector in which the company operates; at least one member of the Audit Committee must have at least three years' working experience in accounting and (or) audit of financial statements. The Head of the Company and a person who has held this position for the past five years may not be a member of the Audit Committee. More than a half of the Audit Committee members must be independent members and may not serve as a member of the Company's Audit Committee for a total of more than 12 years. The chairperson of the Audit Committee is elected by the members of the Audit Committee. An independent member is elected to be the chairperson of the Audit Committee.

## Board

The Company's Board consists of five members. The Board is elected for a period of four years as defined by the Articles of Association of the Company. The Board performs its functions for a period defined by the Articles of Association or until a new Board is elected and starts to perform its functions but no longer than until the Ordinary General Meeting of Shareholders is held in the year in which the Board's term of office ends. The Board elects the chairperson of the Board from its members. Only a private individual may be elected to be a member of the Board. The number of terms of office of a member of the Board is unlimited. The Board or its members commence their activities after the end of the meeting of the Supervisory Board which elected the Board or its members. The Supervisory Board may recall the entire Board or its individual members before the end of their term of office.

## Head of the Company

The Head of the Company (Chief Executive Officer) is elected, recalled and dismissed by the Board of the Company. An employment contract is signed with the Head of the Company who starts to perform his/her duties from the election date, unless otherwise provided for in the agreement signed.

## Articles of Association of the Company

The General Meeting of Shareholders has the exclusive right to amend the Articles of Association of the Company subject to the exceptions provided by the Law on Companies of the Republic of Lithuania. The Articles of Association of the Company are amended following the procedure established by the Law on Companies of the Republic of Lithuania.

All amounts are in EUR thousands unless otherwise stated

### 5.3. Management and supervisory bodies

#### Composition of the management and supervisory bodies

Name, surname	Position	Education	Term of office	Ownership and voting interest, %
<b>Supervisory Board</b>				
Vilius Oškeliūnas	Independent Member, Chairman	Vilnius University, BA and MA in Economics		-
Marius Stankevičius	Member	University of Liverpool, MA in Management of Information Systems	From 28 April 2023	2.89
Ignas Degutis	Independent Member	ISM University of Management and Economics, MA in Economics	until the General Shareholders' Meeting, to be held in 2027	-
Arūnas Pangonis	Member	Vilnius Gediminas Technical University, MA in Industrial Engineering		Indirectly*
Daiva Duksienė	Independent Member	Vilnius University, Economist		-
<b>Audit Committee</b>				
Daiva Duksienė	Independent Member, Chairwoman	Vilnius University, Economist	From 28 April 2023	-
Ignas Degutis	Independent Member	ISM University of Management and Economics, MA in Economics	until the General Shareholders' Meeting, to be held in 2027	-
Vilius Oškeliūnas	Independent Member	Vilnius University, BA and MA in Economics		-
<b>Board</b>				
Gintautas Pangonis	Chairman	Kaunas University of Technology, Telecommunications Engineer	From 28 April 2023 until the General Shareholders' Meeting, to be held in 2027	Indirectly*
Robertas Krutikovas	Member	Baltic Management Institute, MA in Business Administration	From 30 May 2024 until the general shareholders' meeting, to be held in 2027	0.08
Vigmantas Kažukauskas	Member	Kaunas University of Technology, Telecommunications Engineer		0.93
Saulius Martinkevičius	Member	Vilnius University, MA in Business Administration and Management	From 28 April 2023	0.34
Tomas Jozonis	Member	ISM University of Management and Economics, BA in Management and Business Administration; Vilnius University, MA in Business	until the General Shareholders' Meeting, to be held in 2027	Indirectly*
<b>Head of the Company</b>				
Tomas Jozonis	Chief Executive Officer	ISM University of Management and Economics, BA in Management and Business Administration; Vilnius University, MA in Business	-	Indirectly*

\*Ginvildos Investicija UAB holds 47.35% 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.

In the Company's Supervisory Board women represent 20% of the members, in the Audit Committee — 33%, and there are no women presented in the Company's Board. The terms of the Company's Supervisory Board, Audit Committee, and Board will expire in 2027.

All amounts are in EUR thousands unless otherwise stated

## Participation of the management and supervisory bodies in the activities of other organisations

Name, surname	Position	Name of the enterprise, institution and organization*
Vilius Oškeliūnas	Chairman of the Supervisory Board, Member of the Audit Committee	Grigeo Group AB
	Wealth Manager	Gerovės Valdymas UAB (primary employment) (302445450)
	Director, Board Member	Atelier Investment Management UAB (303335430)
	Director	IM Investment UAB (302538424), Commodity UAB (306224588)
	Deputy Director	WB Invest UAB (305542673)
	True Member	Gerovės Partneriai KŪB (304746185)
	Board Member	Invalda Privatus Kapitalas AB (303075527), ETA projektai UAB (300657497), Liv in LT UAB (305529989), V46 UAB (305621932)
Marius Stankevičius	Member of the Supervisory Board	Grigeo Group AB
	Shareholder	Didma UAB (151214459)
	Shareholder	Statybų namai UAB (302527851)
	Shareholder	Technikos namai UAB (302527762)
Ignas Degutis	Independent Member of the Supervisory Board, Member of the Audit Committee	Grigeo Group AB
	Independent Member of the Board	Amber Grid AB (303090867)
	General Director	Vilniaus viešasis transportas (VVT) UAB (primary employment) (302683277)
Arūnas Pangonis	Member of the Supervisory Board	Grigeo Group AB
	Director	Hendrixon UAB (primary employment) (306660817)
Daiva Dukšienė	Independent Member of the Supervisory Board, Chairperson of the Audit Committee	Grigeo Group AB
	Director	Amerigas UAB (126260725), Pasaulio skoniai UAB (305131273), TSMA-T UAB (306068032)
	Chief Financial Officer	Baltijos ir Amerikos terapijos ir chirurgijos klinika UAB (primary employment) (110580798)
Gintautas Pangonis	Director	Ginvildos investicija UAB (primary employment) (125436533)
	Chairman of the Board	Grigeo Group AB
	Board Member	Grigeo Klaipėda AB, Grigeo Packaging UAB, Grigeo Hygiene UAB, Grigeo Tissue UAB, Grigeo Baltwood UAB, Grigeo Recycling UAB, Grigeo Paper Packaging UAB, Naujieji Verkliai UAB
	Member of the Supervisory Board	Mena Pak AT, Grigeo Tissue sp. z o. o., Huchtemeier Papier GmbH
Vigmantas Kažukauskas	Board Member	Grigeo Group AB, Grigeo Klaipėda AB, Grigeo Baltwood UAB
Robertas Krutikovas	Board Member	Grigeo Group AB, Grigeo Recycling UAB,
	Chairman of the Board	Grigeo Klaipėda AB, Grigeo Packaging UAB
	Member of the Supervisory Board	Grigeo Recycling SIA
	Chairman of the Supervisory Board	Mena Pak AT
	General manager	Grigeo Paper Packaging UAB (primary employment)
Saulius Martinkevičius	Chief Procurement and Logistics Officer	Grigeo Group AB (primary employment)
	Board Member	Grigeo Group AB, Grigeo Baltwood UAB, Grigeo Packaging UAB, Grigeo Klaipėda AB, Naujieji Verkliai UAB, Grigeo Hygiene UAB, Grigeo Paper Packaging UAB
	Member of the Supervisory Board	Mena Pak AT, Grigeo Tissue sp. z o. o., Huchtemeier Papier GmbH
	Deputy Chairman of the Supervisory Board	Grigeo Recycling SIA
	General manager	Naujieji Verkliai UAB
Tomas Jozonis	Chief Executive Officer	Grigeo Group AB (primary employment)
	Board Member	Grigeo Group AB
	Chairman of the Supervisory Board	Grigeo Recycling SIA, Grigeo Tissue sp. z o. o., Huchtemeier Papier GmbH
	Chairman of the Board	Grigeo Paper Packaging UAB, Grigeo Baltwood UAB, Grigeo Recycling UAB, Naujieji Verkliai UAB, Grigeo Hygiene UAB, Grigeo Tissue UAB, Grigeo Packaging UAB

\*Detailed contact information for the Group's companies is presented in Note 3.

All amounts are in EUR thousands unless otherwise stated

## 5.4. Functions and responsibilities of the management and supervisory bodies

### Supervisory Board

The Supervisory Board discusses and approves the business strategy of the Company, elects members of the Board of the Company and recalls them from their positions, adopts decisions regarding transactions with related parties, supervises the activity performed by the Board and the Head of the Company, submits replies and proposals regarding the set of financial statements, the proposed profit or loss appropriation and the annual report of the Company as well as the activity of the Board and the Head of the Company to the General Meeting of Shareholders; and resolves other issues assigned to the competence of the Supervisory Board by the Articles of Association of the Company, by the decisions of the General Meeting of Shareholders regarding the supervision of the activities of the Company and its management bodies.

### Audit Committee

The functions of the Audit Committee are to inform the Head or the supervisory body of the Company about the results of the audit of the financial statements and to explain how this audit contributed to the reliability of the financial statements and the role of the Audit Committee in doing that; to monitor the financial reporting process and submit recommendations for ensuring the reliability thereof; to monitor the audit of the annual financial statements and the consolidated financial statements; to review and monitor the independence of the auditors or the audit companies; to provide recommendations regarding the appointment of statutory auditors or the audit companies; to submit opinions regarding the transactions conducted by the Company with the related parties.

### Board

The Board discusses and approves the Company's annual and interim reports, the management structure of the Company; elects and removes from the office the Head of the Company, sets his/her remuneration and other terms and conditions of the employment contract; analyses and assesses the information submitted by the Head of the Company on the organisation of the Company's business activities, financial condition, the set of the Company's annual financial statements, proposed profit or loss appropriation and submits to the Supervisory Board and General Meeting of Shareholders together with the responses and proposals in relation thereto and the Company's annual report; analyses, assesses the draft business strategy and information about the implementation of the Company's business strategy submitted by the Head of the Company and adopts other decisions assigned to the competence of the Board by the Law on Companies of the Republic of Lithuania, the Articles of Association or the decisions of the General Meeting of Shareholders of the Company. The Articles of Association of the Company provide for the following competence of the Board in addition to those provided by the Law on Companies of the Republic of Lithuania: the Board discusses and approves the employee payment systems; elects and recalls employees directly reporting to the Head of the Company, directors of the Company's divisions, sets their salaries, other terms and conditions of the employment contract, approves their job descriptions, allocates bonuses to these employees; elects and recalls the accounting company providing accounting services to the Company, sets the conditions of payment for the accounting services; approves the systems and procedures of bonuses, incentives to the employees procedures; sets the non-current assets' depreciation or amortisation rates and calculation methods applied in the Company.

### Head of the Company

The Head of the Company – the Chief Executive Officer – organises the Company's economic commercial business activities. The Head of the Company has the right to unilaterally conclude transactions, except for the cases provided by the Articles of Association of the Company where the Head of the Company may conclude transactions subject to the decision of the Board of the Company to conclude such transactions. The Head of the Company is responsible for the organisation of the Company's business activities and for the implementation of its goals, preparation of the set of the annual financial statements, preparation of the Company's annual report, and for the fulfilment of other obligations provided by the Law on Companies of the Republic of Lithuania and other legal acts as well as the Articles of Association of the Company.

All amounts are in EUR thousands unless otherwise stated

## 6. Remuneration report

On 28 April 2025, the General Meeting of the Shareholders approved the remuneration report of 2022.

The remuneration report presents information about the remuneration paid to each member of the management and supervisory bodies of the Company (including but not limited to, all of its components, i.e., fixed and variable remuneration, bonuses, extra pays and other benefits and taxes related to all payments or calculated benefits) by the Company and any other entity within the Grigeo Group AB group.

The remuneration report includes personal data of the members of the management and supervisory bodies of the Company (name, surname and other specified data) which is processed in order to enhance the Company's transparency, improve the accountability of the management and supervisory bodies, and monitor the remuneration of the members of the management and supervisory bodies.

### 6.1. Remuneration policy

The Company's remuneration policy (the "Remuneration Policy"), which was approved on 28 April 2025, is applicable to the Head of the Company, members of the Board and the Supervisory Board. The Remuneration Policy is published on the Company's website [www.grigeo.com/lt](http://www.grigeo.com/lt). The main provisions of the Remuneration Policy of the Company are presented below.

#### Head of the Company

The remuneration to the Head of the Company consists of the fixed (base) monthly salary in the amount defined by the Board of the Company, bonuses, and other benefits. By the decision of the Board of the Company, the Head of the Company may be granted annual bonuses depending on the Company's financial performance and calculated following the bonus scheme approved by the Board of the Company. The amount of the annual bonus may not exceed 50% of the annual salary of the Head of the Company. Following the Rules for Granting Shares of the Company, the Head of the Company may be remunerated by granting shares.

#### Board

A civil agreement on the provision of services is concluded with the member of the Board of the Company who has no employment relations with the Company whereby a fixed monthly remuneration is set amounting to no more than EUR 4,200 (before the applicable taxes). The member of the Board is paid an additional monthly remuneration for the performance of the duties of the chairperson of the Board of the Company which cannot exceed 25% of the fixed monthly remuneration agreed with the member of the Board in the agreement. No variable remuneration components, bonuses or supplements are normally set to the member of the Board who has no employment relations with the Company, and no remuneration is offered by granting shares, no specific remuneration criteria are predefined depending on the financial and non-financial performance.

The member of the Board who is the Company's employee receives remuneration under the employment contract signed with the Company. The remuneration of the member of the Board who is the Company's employee consists of a fixed (base) monthly salary, bonuses, and other benefits applicable to the employees of the Company. A specific fixed (base) monthly salary is set by the Board of the Company. By the decision of the Board of the Company, a member of the Board may be granted annual bonuses depending on the Company's financial performance, calculated in accordance with the bonus scheme approved by the Board of the Company. Following the Rules for Granting Shares of the Company, the member of the Board who is the Company's employee may be remunerated by granting shares.

Following the procedure established by the Law on Companies of the Republic of Lithuania and by other legal acts, by the decision and at the discretion of the General Meeting of Shareholders of the Company, the members of the Board of the Company may be granted annual bonuses.

#### Supervisory Board

A civil agreement on the provision of services is concluded with the member of the Supervisory Board of the Company whereby a fixed annual remuneration is set amounting to no more than EUR 4,800 (before the applicable taxes). In case the member of the Supervisory Board has performed his/her activity for less than a calendar year, a proportionally lower remuneration is paid thereto in view of the actual performance of the activity of the member of the Supervisory Board. A member of the Supervisory Board shall be paid an annual additional remuneration of no more than 25% for the performance of the duties of the Chairperson of the Supervisory Board of the Company, no more than 20% for the performance of the duties of the member of the Audit Committee of the Company, and no more than 20% for the performance of the duties of the Chairperson of the Audit Committee of the Company. No variable salary components, bonuses or premiums depending on the Company's performance are commonly set to the member of the Supervisory Board, and no remuneration is offered by granting shares, no specific remuneration criteria are predefined depending on the financial and non-financial performance.

Following the procedure established by the Law on Companies of the Republic of Lithuania and by other laws, by the decision and at the discretion of the General Meeting of Shareholders of the Company, a member of the Supervisory Board may be granted annual bonuses. In case annual bonuses are granted to a member of the Supervisory Board, they also comprise the remuneration payable to the member of the Supervisory Board.

All amounts are in EUR thousands unless otherwise stated

## 6.2. Remuneration paid to the management and supervisory bodies

Position, name, surname	Reporting period	Fixed salary component		Variable salary component	Share options*	Total remuneration	Fixed to variable salary ratio, %
		Base salary	Other benefits				
Chairman of the Board (President until 06.05.2023) Gintautas Pangonis	2025	156	-	-	-	156	100% / 0%
	2024	130	-	-	-	130	100% / 0%
Member of the Board (CEO from 06.05.2023) Tomas Jozonis	2025	212	13	182	-	407	55% / 45%
	2024	190	14	58	-	262	78% / 22%
Member of the Board Saulius Martinkevičius	2025	135	6	44	87	272	52% / 48%
	2024	125	3	41	-	169	76% / 24%
Member of the Board Vigmantas Kažukauskas	2025	96	-	-	87	182	52% / 48%
	2024	84	-	-	-	84	100% / 0%
Independent Member of the Board Algimantas Variakojis (until 03.04.2024)	2025	-	-	-	-	-	0% / 0%
	2024	11	-	-	-	11	100% / 0%
Member of the Board Robertas Krutikovas (from 30.05.2024)	2025	162	7	69	109	347	50% / 50%
	2024	154	7	58	-	219	73% / 27%

\*In 2025, remuneration in the form of the Company's shares was granted to the Members of the Board: Saulius Martinkevičius, Vigmantas Kažukauskas, and Robertas Krutikovas. More information can be found in [Nasdaq notification at 29 August 2025](#).

During the reporting period, variable remuneration was not recovered.

The annual remuneration paid to the members of the management bodies of the Company as compared to the Group's performance and the average salary of the employees:

Position, name, surname	2021	2022	2023	2024	2025	
Chairman of the Board Gintautas Pangonis	207	223	390	130	156	
Member of the Board, CEO Tomas Jozonis	170	149	224	262	407	
Member of the Board Saulius Martinkevičius	109	123	142	169	272	
Member of the Board Vigmantas Kažukauskas	112	124	233	84	182	
Independent Member of the Board Algimantas Variakojis (until 03.04.2024)	30	30	38	11	-	
Member of the Board Robertas Krutikovas (from 30.05.2024)				219	347	
The Group's performance	2020	2021	2022	2023	2024	2025
EBITDA (-1 year)*	26,243	23,726	21,357	38,926	34,774	31,310
Average annual salary paid to full-time employees						
	2021	2022	2023	2024	2025	
Average annual salary of the Group's employees**	25.9	28.4	32.7	35.7	39.1	
Annual remuneration of the Chairman of the Board compared to the annual salary paid to a full-time employee	8.0	7.9	11.9	3.6	4.0	

\*The EBITDA ratio is presented in each case for the previous year as the results of operations are assessed based on the previous year's financial performance.

\*\*The presented data is related to employees working in the Group companies operating in Lithuania who are not members of the management and supervisory bodies of the Company.

All amounts are in EUR thousands unless otherwise stated

The annual remuneration paid to the members of the supervisory body of the Company as compared to the Group's performance and the average salary of the Group's employees:

Position, name, surname	2021	2022	2023	2024	2025	
Chairman of the Supervisory Board, Member of the Audit Committee Vilius Oškeliūnas	7.2	3.6	4.2	5.8	5.8	
Member of the Supervisory Board, Member of the Audit Committee Norimantas Stankevičius (until 06.05.2023)	8.7	4.4	4.9	-	-	
Member of the Supervisory Board Romualdas Degutis (until 06.05.2023)	6.0	3.0	4.0	-	-	
Independent Member of the Supervisory Board, Chairwoman of the Audit Committee Daiva Dukšienė	8.4	4.2	4.2	5.6	5.6	
Member of the Supervisory Board Normantas Paliokas (until 06.05.2023)	6.0	3.0	4.0	-	-	
Independent Member of the Supervisory Board, Member of the Audit Committee Ignas Degutis (from 28.04.2023)				4.8	4.8	
Member of the Supervisory Board Marius Stankevičius (until 28.04.2023)				4.0	4.0	
Member of the Supervisory Board Arūnas Pangonis (until 28.04.2023)				4.0	4.0	
The Group's performance	2020	2021	2022	2023	2024	2025
EBITDA (-1 year)*	26,243	23,726	21,357	38,926	34,774	31,310
Average annual salary paid to full-time employees (EUR'000)						
	2021	2022	2023	2024	2025	
Average annual salary of the Group's employees**	25.9	28.4	32.7	35.7	39.1	

\*The EBITDA ratio is presented in each case for the previous year as the operating results are assessed based on the previous year's financial performance.

\*\*The presented data is related to employees working in the Group companies operating in Lithuania who are not members of the management and supervisory bodies of the Company.

### 6.3. Compliance with the Remuneration Policy

The remuneration received by the members of the Company's management and supervisory bodies complies with the approved Remuneration Policy.

Two out of five members of the Board of the Company are the Company's employees holding the top-level management positions at the Company. They receive the remuneration in the amount set by the Board under the employment contract signed with the Company. The amounts of remuneration paid to the members of the Board who are the Company's employees are set in view of the qualifications and competence of each specific employee, the scope of functions and responsibilities assumed within the Company, the aim to retain a specific person in the Company's top management position, motivate him/her to work in good faith, with due care, qualification and loyalty for the Company to achieve the Company's goals, and implement the Company's strategy and interests, thereby increasing the Company's profitability and ensuring a consistent improvement of its financial performance in the long-term perspective. Following the bonus system approved by the Board of the Company, annual bonuses were allocated to the members of the Board of the Company who are the Company's employees depending on the Group's and/or the Company's financial performance. When allocating annual bonuses to the top-level employees, the Group's and/or the Company's profitability and EBITDA are the main criteria that are taken into consideration when evaluating the employees' performance.

The monthly remuneration paid to the independent member of the Board is set in accordance with the provisions of the Remuneration Policy and is provided for in the agreement signed with the member of the Board on the provision of management activities/services subject to remuneration by the member of the Board.

The remuneration paid to the Head of the Company, members of the Board and the Supervisory Board of the Company complies with the remuneration guidelines defined by the Remuneration Policy of the Company and enables better accountability of members of the management and supervisory bodies to the Company and its shareholders as well as encourages members of the management and supervisory bodies of the Company to focus on the long-term goals and strategy rather than take high-risk decisions that may imply positive results only in the short-term.



## 7. Sustainability report

### 7.1. General information

#### ESRS 2 General disclosures

##### General basis for preparation of the sustainability statement (BP-1)

This report has been prepared in accordance with the requirements of the European Sustainability Reporting Standards (ESRS), as well as other requirements set out in the legislation of the Republic of Lithuania.

This report demonstrates our efforts to consolidate the Group's impact and disclose the extent of the impact of our business on people and environment and is prepared on a consolidated basis together with the financial report.

**Information disclosure in segments.** The Group consists of different business segments, therefore, where relevant, information is presented according to the following business segments:

Segment	Group companies forming the segment	Abbreviation
Tissue paper and paper products*	Grigeo Tissue UAB*, Grigeo Tissue Sp. z o.o., Energia Ciepna Niedomice sp. z o.o, Huchtemeier Papier GmbH, Grigeo Hygiene UAB, Grigeo Group AB*	Tissue paper
Wood hardboards	Grigeo Baltwood UAB	Hardboard
Raw materials for corrugated cardboard and related products	Grigeo Packaging UAB, Grigeo Klaipėda AB, Mena Pak AT, Grigeo Recycling UAB and Grigeo Recycling SIA	Containerboard and packaging

\*Grigeo Tissue UAB sells heat energy to the city of Vilnius. Where relevant, the data is disclosed in additional segment named "Sold heat" accordingly.

**Timeframe.** Unless otherwise indicated, information represents 2025 calendar year, and data is accurate as at 31 December 2025. The reporting of employee and Health and Safety data reflects the situation at the end of 2025.

The definitions of periods used in the Sustainability Report are in line with ESRS standards:

- short-term: used in the financial statements as the reporting period;
- medium-term: from the end of the reporting period up to 5 years;
- long-term: more than 5 years.

**Management involvement.** The Board of the Company and the Audit Committee review this report before submitting it to the annual general meeting of shareholders.

**External assurance.** The sustainability information presented in this report, prepared in accordance with the requirements of the European Sustainability Reporting Standards (ESRS), has been subject to limited assurance performed by Grant Thornton Baltic UAB in accordance with International Standards on Auditing.

**Uncertainties.** Due to the ongoing war and the high degree of uncertainty regarding future events, only the key indicators related to the Group's operations in Ukraine, Mena Pak AT, are disclosed. This entity has not been included in the double materiality analysis assessing impacts, risks and opportunities. The disclosed quantitative indicators and monetary amounts are not characterized by a high level of measurement uncertainty.

##### Qualitative characteristics of information

**Relevance.** This report does not omit relevant information that substantively influences stakeholders' assessments and decisions, or that reflects significant economic, environmental, and social impact.

**Faithful representation.** We aim to cover both favourable and unfavourable results and topics in an unbiased manner. Unless stated otherwise, all information provided is traceable to the accounting data. We strive for maximum accuracy and present data on the basis of available accounting data, unless otherwise stated.

**Comparability.** Where relevant, our targets are measured against produced tons of products rather than absolute values. Other information is reported in absolute figures, unless otherwise stated. We present results for at least two years.

In October 2025, the Grigeo Group acquired a tissue paper company Huchtemeier Papier GmbH in Germany. Unless otherwise stated, the figures for 2025 include the results of the newly acquired company.

In the 2025 report, slight adjustments have been done to the 2024 data in order to better meet the requirements of the ESRS standards.

**Verifiability** When preparing the report, we aim that any data is documented in our systems and can be traced to primary sources so that external auditors can review them, if needed.

All amounts are in EUR thousands unless otherwise stated

**Understandability** We aim to report in a concise way, avoiding abbreviations (or explaining them), in order that the users with reasonable knowledge could easier understand the content of the report.

### Disclosures in relation to specific circumstances (BP-2)

**Specific circumstances related to the war in Ukraine.** Due to Russia's war against Ukraine and the resulting high level of uncertainty, the Group presents only the baseline performance indicators of its subsidiary AT 'Mena Pak' in this report. This company was not included in the double materiality assessment for identifying impacts, risks and opportunities (IRO) in order to avoid unfounded projections regarding asset value and business continuity.

**Value chain estimates and data quality.** When collecting data on upstream and downstream activities, the Group prioritises direct data from partners. In cases where primary data cannot be obtained (particularly when calculating Scope 3 GHG emissions), generic factors from official databases (e.g., DEFRA, Ecoinvent) are used. Going forward, the Group will systematically expand direct supplier engagement to obtain more of primary data.

### The role of the administrative, management and supervisory bodies (GOV-1)

The administrative, management and supervisory bodies use internal resources (Sustainability Manager, CEO) and external experts to acquire expertise in sustainability (including business ethics). Sustainability knowledge, resources and external expertise are used to identify and assess the Group's material impacts, risks and opportunities, and to develop a strategy that integrates sustainability themes into the Group's overall business strategy. The role of the management and supervisory bodies in matters relating to business ethics is performed as required.

Composition and diversity of the members of the Group's administrative, management and supervisory bodies:

	Value
Proportion of female and male board members	0:5
Percentage of independent board members	0%
Executive board members	2
Non-executive board members	3
Proportion of female and male members of the Supervisory Board	1:4
Percentage of independent Supervisory Board members	60%
Number of employee representatives on management and supervisory bodies	0

Sustainability matters, including business ethics, significant impacts, risks and opportunities, are discussed at ongoing Board meetings on an as-needed basis, with additional strategic or other sessions as required to address the most pressing issues related to sustainability.

No administrative, management or supervisory body or member has been assigned responsibility for overseeing and reviewing the impacts, risks and opportunities (IROs) of sustainability matters, and these responsibilities are not described in statutes, terms of reference or similar documents. This responsibility is assigned to the Group Finance Manager.

### Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)

The targets set and results achieved for the material sustainability matters identified during the reviews of impacts, risks and opportunities are consolidated at Group level and presented once a year to the Supervisory Board and the Audit Committee. The quarterly results of each Group company are presented to the respective Boards of Directors.

### Integration of sustainability-related performance in incentive schemes (GOV-3)

Sustainability matters (including climate-related aspects) are included in the variable remuneration incentive schemes for all employees, including administrative and management bodies, according to need, job function and similar considerations, and may vary from year to year. No variable remuneration is set for the members of the supervisory bodies in accordance with the established remuneration policy.

### Statement on due diligence (GOV-4)

Due diligence is the process by which a company identifies, prevents, mitigates and discloses how it manages actual and potential negative impacts on the environment and on people affected by its activities. This includes negative impacts related to the company's own operations and upstream and downstream parts of the value chain, including through its products or services, as well as through its business relationships.

Identifying and assessing adverse impacts on people and the environment, involving affected stakeholders, taking action to reduce adverse impacts on people and the environment, and monitoring the effectiveness of these efforts

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are integral parts of due diligence. Due diligence is carried out within the Group every year and integrated into daily management through the following processes:

- Impact identification and assessment: conducted through a double materiality assessment, an environmental management assessment (ISO 14001), and Environmental Impact Assessment (EIA) procedures for production sites.
- Taking action: board-approved action plans (X-matrices) and targeted investments in technology (e.g., anaerobic bioreactor, water pumping station) are used to manage and mitigate identified negative impacts.
- Stakeholder engagement: the Group maintains an ongoing dialogue with employees, suppliers, and communities through surveys, public monitoring platforms, and consultations during EIA processes.
- Supply chain oversight: negative impacts in the upstream supply chain are monitored through supplier sustainability questionnaires, audits, and compliance with the provisions of the Supplier Code of Conduct.

The table below shows how these due diligence elements are further detailed in the relevant sections of this report:

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2, ESRS 2 GOV-3, ESRS 2 SBM-3
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2, ESRS 2 SBM-2, ESRS 2 IRO-1, ESRS MDR-P
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1, ESRS 2 SBM-3
d) Taking actions to address those adverse impacts	ESRS 2 MDR-A
e) Tracking the effectiveness of these efforts and communicating	ESRS 2 MDR-A, ESRS 2 MDR-T

### Risk management and internal controls over sustainability reporting (GOV-5)

The Group's sustainability reporting and related work is managed by a dedicated sustainability unit. At the same time, close cooperation is established with various departments (such as finance and accounting, HR, legal and other departments and staff) to ensure the full implementation of the process.

### Strategy, business model and value chain (SBM-1)

The strategy and business model are disclosed in section 1. Business model.

#### Value chain

The value chain encompasses the activities, resources, and relationships on which the company relies to create its products or services – from their conception to delivery, use, and end-of-life. To understand where significant sustainability impacts arise, we identified three main parts of the value chain. In the **upstream stage**, this includes the supply of raw materials – suppliers providing recovered paper, wood, pulp, and biofuel for steam production, as well as suppliers of electricity and natural gas. This stage involves the main indirect impacts on biodiversity and Scope 3 GHG emissions.

In the **own operations stage** (Group activities), six core activities are included: waste collection, steam generation, hygiene paper production, cardboard base production, wood fibreboard production, and packaging manufacturing. This stage generates direct environmental impacts – GHG emissions, water use, wastewater, and waste – as well as impacts on people, including health and safety, working hours, training and skills development, and labour ethics aspects such as the prevention of violence and harassment, and corruption and bribery risks.

In the **downstream stage**, the value chain covers distribution and logistics, where products are delivered to customers, as well as customers and consumers – wholesale networks and end users. This stage also includes the end-of-life phase, related to product recycling or disposal.

This structure helps systematically identify where in the value chain the impacts, risks, and opportunities (IRO) are most significant. The specific locations of impacts are further detailed in the SBM-3 sections.

The Company has applied the transitional provision under ESRS 1, paragraph 10.2, related to Section 5 “Value chain”, and during the first three years (from 2024) does not disclose the full scope of value chain information required by ESRS due to the extensive volume, significant resource needs, and challenges related to data availability. In 2025, the Company focused on individual elements of the value chain, systematically collecting and analysing information to ensure effective and targeted integration of value chain analysis into sustainability processes. Full disclosure of value chain information in line with ESRS 1 requirements is planned for 2026.

All amounts are in EUR thousands unless otherwise stated

## Interests and views of stakeholders (SBM-2)

To gain a better understanding of stakeholder interests and views, we take the time and effort to identify key stakeholder groups. Stakeholder interests and views are analysed annually at the Group's strategy sessions to review the Group's long-term objectives. A structured overview of key stakeholder groups, communication channels and expectations are presented in the table below.

	Communication channels	Their expectations	What we strive to achieve
<b>Clients</b>	<ul style="list-style-type: none"> <li>Sales relationships.</li> <li>Regular business meetings.</li> <li>Collaboration through the full packaging value chain.</li> <li>Quality control.</li> <li>Media.</li> <li>Site visits.</li> <li>Surveys.</li> </ul>	<ul style="list-style-type: none"> <li>Packaging solutions that enable safe delivery of our customers' products.</li> <li>Packaging solutions that cut waste and improve recyclability.</li> <li>Tissue paper quality.</li> <li>Operational efficiency.</li> <li>Water stewardship.</li> <li>Improved recycling process.</li> <li>Air and GHG emissions.</li> <li>Good reputation.</li> </ul>	<ul style="list-style-type: none"> <li>Optimal, high quality, sustainable design packaging.</li> <li>Creating and fostering circular economy through efficient waste-paper collection and recycling process.</li> <li>Proactively disclose our social and environmental impacts including GHG emissions.</li> <li>Setting ambitious yet realistic sustainability targets.</li> <li>Reporting consistently on our sustainability efforts.</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>Regular calls and in-person meetings.</li> <li>Business strategies.</li> <li>Financial returns.</li> <li>Risk mitigation.</li> <li>Audited annual reports.</li> <li>Public announcements via stock exchange.</li> </ul>	<ul style="list-style-type: none"> <li>Honest and transparent communication on our sustainability efforts.</li> <li>Reducing reputational risk.</li> <li>Streamlining supply chains to reduce CO<sub>2</sub> emissions and minimise waste.</li> <li>Sustainable packaging innovations delivering an attractive return on investment.</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring we do our part to address environmental and social issues material to our business.</li> <li>Generate financial return in a most transparent way.</li> <li>Consistently reporting on our non-financial results.</li> <li>Improving our ESG assessment.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Safety programmes.</li> <li>Employee training.</li> <li>Company-wide communication.</li> <li>Involving employees in sustainability reporting.</li> <li>Fostering involvement in setting sustainability goals.</li> <li>Daily face-to-face meetings, surveys.</li> <li>Intranet.</li> </ul>	<ul style="list-style-type: none"> <li>Feeling proud of the company they work for.</li> <li>Safety.</li> <li>Personal development.</li> <li>Fair and transparent compensation.</li> <li>Consistent career development.</li> </ul>	<ul style="list-style-type: none"> <li>We ensure our employees are fully aware of our role within the circular value chain.</li> <li>Exchange of talent and ideas across Group operations to share best practice.</li> <li>Facilitate the sharing of best practices.</li> <li>Empowering our people to lead the circular economy.</li> <li>Fostering high employee engagement so that our people would be confident they can make real changes.</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Negotiations.</li> <li>Request for information.</li> <li>Supplier sustainability audits.</li> <li>Quality control.</li> <li>Contract terms.</li> </ul>	<ul style="list-style-type: none"> <li>Steady demand.</li> <li>Business continuity.</li> </ul>	<ul style="list-style-type: none"> <li>Highest compliance standards for our suppliers.</li> <li>Transparent and fair procurement process.</li> <li>Promote responsible business best practices.</li> <li>We appreciate the possibilities of conducting supplier sustainability surveys/audits.</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>Economic and charitable relationships.</li> <li>Employee-led fundraising.</li> <li>Plant tours.</li> <li>Media.</li> <li>Meetings and presentations.</li> </ul>	<ul style="list-style-type: none"> <li>Air and other types of emissions.</li> <li>Biodiversity.</li> <li>Fair neighborhood.</li> <li>Economic impact and taxes paid.</li> <li>Community engagement.</li> <li>Sustainable and responsible business practices.</li> <li>Water use and wastewater quality.</li> </ul>	<ul style="list-style-type: none"> <li>Supporting local business ecosystems through short supply chains.</li> <li>Proactively engaging with community stakeholders to address water-related issues.</li> <li>Reducing our air emissions.</li> <li>Addressing odour issues.</li> <li>Enhancing our transparency.</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>Trade association meetings.</li> <li>Formal hearings.</li> <li>One-on-one meetings.</li> <li>Facility visits.</li> <li>Reports.</li> <li>Liaising with municipalities.</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety.</li> <li>Paper recycling and recovery.</li> <li>Taxes and environmental policy.</li> <li>Compliance.</li> <li>Fines and compensation.</li> <li>Legal processes.</li> <li>Biodiversity.</li> </ul>	<ul style="list-style-type: none"> <li>Solving impending issues in the most sustainable manner.</li> <li>Committing to meet or exceed legal requirements.</li> <li>Educating policy makers on our commitment to circular economy.</li> <li>Educating policy makers on the strategic/critical importance of our recycling infrastructure on the national level.</li> </ul>

All amounts are in EUR thousands unless otherwise stated

### Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The Group carried out a double materiality assessment to determine the impacts of its activities on the environment and society (impact materiality assessment), as well as the sustainability-related risks and opportunities that may have a financial effect (financial materiality assessment). The assessment was conducted in accordance with the methodology described in section IRO-1 and based on existing evaluations – for example, the environmental aspects analysis under ISO 14001, previous materiality assessments, and the integrated risk management process. When assessing impacts, risks and opportunities, consideration was given to short-, medium- and long-term time horizons, as well as to the expectations of key stakeholders.

The identified material topics are presented in the table below.

Impact materiality			Financial materiality		
Important	Significant	Critical	Critical	Significant	Important
Water withdrawal	Pollution of air	Energy	Energy	Climate change adaptation	Water withdrawal
Adequate wages	Water discharge	Pollution of water	Pollution of water	Climate change mitigation	Adequate wages
Work-life balance	Resources inflows	Health and safety	Health and safety	Pollution of air	Collective bargaining
Gender equality and equal pay for work of equal value	Waste	Climate change adaptation	Waste	Training and skills development	Working time
Diversity	Working time	Climate change mitigation	Water discharge	Water and sanitation	
Corporate culture	Training and skills development			Security-related impacts	
Corruption and bribery	Measures against violence and harassment in the workplace			Management of relationships with suppliers including payment practices	
	Water and sanitation			Corruption and bribery	
	Security-related impacts			Resources inflows	
	Protection of whistle-blowers				
	Management of relationships with suppliers including payment practices				

The analysis showed that the Group's most significant impacts, risks and opportunities arise from its operations in Lithuania, Poland, Latvia, Ukraine and Germany, and that their links with the strategy and business model are clearly defined and consistently integrated into operational planning. The material topics are naturally reflected in the Group's main strategic directions:

- In the **environmental area**, priority is given to energy efficiency, emission reduction, pollution prevention and the optimisation of resource use. These aspects are incorporated into investment plans and operational improvement programmes to reduce environmental impact and increase operational efficiency.
- In the **social area**, the focus is on employee well-being, safety, competence development and a responsible supply chain. These factors are essential for ensuring business continuity, attracting talent and creating long-term value.
- In the **governance area**, transparency, ethics and anti-corruption measures form an essential part of the Group's culture and are integral to responsible business practices and maintaining stakeholder trust.

All amounts are in EUR thousands unless otherwise stated

## Summary of material themes, impacts and impact effects:

Theme	Impacts	Impact effects
E1 Climate Change	Climate change adaptation, Climate change mitigation, Energy	Negative / Positive
E2 Pollution	Pollution of air, Pollution of water	Negative / Positive
E3 Water and marine resources	Water discharge and withdrawal	Negative / Positive
E5 Circular economy	Resources inflows, Waste	Negative / Positive
S1 Own workforce	Adequate wages, Collective bargaining, Working time, Health and safety, Gender equality and equal pay for work of equal value, Measures against violence and harassment in the workplace	Negative / Positive
S1 Own workforce	Work-life balance, Training and skills development, Diversity	Positive
S3 Affected communities	Water and sanitation, Security-related impacts	Negative / Positive
G1 Governance	Corporate culture, Management of relationships with suppliers including payment practices, Corruption and bribery	Negative / Positive
G1 Governance	Protection of whistle-blowers	Positive

The Group's identified critically significant topics have different time horizons, which influence the Group's strategy and manifest across various parts of the value chain:

- **Short term (up to 1 year):** The greatest focus is on employee health and safety, as well as direct impacts on water bodies. Risk assessments show that potential incidents (e.g., wastewater discharge into the environment) represent actual or highly probable risks requiring continuous control. Alongside these risks, the Group identifies opportunities to increase employee satisfaction and talent retention through a competitive remuneration system and involvement in strategic projects. Increasing transparency through public monitoring platforms also provides an opportunity to strengthen the Group's reputation and stakeholder trust.
- **Medium term (1–5 years):** Risks related to energy and the climate transition dominate. It is expected that tightening legislation and rising GHG-related taxes will have a direct financial impact on the Group's cost structure. At the same time, opportunities are planned to improve energy efficiency through investment projects. The Group also sees significant potential to transition to renewable energy sources by implementing the second phase of the solar power plant project and launching an anaerobic bioreactor, which enables the production of biogas for internal needs and reduce dependence on natural gas. There is also an opportunity to expand the circular economy model by increasing the collection and recycling volumes of recovered paper.
- **Long term (over 5 years):** Chronic physical climate risks are identified, such as changing precipitation patterns and rising temperatures, which may affect production continuity and the availability of raw materials (wood, biofuel) in the value chain. To manage these risks, opportunities arise to develop innovative, lower-carbon products that meet growing customer expectations for sustainable packaging and hygiene solutions. Compliance with sustainable forestry standards (e.g., FSC®) and EUDR requirements in the supply chain also ensures long-term business resilience.

Sustainability is embedded in the Group's strategy as a core element that enhances resilience to material impacts and risks while enabling the Group to capture emerging opportunities in a dynamic business environment. The outcomes of the materiality assessment – the identified material topics – were reviewed and evaluated for their alignment with the objectives of the Group's sustainability strategy and the action plans approved by the Boards of the Group companies (X-matrices). These material topics directly inform investment priorities, operational planning and continuous improvement programmes. The assessment will be updated on a periodic basis to reflect changes in the Group's operations, regulatory developments and stakeholder expectations. In addition, following the integration of 'Huchtemeier Papier' GmbH into the Group at the end of 2025, the double materiality assessment was reviewed, updated and approved by the Group's Board to ensure its continued relevance for the expanded Group structure.

The Group has not yet conducted an assessment of the resilience of its strategy and business model in relation to its ability to address material impacts and risks and to realise the opportunities identified.

While the Group has identified a broad range of sustainability-related impacts, risks and opportunities, the analysis also showed that certain topics are not currently material to the Group's own operations but remain relevant within the broader value chain and stakeholder context. One such topic is biodiversity. The Group's major biodiversity-related impacts arise not from its operations but within the value chain, particularly at the early stages of raw material sourcing. The Group's sites are not located within Natura 2000 protected areas, and direct impacts on habitats or endangered species are not material. Nevertheless, the Group actively engages with suppliers, requiring compliance with FSC® and other responsible forestry standards to ensure that raw material sourcing is conducted responsibly and with minimal adverse effects on biodiversity.

Considering the full value chain, it is also important to note that consumers and end-users constitute a relevant stakeholder group. Their expectations are systematically assessed and integrated into product quality, safety and responsible-use principles. However, this topic is not currently material from either an impact or financial materiality perspective. The Group nonetheless remains attentive to this stakeholder group and continuously monitors their needs to ensure timely responses to evolving market and regulatory requirements.

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**Disclosure Requirements in ESRS covered by the undertaking’s sustainability statement (IRO-2)**

ESRS topic	Disclosure Requirement	Page
<b>ESRS 2 General disclosures</b>	BP-1 General basis for preparation of sustainability statements	25
	BP-2 Disclosures in relation to specific circumstances	26
	GOV-1 The role of the administrative, management and supervisory bodies	26
	GOV-2 Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	26
	GOV-3 Integration of sustainability-related performance in incentive schemes	26
	GOV-4 Statement on due diligence	26-27
	GOV-5 Risk management and internal controls over sustainability reporting	27
	SBM-1 Strategy, business model and value chain	27
	SBM-2 Interests and views of stakeholders	28
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	29-30
	IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	33-34
	IRO-2 Disclosure requirements in ESRS covered by the undertaking’s sustainability statement	31-32
	MDR-P Policies adopted to manage material sustainability matters	35-36, 41-43
	MDR-A Actions and resources in relation to material sustainability matters	37
	MDR-M Metrics in relation to material sustainability matters	39-40
MDR-T Tracking effectiveness of policies and actions through targets	38	
<b>ESRS E1 Climate change</b>	2 ETAS GOV-3 Integration of sustainability-related performance in incentive schemes	52
	E1-1 Transition plan for climate change mitigation	
	2 ETAS SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	52-53
	2 ETAS IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	52
	E1-2 Policies related to climate change mitigation and adaptation	53
	E1-3 Actions and resources in relation to climate change policies	53-54
	E1-4 Targets related to climate change mitigation and adaptation	54
	E1-5 Energy consumption and mix	54-56
	E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	56-57
	E1-7 GHG removals and GHG mitigation projects financed through carbon credits	57
E1-8 Internal carbon pricing	57	
E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	57	
<b>ESRS E2 Pollution</b>	2 ETAS IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	58-59
	E2-1 Policies related to pollution	59
	E2-2 Actions and resources related to pollution	59
	E2-3 Targets related to pollution	60
	E2-4 Pollution of air, water and soil	60-61
	E2-6 Anticipated financial effects from pollution-related impacts, risks and opportunities	61
<b>ESRS E3 Water and marine resources</b>	2 ETAS IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	62
	E3-1 Policies related to water and marine resources	62
	E3-2 Actions and resources related to water and marine resources	62
	E3-3 Targets related to water and marine resources	62
	E3-4 Water consumption	62-63
	E3-5 Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	63
<b>ESRS E5 Resource use and circular economy</b>	2 ETAS IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	64
	E5-1 Policies related to resource use and circular economy	64
	E5-2 Actions and resources related to resource use and circular economy	64
	E5-3 Targets related to resource use and circular economy	64-65
	E5-4 Resource inflows	65
	E5-5 Resource outflows	65-66
	E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	66
<b>ESRS S1 Own workforce</b>	2 ETAS SBM-2 Interests and views of stakeholders	67
	2 ETAS SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	67
	S1-1 Policies related to own workforce	67
	S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	67-68
	S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	68
	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	68-69
	S1-6 Characteristics of the undertaking’s employees	70
	S1-8 Collective bargaining coverage and social dialogue	70-71
	S1-9 Diversity metrics	71

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ESRS topic	Disclosure Requirement	Page
	S1-10 Adequate wages	71
	S1-11 Social protection	71
	S1-12 Persons with disabilities	71
	S1-13 Training and skills development metrics	71-72
	S1-14 Health and safety metrics	72-74
	S1-15 Work-life balance metrics	74
	S1-16 Compensation metrics (pay gap and total compensation)	74
	S1-17 Incidents, complaints and severe human rights impacts	74
<b>ESRS S2 Workers in the value chain</b>	2 ETAS SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	75
	2 ETAS SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	75
	S2-1 Policies related to value chain workers	75
	S2-3 Processes for remediation of negative impacts and channels for value chain workers to raise concerns	75-76
	S2-4 Actions taken to manage material impacts and risks	76
	S2-5 Targets related to managing material impacts, risks and opportunities	76
<b>ESRS S3 Affected communities</b>	2 ETAS SBM-2 Interests and views of stakeholders	77
	2 ETAS SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	77
	S3-1 Policies related to affected communities	77
	S3-2 Processes for engaging with affected communities about impacts	77
	S3-3 Processes for remediation of negative impacts and channels for affected communities to raise concern	77
	S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	78
	S3-5 Targets related to managing material negative impacts, enhancing positive impacts, and managing material risks and opportunities	78
<b>ESRS G1 Business conduct</b>	2 ETAS GOV-1 The role of the administrative, supervisory and management bodies	79
	2 ETAS IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	79
	G1-1 Corporate culture and Business conduct policies and corporate culture	79-80
	G1-2 Management of relationships with suppliers	80
	G1-3 Prevention and detection of corruption and bribery	80-81
	G1-4 Confirmed incidents of corruption or bribery	81

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## Description of the process to identify and assess material impacts, risks and opportunities (IRO-1)

We are a vital infrastructure player in the circular economy, returning used paper and packaging to the manufacturing cycle. We strive to integrate environmental, social and governance aspects into our business decisions. This ensures that we properly assess risks, identify opportunities for more sustainable processes and meet growing market demands.

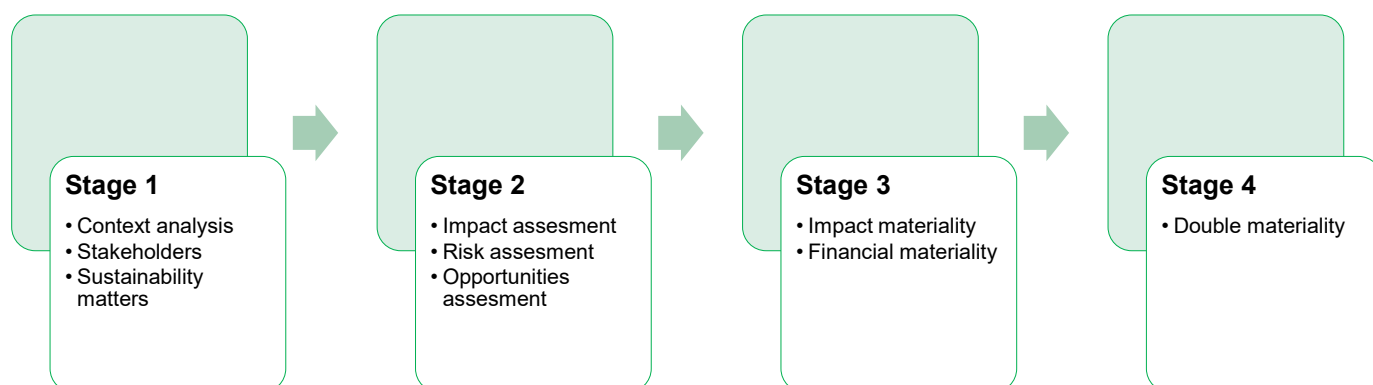
By assessing impacts, risks and opportunities and their significance, we can identify and respond to stakeholder needs and identify key topics. Some of these topics are critical to protecting and growing our revenues, while others have a significant impact on our cost structure, supply chain and operational risks now and in the future.

We have assessed where the risks arise and/or could have an impact within our Group companies as well as in the supply chain. Identified topics that involve key risks to the future and long-term success of the business and/or have an impact on the people, the environment is considered to be highly important to the Group.

Material topics directly influence investment priorities, operational planning and improvement programmes. The assessment is periodically updated to reflect changes in operations, regulation and stakeholder expectations. Additionally, following the integration of *Huchtemeier Papier GmbH* into the Group at the end of 2025, the double materiality assessment was reviewed, updated and approved by the Group's Management Board to ensure its relevance for the expanded Group structure.

### Double materiality

Double materiality assessment is the starting point for sustainability reporting under the ESRS, assessing material impacts, risks and opportunities. An important difference from the previous concept of materiality is that it considers financial materiality as well as impact materiality. A sustainability matter becomes material if it meets the criteria for one or both types of significance.



#### Stage 1:

- Context analysis – identifying and understanding the context of the organisation's activities, value chain and external environment.
- Stakeholder identification and engagement – understanding stakeholder expectations and perceptions of the organisation's impacts and risks.
- Identification of sustainability matters – understanding and identifying potentially material environmental, social and governance aspects and assigning an equivalent ETAS theme and sub-theme.

One of the key steps in the second stage is to identify the impacts, risks and opportunities (IRO) arising from the identified sustainability matter.

- The timeframe over which the IRO are likely to occur or have already occurred is identified: S – short time period – reporting period of up to one year; M – medium time period – one to five years; L – long time period – more than 5 years.
- The status to be determined is actual (IRO already occurring and visible) or possible (IRO expected in the future).
- Determination of the impact effect: positive or negative (only in the impact assessment).

The IRO identification process uses sources already available within the Group, such as ISO 14001, ISO 45001, etc. assessments, staff expertise, external sources. The assessment focuses on the Group's activities, but also includes value chain IRO.

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The third stage is an assessment of the impact and financial materiality of the identified sustainability matters relevant to the Group. Sustainability risks are integrated into the overall risk assessment process and are assessed on a common basis with other risks. Impact and financial materiality assessments are also used.

### Impact materiality

The assessment shall first take into account negative impacts (the scale, scope irremediable character and likelihood) and, where appropriate, positive impacts (based on scale, scope and likelihood), and shall identify which sustainability matters are material for reporting purposes, including relevant quantitative or qualitative thresholds and other applicable criteria. Applicable thresholds:

- How severe are the negative or positive impacts on people and/or the environment (on a scale from 1 (minimal or no impact) to 5 (Negative off-site impacts with long-term environmental/people impacts)).
- How widespread (on a scale from 1 (Enterprise/Group of Enterprises) to 5 (Global)).
- Whether the negative impacts can be remedied (on a scale from 1 (self-correcting impacts) to 5 (irreversible impacts)).
- And for the potential impacts identified, over what timeframe the impact is likely to occur (on a scale of 1 (more than 5 years) to 5 (up to half a year)).

The assessments result in each sustainability issue being assigned one of four levels of significance: informative, important, significant, critical, according to the thresholds assessed.

### Financial materiality

For the financial impact assessment, quantitative thresholds, a level of importance and a probability of impact were used.

- A qualitative assessment may be applied when evaluating the magnitude of the financial impact (on a scale from 1 (up to 0.05% of revenue) to 5 (above 1% of revenue)), particularly in cases where quantification is difficult.
- And for the potential financial impact identified, over what period of time it is likely to occur (on a scale of 1 (over 5 years) to 5 (up to half a year)).

As with the significance of impacts, each significant topic identified is assigned one of four levels of significance: information, important, significant, critical, according to the thresholds assessed.

The assessment of impact and financial materiality is based on a range of assumptions, market practices, precedents, expert insights and other relevant information.

The fourth stage is the identification of relevant topics.

An integrated assessment of impact and financial materiality is carried out to identify material topics for the Group. Which may be material from an impact or a financial perspective, and some may be both.

When a sustainability topic is assessed as Critical, it is classified as one of the Group's highest-priority topics. These topics are assigned targets and objectives and receive the greatest management attention. Topics assessed as Significant or Important are considered relevant at the Group level; related data and processes are disclosed in the report, and targets, policies or actions may also be defined. Topics falling into the Information category are relevant to the Group but are not currently prioritised, and therefore are not disclosed.

Sustainability risks are not treated separately in the overall risk assessment process; all risks are evaluated in the same way.

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## Policies adopted to manage material sustainability matters (MDR-P)

The Group's policies are reviewed annually and updated by the responsible persons when necessary. They are approved and amended by the Company's Management Board. The primary scope of these policies covers our own operations; however, in certain cases they may also apply more broadly — to stakeholders or specific parts of the value chain. Policy guidelines related to value-chain operations are further detailed in the Supplier Code of Conduct.

The Group's policies are publicly available and can be consulted at [www.grigeo.com](http://www.grigeo.com).

### Group Environmental Policy

The Group's Environmental Policy describes the key principles and commitments of the Group with regard to significant environmental aspects. The purpose of the policy is to disclose the Group's efforts to manage its significant impacts, risks and opportunities related to environmental matters. This document is an integral part of the Group's strategy, whose mission is to create a circular future. The Group's strategic commitments to its stakeholders include a significant focus on efficient, more sustainable recycling and manufacturing processes, the production and performance improvement of environmentally friendly products, responsible supply chain management, and improving energy efficiency.

In order to minimise its environmental impact, the Group focuses on environmental areas where there are significant (critical and/or major) impacts on both the Group and its stakeholders, and the policy describes the most important aspects related to:

1. climate change (mitigation, energy efficiency, renewable energy),
2. pollution (air and water pollution, avoiding incidents and emergencies),
3. water resources (responsible management of water resources),
4. biodiversity and ecosystems (conserving natural resources, maintaining ecosystem balance),
5. resource use and circular economy (increasing the use of secondary resources, use of sustainable renewable resources).

Group companies have adopted the ISO 14001 standard and, in line with its principles, maintain and strive to continuously improve their integrated environmental management system.

The Group's environmental policy covers all relevant issues and the Group has not developed individual policies (sustainable land use/agriculture, sustainable use of oceans/seas etc.).

### Group Code of Ethics

The Code of Conduct guides stakeholders on the principles and values that the Group's companies follow in building and maintaining relationships with the Group's partners (customers, suppliers, government authorities, etc.), the behaviour expected of the Group's partners and the way in which they manage significant impacts related to employees.

The Group respects and guarantees human rights and freedoms as defined in the Universal Declaration of Human Rights of the General Assembly of the United Nations, the Council of Europe's Convention for the Protection of Human Rights and Fundamental Freedoms, the conventions of the International Labour Organisation and other human rights and freedoms recognised in international and national legislation. The Group does not use the labour of children under the age of 16, nor does it work with suppliers and subcontractors who use the labour of children under the age of 16, and it shall immediately cease working with suppliers and subcontractors if it becomes known that they use the labour of children under the age of 16. The Group also does not use forced or compulsory labour.

The core values and principles described in the Code of Ethics and which we aim to implement are:

- Respect for human rights and freedoms;
- Transparency, integrity and anti-corruption;
- Avoidance of conflicts of interest;
- Respect for the environment and society.

These principles and values guide our activities and create a sense of responsibility towards society and the environment. We are committed to continuously reinforcing and promoting these values both within our organisation and in wider society.

The Group encourages diversity in its workforce and applies the same selection criteria and conditions for recruitment, based on job-specific requirements, and provides the same working conditions and guarantees during employment for all individuals, in accordance with the principles of gender equality and non-discrimination on other grounds.

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## **Group Occupational Safety and Health (OSH) Policy**

The policy describes the basic principles of occupational safety and health and the Group's commitment to OSH. The Policy is an integral part of the Group's strategy, whose mission is to provide employees with safe and healthy working conditions, to eliminate hazards and reduce risks to occupational health and safety and to implement control measures to prevent injuries and fatalities.

The Group's companies operate in accordance with the ISO 45001 Occupational Health and Safety Management System standard, which enables companies to manage risk factors, react promptly to changes, and involve employees in the improvement of the working environment.

### **Equal opportunities policy**

The Equal Opportunities Policy is focused on ensuring that all employees have equal opportunities, regardless of their gender, race, age, religious or other beliefs. The Group's corporate policies describe equal opportunities - in the selection processes, pay and career development, and in the performance and termination of employment contracts.

This policy seeks to create an environment in which each employee is evaluated on the basis of his or her skills, talents and performance, rather than on the basis of personal attributes that are not directly related to the job.

Employees or applicants for a vacancy who believe that their equal opportunities are being violated or that they are being discriminated against have the right to file a complaint. This complaint shall be investigated within one month of its receipt at the latest or shall be referred immediately to the Office of the Equal Opportunities Ombudsman.

### **Violence and harassment prevention policy**

The policy describes how to identify and deal with violence and harassment, the forms it may take, the procedures for reporting and dealing with reports, the measures to protect and assist whistleblowers and victims, the rules of conduct for employees, and other preventive measures relating to potential violence and harassment in the Group's companies.

The purpose of the Policy is to provide for and implement effective and efficient actions to protect employees from the risk of violence and harassment. The policy covers various aspects, from education and information to procedures for recording and handling cases. It aims to create a safe and respectful environment for all employees and to ensure that the organisation adheres to the highest ethical and safety standards.

The policy applies to all employees, regardless of their position or type of employment contract.

The Group's policies on social aspects do not currently list specific measures to remedy human rights impacts or the possibility of remedying them. The Group takes responsibility for identified human rights impacts and seeks to remedy them in accordance with the procedures established by law.

### **Supplier code of conduct**

The Supplier Code of Conduct sets out the values, principles and operational standards we expect from our suppliers. Its purpose is to ensure fair, ethical and sustainable business conduct throughout the entire supply chain, including suppliers, customers and other business partners. The Code defines key commitments in the areas of human rights protection, employee health and safety, environmental impact reduction and responsible business practices.



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### Contributing to United Nations Sustainable Development Goals

As one of the largest groups of paper and wood industry companies in the Baltic countries, we aim to make a significant contribution to the United Nations Sustainable Development Goals (SDGs). The SDGs define global priorities and aspirations until 2030 with the mission of sustainable development of people and the planet. We have identified the SDGs where we can contribute the most, both by reducing the negative impact and increasing the positive impact on humanity and the planet:

SDG	SDG target	The activities and responsibilities of the Group
<p><b>5</b> GENDER EQUALITY</p>	5.5	<ul style="list-style-type: none"> <li>Ensure that all employees and applicants for management positions have equal opportunities.</li> <li>Track and disclose the percentage of women in leadership positions.</li> </ul>
<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	8.4 8.5 8.8	<ul style="list-style-type: none"> <li>Increasing the share of biofuel in the energy mix (Scope 1).</li> <li>Increasing the share of renewable packaging.</li> <li>Increasing waste-paper collection.</li> <li>Occupational Safety and Health (OSH) initiatives.</li> <li>Improving the TRI indicator (reduction of employee incidents).</li> </ul>
<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	9.4	<ul style="list-style-type: none"> <li>Evaporator of wastewater (Grigeo Baltwood UAB).</li> <li>Anaerobic bioreactor (Grigeo Klaipėda AB).</li> <li>Solar power plants.</li> </ul>
<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	12.2 12.4 12.5 12.6	<ul style="list-style-type: none"> <li>Reduce waste that is directed to disposal.</li> <li>Increasing waste-paper collection.</li> <li>Effluent reduction.</li> <li>Compliance with water cumulative pollution indicators.</li> <li>Preparation of annual sustainability reports.</li> </ul>
<p><b>13</b> CLIMATE ACTION</p>	13.2	<ul style="list-style-type: none"> <li>Reduction of GHG emission intensity (Scope 1).</li> <li>Increasing the share of biofuel in the energy mix (Scope 1).</li> <li>Solar power plants.</li> </ul>
<p><b>14</b> LIFE BELOW WATER</p>	14.1 14.2	<ul style="list-style-type: none"> <li>Anaerobic bioreactor (Grigeo Klaipėda AB).</li> <li>Evaporator of wastewater (Grigeo Baltwood UAB).</li> <li>No direct entry of effluents into water bodies.</li> </ul>
<p><b>15</b> LIFE ON LAND</p>	15.2	<ul style="list-style-type: none"> <li>Control of raw materials – ensuring that raw materials and biofuel are supplied from sustainably managed forests.</li> <li>Supply chain traceability.</li> <li>Increasing energy efficiency.</li> </ul>




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## Tracking effectiveness of policies and actions through targets (MDR-T)

### Commitments

The Group's business strategy includes non-financial targets and a sustainability agenda that are an integral part of our overall strategy.

We consistently assess and review the Group's performance to ensure that we are focusing on critical topics and significant impacts. All decision makers are actively involved in assessing the capabilities of our businesses to improve the Group's performance. This report details our stakeholder and materiality assessment. The following sections are dedicated to a detailed disclosure of the key resources, processes and ultimate impacts we use. Based on this data and our experience in the business, we have been able to make corresponding sustainability commitments:

Agenda	Commitment	Direction
<b>Environmental</b> 	Environment protection	Reducing our GHG emission intensity Improving nature- and people-friendly product properties Improving energy mix Investing in energy efficiency Promoting responsible collection of waste paper Reducing chemical compound intensity Wastewater quality management Reducing disposable waste
	Reliable supplier and partner	Responsible supply chain management Reducing virgin plastic packaging consumption
<b>Social</b> 	Meaningful activities based on trust and cooperation	Accident-free workplace Training and development Pursuit of consistent feedback Dialogue with local communities Promoting healthier lifestyle of our employees
<b>Governance</b> 	Ambition and transparency in the market, ensuring competitive returns	Zero tolerance to compliance breaches Increased transparency: sustainability reporting Strong and widely accepted policies
	Reliable supplier and partner	Supply chain transparency

The Group's long-term objectives are set during strategic sessions held by senior management, using the X-matrix as a strategic planning tool. The objectives cover the current Group strategy period through 2026. The Group has established specific KPIs for its commitments, and sustainability objectives are integrated alongside other long-term strategic goals. These objectives are delegated to the managers of individual Group companies, who then cascade them further to all employees – from department heads to specialists at all levels. At present, the established objectives do not cover the entire value chain, as the focus remains on the operational boundaries of the Group's companies. Each year, we review the objectives, monitor progress and disclose results. However, in 2026 the Group intends to update its long-term sustainability commitments and targets, including setting new GHG reduction targets in line with the Science Based Targets initiative (SBTi) methodology and expanding the scope to include the value chain.

The current sustainability objectives are voluntary and cover activities carried out in the Baltic region. The target for increasing the collection and sorting of recovered paper applies to waste collection operations. The wastewater reduction target is relevant to production activities that generate wastewater: the manufacturing of tissue paper, fibreboard and recycled paper. Other environmental targets, as well as all social and governance objectives, apply to all activities carried out by the Group.

For the company acquired in Germany in Q4 2025, indicator monitoring began from the moment of acquisition. This company is not yet included in the Group's target monitoring framework, but it is planned to be incorporated in the future. It is important to note that this company does not engage in tissue paper production – its activities are limited to trading and interim warehousing of finished products. For this reason, some environmental indicators are not directly relevant to its operations.

Our established objectives and the policies described are complementary instruments that help us not only meet national environmental, social and governance requirements, but also pursue continuous improvement.

All amounts are in EUR thousands unless otherwise stated

## Metrics in relation to material sustainability matters (MDR-M)

The Group has committed to pursue the following targets\*:

	Target	Unit of measurement	No.	Base year 2021	Interim result in 2024	Interim result in 2025	Change 2025 vs 2021	Target for 2026
Environmental targets	Reduction of GHG emission intensity (Scope 1).	kgCO <sub>2e</sub> /ton of production	1.	114.1	115,2	115,3	+1,0%	-5.0%
	Increasing energy efficiency	MWh/ton of production	2.	2.56	2,59	2,58	+0,9%	-3.0%
	Reduce waste that is directed to disposal	kg/ton of production	3.	53.0	41,1	36,1	-31,9%	-9.0%
	Effluent reduction	m <sup>3</sup> /ton of production	4.	7.1	7,0	6,7	-5,9%	-17.0%
	Increasing waste-paper collection and sorting	In thousands of tons	5.	53.0	85,5	85,9	+62,0%	+50.0%
Social targets	Reduce the number of accidents at work	TRF ratio (number of incidents among employees per 1 million hours worked)	6.	17.1	18,2	8,6	-8,5	8.0
	Employee turnover	The ratio of retired employees to the average number of employees	7.	30.8%	20,7%	19,3%	-11,5pp	22.0%
	Employee retention rate	Employees with 1+ years' service to total employees	8.	85.7%	89,3%	90,2%	+4,5pp	91.0%
Governance targets	We have identified 10 internal policies, which we will update or create, aiming for greater compatibility with the Group's strategy, sustainability requirements and modern practices.	Number of policies	9.	-	10	11	11	10

\* In 2026, the Group intends to update its long-term sustainability commitments and targets, including setting new GHG emission reduction goals in line with the Science Based Targets initiative (SBTi) methodology.

### Comments on progress

- GHG emissions.** In 2021, the Polish company had not yet been established, and therefore it was not possible to recalculate the baseline year indicators. To avoid distorting the results, the Polish company's data were not included in the Group's 2025 GHG emissions intensity calculations. Compared to 2021, the overall Scope 1 GHG emissions intensity increased. However, compared to 2024, Scope 1 emissions decreased (see the consolidated GHG emissions table), where the Polish company's results are already included. As in other Group companies, a decline in emissions has also been observed there in recent years.
- Energy efficiency.** Comparing 2025 with 2021, the energy efficiency indicator remained 0.9% higher. Although a faster recovery had been expected after the technical disruptions of previous years, their impact lasted longer than planned, and the boiler house equipment has not yet reached optimal operating conditions. Modernisation work launched in 2025 creates the conditions for a more significant improvement in efficiency in the near term.
- Waste directed to disposal.** The amount of waste directed to disposal decreased from 53.0 kg/t in 2021 to 36.1 kg/t in 2025, a reduction of 31.9%. This result was driven by improved performance of AB "Grigeo Klaipėda" wastepaper processing equipment and strengthened raw material control, as well as the diversion of biomass boiler ash to composting instead of landfill disposal. The overall reduction was also influenced by changes in the Group's production structure, with part of the output produced in a facility where no waste requiring disposal was generated. In addition, after commissioning the wastepaper bale wire extraction mechanism, 32.25 tonnes of metal waste were separated during the testing phase and transferred for recycling instead of being landfilled.
- Wastewater.** Wastewater volumes decreased by 5.9% – from 7.1 m<sup>3</sup>/t in 2021 to 6.7 m<sup>3</sup>/t in 2025. The change continues to be driven by UAB "Grigeo Baltwood"'s investment in a wastewater evaporator, which already delivered initial results last year. AB "Grigeo Klaipėda", together with UAB "Klaipėdos vanduo", is continuing preparations for the anaerobic bioreactor project, which, once implemented, is expected to significantly improve this indicator.
- Recovered paper collection and sorting.** In 2025, the Group collected and sorted 85.9 thousand tonnes of recovered paper (53 thousand tonnes in 2021), an increase of 62%. This growth was driven by consistently strengthened relationships with existing suppliers, expanded cooperation with new partners, and targeted efforts to ensure raw material availability across the Baltic region.
- Work safety.** The improvement of the TRI indicator in 2025 was driven by a targeted focus on employee safety, strengthening both competencies and infrastructure. A major contribution to the result came from hiring experienced occupational health and safety specialists, active consultation with employees, and the consistent reinforcement of a safety-first culture across all Group companies. Infrastructure upgrades (equipment service platforms, stairway modifications) and technological solutions that reduced the volume of

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manual work also played an important role. Increased attention to training, briefings, incident investigations and preventive measures helped systematically reduce risks and ensure a safer working environment, bringing the Group closer to its 2026 target – a TRI of 8.0.

7. **Employee turnover.** The Group is committed to supporting its employees and allocates significant attention and resources to reducing turnover and strengthening retention; improving these indicators is part of the Group's strategic objectives. The factors that contributed to the positive change in employee retention and turnover are multifaceted. One of the most important elements in retaining current employees and attracting new talent is competitive remuneration. The Group continuously monitors labour market trends and salary forecasts, analyses available data, and reviews its remuneration system throughout the year. Other important factors include engaging and meaningful work, opportunities for employees to develop their competencies, involvement in ongoing projects and the implementation of strategic objectives, as well as recognising employees for their achievements.
8. **Policies.** In 2025, the existing policies were reviewed; no new policies were created, but one existing Integrated Management System (IMS) policy was updated.

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### List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/181627, Annex II		26
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		26
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				26-27
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/245328 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/181829, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/181829, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Not available
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		-
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		54
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				54-55
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				54-55
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				55-56
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		56
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		57
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	-

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Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		57*
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			57*
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			57*
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		57*
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				60-61
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				62
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				-
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				-
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				-
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				-
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				-
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				-
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				-
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				-
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				-
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				-
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				65-66
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				-
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				-
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				-
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				35
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Not available
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				-
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				36
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				68

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Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		74
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				74
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		74
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				23
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				74
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		-
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				-
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				-
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				-
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		-
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				-
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				-
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		-
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				-
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				-
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		-
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				-
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				-
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				80
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex		Delegated Regulation (EU) 2020/1816, Annex II)		81
ESRS G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				80-81

\* – Exception applied. Qualitative information provided.

## 7.2. Environmental information

### Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

The European Union (EU) Taxonomy is a classification system designed to determine which economic activities can be considered environmentally sustainable. It helps companies and investors assess the contribution of activities to sustainability objectives and ensures consistent disclosure practices across the EU. The Taxonomy is an important part of the European Green Deal and other EU sustainability policy initiatives.

The EU Taxonomy covers six environmental objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems.

In 2025, the European Commission adopted a delegated act simplifying the application of the Taxonomy disclosure, climate, and environmental delegated acts. The amendments introduce new materiality thresholds, simplified “do no significant harm” (DNSH) criteria, updated disclosure templates, and a reduced set of mandatory data points. These changes apply to reporting for the 2025 financial year, although companies may choose to continue applying the previous framework. The amendments do not change the scope of entities subject to the Taxonomy Regulation - they relate only to the content and format of disclosures.

A taxonomy-eligible economic activity is an activity recognised by the Taxonomy Regulation as capable of making a substantial contribution to one of the six environmental objectives. The classification of activities as taxonomy-eligible or non-eligible does not in itself indicate whether an activity is sustainable or unsustainable – it is merely a categorisation step.

A taxonomy-aligned activity is considered environmentally sustainable if it:

- makes a substantial contribution to one or more environmental objectives;
- does not significantly harm any of the other objectives;
- is carried out in compliance with minimum safeguards;
- meets the technical screening criteria established by the European Commission.

Key Performance Indicators (KPIs) – the shares of turnover, capital expenditure (CapEx), and operating expenditure (OpEx) associated with taxonomy-aligned activities – are calculated in accordance with the requirements of the Taxonomy Regulation. All KPIs are assessed to avoid double counting; if an activity contributes to several objectives, the indicators are included only once.

The largest decrease in the share of capital expenditure compared with previous years is observed in the activity related to the renovation of existing buildings. Meanwhile, the largest increase in the share of capital expenditure is recorded in activities related to the construction, extension and operation of water collection, treatment and supply systems. No significant changes were observed in the shares of turnover and operating expenses.

The Group aims to contribute to the European Green Deal and therefore considers the continuously updated EU Taxonomy Regulation when planning and implementing investments, with the objective of increasing the share of the Group’s activities that qualify as taxonomy-aligned in the future.

In 2025, the second phase of the solar power generation project was implemented, which is aligned with the Taxonomy requirements.

The Group is currently assessing opportunities and expects to align heat generation from bioenergy with the Taxonomy requirements in the future. In addition, in 2025 an anaerobic bioreactor (anaerobic wastewater sludge digestion system) was commissioned, which is also expected to be aligned with the Taxonomy requirements.

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The Group's main activities are not yet included in the Taxonomy Regulation. However, the Group has identified secondary activities within its operations that are classified as taxonomic economic activities:

No.	Activity	Technical screening criteria	Description of the evaluation
1.	Electricity generation using concentrated solar power technology	<ul style="list-style-type: none"> <li>Substantial contribution to climate change mitigation (Commission Delegated Regulation (EU) 2021/2139 Annex I Clause 4.1.).</li> <li>Substantial contribution to climate change adaptation (Commission Delegated Regulation (EU) 2021/2139 Annex II Clause 4.1.).</li> </ul>	The assessment of the technical screening criteria for this activity has led to the conclusion that the activity with the technical screening criteria for mitigation and adaptation to climate change, does not cause significant harm to other environmental objectives, and is in line with the minimum safeguards.
2.	Production of heat from biomass	<ul style="list-style-type: none"> <li>Substantial contribution to climate change mitigation (Commission Delegated Regulation (EU) (ES) 2021/2139 Annex I Clause 4.24.).</li> <li>Substantial contribution to climate change adaptation (Commission Delegated Regulation (EU) 2021/2139 Annex II Clause 4.24.).</li> </ul>	The assessment of the technical screening criteria indicated that the activity does not comply with climate change mitigation technical screening criteria as it does not comply with the emission limit values set out in Part 2 of Annex II to Directive (EU) 2015/2193.
3.	Construction, extension and operation of water collection, treatment and supply systems	<ul style="list-style-type: none"> <li>Substantial contribution to climate change mitigation (Commission Delegated Regulation (EU) 2021/2139 Annex I Clause 5.1.).</li> <li>Substantial contribution to climate change adaptation (Commission Delegated Regulation (EU) 2021/2139 Annex II Clause 5.1.).</li> </ul>	The assessment of the technical screening criteria indicated that the activity does not comply with climate change mitigation technical screening criteria, as the average energy consumption for extraction and treatment is more than 0.5 kWh per cubic metre of water produced.
4.	Collection and transport of non-hazardous waste in source segregated fractions	<ul style="list-style-type: none"> <li>Substantial contribution to climate change mitigation (Commission Delegated Regulation (EU) 2021/2139 Annex I Clause 5.5.).</li> <li>Substantial contribution to climate change adaptation (Commission Delegated Regulation (EU) 2021/2139 Annex II Clause 5.5.).</li> </ul>	The assessment of the technical screening criteria indicated that the activity does not comply with climate change mitigation technical screening criteria, because not all waste collected is suitable for reuse or recycling. A small proportion of waste is sent to incineration or landfill.
5.	Transport by motorbikes, passenger cars and light commercial vehicles	<ul style="list-style-type: none"> <li>Substantial contribution to climate change mitigation (Commission Delegated Regulation (EU) 2021/2139 Annex I Clause 6.5.).</li> <li>Substantial contribution to climate change adaptation (Commission Delegated Regulation (EU) 2021/2139 Annex II Clause 6.5.).</li> </ul>	The assessment of the technical screening criteria indicated that the activity does not comply with climate change mitigation technical screening criteria, as specific emissions of CO <sub>2</sub> , (as defined in Article 3(1), point (h), of Regulation (EU) 2019/631), are higher than 50 g CO <sub>2</sub> /km.
6.	Renovation of existing buildings	<ul style="list-style-type: none"> <li>Substantial contribution to climate change mitigation (Commission Delegated Regulation (EU) 2021/2139 Annex I Clause 7.2.).</li> <li>Substantial contribution to climate change adaptation (Commission Delegated Regulation (EU) 2021/2139 Annex II Clause 7.2.).</li> <li>Substantial contribution to the transition to a circular economy (Commission Delegated Regulation (EU) 2023/2486 Annex II Clause 3.2.).</li> </ul>	The assessment of the technical screening criteria indicated that the activity does not comply with climate change mitigation technical screening criteria, as renovated buildings do not have energy efficiency certificates of class A or higher, because renovation of cultural heritage buildings involves minimal renovation, preserving the cultural value and not always achieving higher energy efficiency classes. Also, the activity does not comply with technical screening criteria for the transition to a circular economy as the life cycle global warming potential of the renovation activities has not been calculated for each stage of the life cycle from the start of the renovation of the building.
7.	Acquisition and ownership of buildings	<ul style="list-style-type: none"> <li>Substantial contribution to climate change mitigation (Commission Delegated Regulation (EU) 2021/2139 Annex I Clause 7.7.).</li> <li>Substantial contribution to climate change adaptation (Commission Delegated Regulation (EU) 2021/2139 Annex II Clause 7.7.).</li> </ul>	The assessment of the technical screening criteria indicated that the activity does not comply with climate change mitigation technical screening criteria, as renovated buildings do not have energy efficiency certificates of class A or higher.
8.	Collection and transport of non-hazardous and hazardous waste	<ul style="list-style-type: none"> <li>Substantial contribution to the transition to a circular economy (Commission Delegated Regulation (EU) 2023/2486 Annex II Clause 2.3.).</li> </ul>	The assessment of the technical screening criteria indicated that the activity does not comply with transition to a circular economy technical screening criterion, because not all waste collected is suitable for reuse or recycling. A small proportion of waste is sent to incineration or landfill.



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Proportion of turnover from products or services associated with Taxonomy-aligned economic activities:

Financial year 2025	Year	Substantial contribution criteria								DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)		
		Economic activities (1)	Code (a) (2)	Turnover (3)	Proportion of turnover, year 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)					Circular economy (15)	Biodiversity (16)
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																					
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																					
Electricity generation using solar photovoltaic technology	CCM 4.1 / CCA 4.1	-	-	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	-	-	-	
<b>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		-	-	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	Y	-	-	-	
<b>Of which Enabling</b>		-	-	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	Y	-	-	-	
<b>Of which Transitional</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																					
				EL; N/EL (e)	EL; N/EL (e)	EL; N/EL (e)	EL; N/EL (e)	EL; N/EL (e)	EL; N/EL (e)	-	-	-	-	-	-	-	-	-	-	-	
Production of heat from biomass	CCM 4.24 / CCA 4.24	1 028	0.4%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	0.5%	-	-	
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1 / CCA 5.1	-	-	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	-	-	-	
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5 / CCA 5.5	911	0.4%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	0.4%	-	-	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5 / CCA 6.5	-	-	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	-	-	-	
Renovation of existing buildings	CCM 7.2 / CCA 7.2	-	-	EL	EL	N/EL	N/EL	EL	N/EL	-	-	-	-	-	-	-	-	-	-	-	
Acquisition and ownership of buildings	CCM 7.7 / CCA 7.7	843	0.3%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	0.4%	-	-	
<b>Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>2 782</b>	<b>1.1%</b>	<b>1.1%</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>1.2%</b>	-	-	
<b>A. Turnover of Taxonomy eligible activities (A.1+A.2)</b>		<b>2 782</b>	<b>1.1%</b>	<b>1.1%</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>1.2%</b>	-	-	
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																					
<b>Turnover of Taxonomy non-eligible activities</b>		<b>243 642</b>	<b>98.9%</b>																		
<b>Total</b>		<b>246 424</b>	<b>100%</b>																		

(a) Climate change mitigation (CCM), climate change adaptation (CCA), water and marine resources (WTR), pollution (PPC), circular economy (CE), biodiversity and ecosystems (BIO).

(b) Y - Yes, Taxonomy eligible and Taxonomy-aligned activity with the relevant environmental objective; N - No, Taxonomy eligible but not Taxonomy-aligned activity with the relevant environmental objective; EL - Taxonomy eligible activity for the relevant objective.

(c) EL – Taxonomy-eligible activity for the relevant objective; N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective.



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Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities:

Financial year 2025	Year		Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')						Minimum safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)				
	Code <sup>(a)</sup> (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)								
																				Thousands EUR	%	Y; N; N/EL <sup>(b)</sup>	Y; N; N/EL <sup>(b)</sup>
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																							
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																							
Electricity generation using solar photovoltaic technology	CCM 4.1 / CCA 4.1	-	-	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	-	-	-			
<b>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		-	-	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	Y	-	-	-			
Of which Enabling		-	-	-	-	-	-	-	-	Y	Y	Y	Y	Y	Y	Y	Y	-	-	-			
Of which Transitional		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
<b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																							
				EL; N/EL <sup>(c)</sup>	EL; N/EL <sup>(c)</sup>	EL; N/EL <sup>(c)</sup>	EL; N/EL <sup>(c)</sup>	EL; N/EL <sup>(c)</sup>	EL; N/EL <sup>(c)</sup>	-	-	-	-	-	-	-	-	-	-	-			
Production of heat from biomass	CCM 4.24 / CCA 4.24	167	5.4%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	6.6%	-	-			
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1 / CCA 5.1	40	1.3%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	1.2%	-	-			
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5 / CCA 5.5	371	12.0%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	9.3%	-	-			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5 / CCA 6.5	187	6.1%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	4.6%	-	-			
Renovation of existing buildings	CCM 7.2 / CCA 7.2	109	3.5%	EL	EL	N/EL	N/EL	EL	N/EL	-	-	-	-	-	-	-	-	2.9%	-	-			
Acquisition and ownership of buildings	CCM 7.7 / CCA 7.7	-	-	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	-	-	-			
<b>Turnover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>874</b>	<b>28.3%</b>	<b>28.3%</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>24.6%</b>	-	-			
<b>A. Turnover of Taxonomy eligible activities (A.1+A.2)</b>		<b>874</b>	<b>28.3%</b>	<b>28.3%</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>24.6%</b>	-	-			
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																							
OpEx of Taxonomy non-eligible activities		2 717	71.7%																				
<b>Total</b>		<b>3 091</b>	<b>100%</b>																				

<sup>(a)</sup> Climate change mitigation (CCM), climate change adaptation (CCA), water and marine resources (WTR), pollution (PPC), circular economy (CE), biodiversity and ecosystems (BIO).

<sup>(b)</sup> Y - Yes, Taxonomy eligible and Taxonomy-aligned activity with the relevant environmental objective; N - No, Taxonomy eligible but not Taxonomy-aligned activity with the relevant environmental objective; EL - Taxonomy eligible activity for the relevant objective.

<sup>(c)</sup> EL – Taxonomy-eligible activity for the relevant objective; N/EL – not eligible, Taxonomy non-eligible activity for the relevant environmental objective.

All amounts are in EUR thousands unless otherwise stated

Disclosure tables for nuclear and fossil gas activities under the Taxonomy as specified in the Complementary Delegated Climate Act

#### Template 1 Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	<b>Fossil gas related activities</b>	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

#### Template 2 Taxonomy-aligned economic activities (denominator)

No turnover from taxonomic economic activities meeting the criteria was generated and no operating costs were incurred.

Capital expenditure KPIs for the taxonomic economic activity meeting the criteria:

Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	152	0.4%	152	0.4%	-	-
8.	Total applicable KPI	39 161	100%	39 161	100%	-	-

All amounts are in EUR thousands unless otherwise stated

### Template 3 Taxonomy-aligned economic activities (numerator)

No turnover from taxonomic economic activities meeting the criteria was generated and no operating costs were incurred.

Capital expenditure KPIs for the taxonomic economic activity meeting the criteria:

Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	152	100%	152	100%	-	-
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	152	100%	152	100%	-	-

### Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

The proportion of turnover related to economic activities that are taxonomic but do not meet the criteria:

Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2 782	100%	2 782	100%	-	-
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	2 782	100%	2 782	100%	-	-

All amounts are in EUR thousands unless otherwise stated

The capital expenditure part relates to economic activities that are taxonomic but do not meet the criteria:

Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	5 061	100%	5 061	100%	-	-
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	5 061	100%	5 061	100%	-	-

The part of the operating expenditure that relates to economic activities that are taxonomic but do not meet the criteria:

Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	874	100%	874	100%	-	-
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	874	100%	874	100%	-	-

## ESRS E1 Climate change

### Integration of sustainability-related performance in incentive schemes (2 ESRS GOV-2)

The disclosures are provided in ESRS 2 General Information section.

### Description of the processes to identify and assess material climate-related impacts, risks and opportunities (2 ESRS IRO-1)



#### Addressing climate change risks

We acknowledge the gravity of scenario analysis in disclosure of climate-related risks and opportunities. Climate change impacts are primarily assessed through our Group's GHG emissions calculations (Table Consolidated GHG emissions). We use the TCFD guidelines to analyse the potential impacts of climate change on business. An assessment of the Group's business transformation and physical risks related to climate change and their potential impacts in the short (2030) and long (2030-2060) term has been carried out, using a range of future climate change projection research reports and scientific publications and climate scenarios (RCPs). We assessed the locations of Grigeo Group companies' operations and their climate-related risks. In the short and long term, the physical risks are considered to fall into the low to medium probability category.

#### Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The Group is one of the largest paper and wood industry groups in the Baltics. Paper production is a resource- and energy-intensive industry. It is our responsibility to ensure production efficiency in order to minimise negative impacts. In order to reduce environmental impacts, the Group sets targets in areas where there are critical impacts on both the Group and its stakeholders.

The Group has not yet carried out a full assessment of how resilient its strategy and business model are to climate change. Accurate modelling and value-chain risk assessment are constrained by the lack of reliable, audit-ready information about the sector, suppliers, locations, and other relevant factors. This challenge has intensified following the entry into force of the Omnibus Delegated Act, under which large undertakings may no longer request more data than what is foreseen in the voluntarily applicable VESRS/VSME standards, and SMEs may reasonably refuse to provide such data. As a result, the availability of value-chain data becomes limited, particularly in areas such as climate, biodiversity, social responsibility, and other topics where our sector requires higher granularity. This makes it difficult to move from general information to more precise supplier-level data needed for decarbonisation planning and risk modelling.

All amounts are in EUR thousands unless otherwise stated

Given these constraints, the Group has established operational guidelines for managing the identified impacts and risks, and strategic decisions are made based on the information available, with continuous monitoring of changes in regulation, market dynamics, and the availability of value-chain data.

Climate change risks and potential impact on our business lines by category:

		Relevant short- and long-term physical climate impacts	Illustrative effects on value chain	Approach guidelines
Transition risks	Technology and market	<ul style="list-style-type: none"> <li>• Policies and investments to ensure a low carbon emissions economy.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased demand for energy-efficient lower-carbon products.</li> <li>• Modern technologies that disrupt markets.</li> </ul>	<ul style="list-style-type: none"> <li>• Shift to renewable energy to eliminate GHG scope 2 emissions.</li> <li>• Increase energy consumption efficiency.</li> <li>• Refurbishing of machinery.</li> </ul>
	Reputation	<ul style="list-style-type: none"> <li>• Raising awareness of climate change.</li> <li>• Growing expectations for responsible manufacturing.</li> <li>• Public attention to deforestation.</li> <li>• Concerns about manufacturing waste.</li> <li>• Concerns about water usage.</li> </ul>	<ul style="list-style-type: none"> <li>• Threats to securing social license to operate.</li> <li>• Opportunity to enhance reputation and brand value.</li> <li>• Opportunity to engage with stakeholders consistently.</li> </ul>	<ul style="list-style-type: none"> <li>• Improving company transparency.</li> <li>• Our impact assessment and measurement.</li> <li>• Updating our procurement policies.</li> <li>• Active engagement with stakeholders.</li> <li>• Increasing contribution to other environmental objectives, such as circular economy.</li> </ul>
	Policy and legal	<ul style="list-style-type: none"> <li>• Evolving requirements.</li> <li>• Regulatory changes on the national and EU level.</li> </ul>	<ul style="list-style-type: none"> <li>• Threats to securing legal license to operate.</li> <li>• Increased operating costs.</li> <li>• Increased tax.</li> <li>• Emerging concern about liability.</li> </ul>	<ul style="list-style-type: none"> <li>• Closely monitoring the development of industry-specific regulations.</li> <li>• Monitoring changes in regulation through supply chain.</li> </ul>
Physical risks	Acute and chronic	<ul style="list-style-type: none"> <li>• Increased intensity and duration of extreme weather events, such as heat waves, storms, and floods.</li> <li>• Precipitation extremes and flooding.</li> <li>• Increased evaporation of surface water.</li> <li>• Increased mineral content of surface water.</li> <li>• Rising sea level.</li> <li>• Rising temperatures.</li> <li>• Increased wildfires.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased business interruption.</li> <li>• Damage across operations and supply chains.</li> <li>• Compromised reliability of material supply.</li> <li>• Volatility of input costs and revenues.</li> <li>• Unpredictable asset values and insurance claims.</li> <li>• Increased cost of capital.</li> <li>• Share price volatility.</li> <li>• Increase in CAPEX.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring.</li> <li>• Climate change adaptation plans.</li> <li>• Continuous engagement with suppliers.</li> <li>• Improving climate change scenario analysis.</li> <li>• Regular review of the climate change scenario.</li> </ul>

**Table of significant ESRS sub-topics**

The assessment of climate change impacts, risks and opportunities has identified material topics for the Group's companies and has been subject to an assessment of impacts and financial materiality in line with the new ESRS requirements. All climate change sub-topics were identified as critically significant in impact assessment. Climate change adaptation and mitigation are identified as critical in the value chain.

Subtopic	Impact materiality	Financial materiality
Climate change adaptation	Critical	Significant
Climate change mitigation	Critical	Significant
Energy	Critical	Critical

**Policies related to climate change mitigation and adaptation (E1-2)**

The disclosures are provided in ESRS 2 General Information, Group Environmental Policy section.

**Actions and resources in relation to climate change policies (E1-3)**

The Group implements climate-change mitigation and adaptation measures, focusing primarily on energy efficiency, fuel switching, and the expansion of renewable energy sources. The current GHG-reduction target covers Scope 1 emissions – the area in which the Group can make decisions most rapidly and exert direct influence.

All amounts are in EUR thousands unless otherwise stated

In line with the Group’s decarbonisation levers for climate-change mitigation and adaptation, the Group focuses on:

- **Improving energy efficiency.**

In 2025, the Group continued implementing energy-efficiency initiatives, including equipment modernisation, process optimisation, and the expansion of the energy-monitoring system. These measures help reduce energy consumption and directly contribute to the Group’s strategic GHG-reduction objectives.

- **Using renewable energy sources.**

In 2025, the Group completed the second stage of its solar power plant project, significantly increasing the total amount of electricity generated. In 2025, the solar plants produced nearly 4,000 MWh of electricity – more than double the amount generated in 2024. This further reduced Scope 2 GHG emissions and strengthened the Group’s energy independence.

- **Fuel switching.**

Most of the required heat energy continues to be produced using biomass, which helps reduce Scope 1 GHG emissions and supports the achievement of strategic targets. Additionally, in 2025, the Group commissioned an anaerobic bioreactor with an investment value of approximately EUR 5 million. Operating continuously in 2025, the bioreactor produced slightly more than 2,000 MWh of biogas, which replaced natural gas and further reduced Scope 1 GHG emissions.

The Group’s investments are financed from available resources, and its financial position enables the continuation of planned projects and technological development. In 2025, the Group completed its preparations for GHG-reduction targets: all necessary calculations were carried out, and the targets were submitted to the Science Based Targets initiative (SBTi) for validation at the beginning of 2026. The review and approval of these decarbonisation targets is expected in the second half of 2026. Since the largest share of the Group’s GHG footprint consists of Scope 3 emissions, the new targets will cover the entire value chain, actively involving suppliers and customers. Ongoing investments in energy efficiency and renewable-energy solutions will form the foundation of the transition plan following SBTi validation.

#### Targets related to climate change mitigation and adaptation (E1-4)

To implement policy commitments, manage impacts and risks, and track progress, indicators are monitored and targets are set not only to reduce GHG emissions, but also to improve energy efficiency. These targets are part of the current strategy and are all subject to the 2021 base year values on which change is monitored. The base year remains unchanged throughout the period.

	Target	Unit of measurement	Base year 2021	Interim result in 2025	Change	Target for 2026
1.	Reduction of GHG emission intensity (Scope 1)	kgCO <sub>2</sub> e/ton of production	114.1	115.3	+1.0%	-5.0%
2.	Increasing energy efficiency	MWh/ton of production	2.56	2.58	+0.9%	-3.0%

In 2021, the Polish company had not yet been established, and therefore it was not possible to recalculate the baseline year indicators. To avoid distorting the results, the Polish company’s data are not included in the Group’s GHG emissions intensity calculations for 2025.

Compared to 2021, the overall Scope 1 GHG emissions intensity increased. However, compared to 2024, Scope 1 emissions decreased (see the consolidated GHG emissions table), where the Polish company’s results are already included. As in other Group companies, a decline in emissions has also been recorded there in recent years.

The energy efficiency indicator has remained broadly stable—the Group’s modernization projects and equipment upgrades have offset the impact of the new company. It is expected that in the coming years, once the planned modernization works are completed, both GHG emissions and energy efficiency indicators will continue to improve.

#### Energy consumption and mix (E1-5)

The Group produces energy from biofuels and natural gas. All the energy generated is used in the Group’s operations and sold to meet the heating needs of Grigiškės or other consumers. Electricity and fuel for vehicles are also used in the operations. Our total energy consumption in 2025 amounted to 630 GWh.

We are one of the largest consumers of wood chips on the market. In 2025, we consumed 28 thousand tonnes (tonnes of oil equivalent) of wood chips, representing 332 GWh, or 53% of the Group’s total energy consumption.

Electricity is the second-largest energy resource used for our production lines, and in 2025 our consumption reached 138 GWh. During the year, the Group continued to expand its renewable energy generation capacity and used electricity produced by its own solar power plants to cover part of its demand. In addition, more than two-thirds of the electricity purchased and consumed was generated from renewable sources.

All amounts are in EUR thousands unless otherwise stated

Energy consumption in MWh	Tissue paper		Sold heat		Hardboard		Containerboard and packaging		Group	
	2025 m.	2024 m.	2025 m.	2024 m.	2025 m.	2024 m.	2025 m.	2024 m.	2025 m.	2024 m.
<b>Renewable energy</b>										
Biofuel	57 363	65 772	30 683	26 105	85 990	84 425	157 934	162 189	331 970	338 491
Electricity	47 762	28 683	-	-	0	8 474	57 547	37 063	105 309	74 220
Biogas	-	-	-	-	-	-	2 047	-	2 047	-
<b>Renewable energy</b>	<b>105 125</b>	<b>94 455</b>	<b>30 683</b>	<b>26 105</b>	<b>85 990</b>	<b>92 899</b>	<b>217 528</b>	<b>199 252</b>	<b>439 326</b>	<b>412 711</b>
<b>Non-renewable energy</b>										
Natural gas	82 694	87 990	46	254	-	-	68 203	65 179	150 943	153 422
Electricity	12 974	24 706	-	-	16 251	7 626	3 956	26 120	33 181	58 451
Diesel for transportation	144	32	-	-	903	880	2 988	2 812	4 035	3 724
Petrol for transportation	457	415	-	-	112	132	465	532	1 034	1 079
Petroleum Liquid Gas for transportation	880	291	-	-	-	-	846	733	1 726	1 024
<b>Non-renewable energy</b>	<b>97 149</b>	<b>113 434</b>	<b>46</b>	<b>254</b>	<b>17 266</b>	<b>8 638</b>	<b>76 458</b>	<b>95 376</b>	<b>190 919</b>	<b>217 700</b>
<b>Energy in total</b>	<b>202 274</b>	<b>207 889</b>	<b>30 729</b>	<b>26 359</b>	<b>103 256</b>	<b>101 537</b>	<b>293 986</b>	<b>294 628</b>	<b>630 245</b>	<b>630 411</b>
<b>Renewable energy</b>	<b>52%</b>	<b>45%</b>	<b>100%</b>	<b>99%</b>	<b>83%</b>	<b>91%</b>	<b>74%</b>	<b>68%</b>	<b>70%</b>	<b>65%</b>

Self-generated energy (MWh):

- from non-renewable sources – 106 027;

- from renewable sources – 334 017.

### Energy efficiency

We understand that our product energy impact is managed via energy mix (shifting to renewable energy sources) and improving energy efficiency.

Energy efficiency is a key indicator of the economic and environmental performance of our production facilities. Considering all circumstances, the investments in energy efficiency improvements will remain our key investment direction.

Average energy consumption kWh/t	Tissue paper		Hardboard		Containerboard and packaging		Group	
	2025 m.	2024 m.	2025 m.	2024 m.	2025 m.	2024 m.	2025 m.	2024 m.
<b>Renewable energy</b>								
Biofuel	804	1 022	1 423	1 447	1 403	1 432	1 359	1 434
Electricity	670	446	-	145	511	327	431	315
Biogas	-	-	-	-	18	-	8	-
<b>Non-renewable energy</b>								
Natural gas	1 159	1 367	-	-	606	575	618	650
Electricity	182	384	269	131	35	231	136	248
Diesel for transportation	2	-	15	15	27	25	17	16
Petrol for transportation	6	6	2	2	4	5	4	5
Petroleum Liquid Gas for transportation	12	5	-	-	8	6	7	4
<b>Total</b>	<b>2 835</b>	<b>3 230</b>	<b>1 709</b>	<b>1 740</b>	<b>2 612</b>	<b>2 601</b>	<b>2 580</b>	<b>2 672</b>

By investing in new equipment, the Group achieved a little more than 3% improvement in energy efficiency in 2025, with average energy consumption decreasing from 2 672 kWh/t in 2024 to 2 580 kWh/t in 2025. This result confirms that the technological measures being implemented are delivering tangible benefits. At the same time, it is important to note that energy efficiency will continue to be improved through process optimisation and equipment modernisation in order to meet the targets set for 2026.

All amounts are in EUR thousands unless otherwise stated

Energy intensity by net income:

Energy intensity per net revenue	2025	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/ million EUR)	2 558	2 960

Energy consumption and net revenue are taken from all Group companies, as their activities fall within sectors that have a significant impact on the climate.

### Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)

GHG emissions for all Grigeo Group companies and for the consolidated report are calculated in accordance with the GHG Protocol methodology, applying the operational control approach. Under this approach, all emissions from activities that the Group manages and controls through its operations are included in the inventory, regardless of ownership structure. National, DEFRA, supplier-provided, and other emission factors were used for the GHG calculations. The Group has no non-consolidated investments (associates, joint ventures, or similar entities).



### Emissions by scopes

Scope 1 GHG emissions are direct emissions from sources owned or directly controlled by the company. The majority of the Group's Scope 1 emissions come from the combustion of natural gas in the boiler houses in Klaipėda, Grigiškės, and Nedomice, as well as in paper production equipment. This category also includes emissions from company-operated vehicles.

Scope 2 GHG emissions are indirect emissions associated with the generation of purchased electricity and heat. These emissions occur not within the company itself but at the facilities of the energy producer, and therefore depend on the type of fuel used and the emission factors of the energy system.

Scope 3 GHG emissions include all other indirect emissions arising across the Group's value chain that the company does not directly control. These cover the production of raw materials and goods, transportation, service provision, waste management, the use of sold products, and other supply-chain-related processes.

Biogenic CO<sub>2</sub> is carbon dioxide released from the combustion or decomposition of materials of biological origin (biomass). Unlike CO<sub>2</sub> from fossil fuels, biogenic CO<sub>2</sub> is not considered a greenhouse gas emission when the biofuel used is sourced from sustainable, renewable resources.

Consolidated GHG emissions, in thousand tons:

Scope of GHG emissions	2025		2024	
	CO <sub>2</sub> e	Biogenic CO <sub>2</sub> e	CO <sub>2</sub> e	Biogenic CO <sub>2</sub> e
Scope 1	32,2	118,6	36,4	118,5
Scope 2 (location-based)	26,1		25,5 <sup>(a)(b)</sup>	
Scope 2 (market-based)	22,0		38,5 <sup>(a)(c)</sup>	
Scope 3	116,1	353,2	98,4 <sup>(a)(d)</sup>	345,3
<b>Total location-based</b>	<b>174,4</b>	<b>471,8</b>	<b>160,3<sup>(a)(e)</sup></b>	<b>463,8</b>
<b>Total market-based</b>	<b>170,3</b>	<b>471,8</b>	<b>173,3<sup>(a)(f)</sup></b>	<b>463,8</b>

(a) Due to updated emission factors, the 2024 GHG emissions were recalculated retrospectively; therefore, the values presented in this publication differ from those reported in the previous report.

(b) Value adjusted from 30,0 (change -4,5). (c) Value adjusted from 39,1 (change -0,6). (d) Value adjusted from 95,4 (change -+3,0). (e) Value adjusted from 161,8 (change -1,5).

(f) Value adjusted from 170,9 (change +2,4).

Minor adjustments were made to the 2024 data in the 2025 report to better align with applicable requirements. The corrections were applied to Scope 2 and Scope 3 calculations – updated emission factors were used for electricity and for emissions related to fixed assets. Scope 1 GHG emissions decreased by 12% in 2025. This change was driven by a slight increase in the use of biofuel, but primarily by the implementation of energy efficiency measures. Scope 2 emissions (market-based method) decreased by as much as 43% compared to 2024, as significantly more electricity from renewable sources was purchased in 2025. The Group plans to continue increasing the share of renewable energy. Scope 3 GHG emissions consist of 15 different categories. The Group identified the relevant categories and performed the GHG calculations. In 2025, Scope 3 emissions increased by 18% compared to 2024. This change was not driven by a deterioration in the Group's operational performance but by structural changes – one category was partially expanded, and the main factor was the addition of a new company in Germany to the Group. In 2025, an additional category – employee commuting – was also included in the calculations. The following categories are not applicable due to the absence of related activities: upstream leased assets, downstream leased assets, franchises, and investments.

All amounts are in EUR thousands unless otherwise stated

Scope 3 GHG emission categories, in thousand tons:

Category	Source of emission	2025		2024	
		CO <sub>2</sub> e	%	CO <sub>2</sub> e	%
1	Purchased goods and services	61,6	53,0%	52,4	54,3%
2	Capital goods	6,6	5,7%	3,4 <sup>(a)(b)</sup>	3,5%
3	Fuel- and energy-related activities	18,1	15,6%	16,6 <sup>(a)(c)</sup>	18,8%
4	Upstream transportation and distribution	5,1	4,4%	5,1	5,2%
5	Waste generated in operations	0,9	0,8%	0,9	0,9%
6	Business travel	0,1	0,1%	0,1	0,1%
7	Employee commuting	0,7	0,6%	-	-
9	Downstream transportation and distribution	13,5	11,6%	11,5	11,7%
10	Processing of sold products	5,1	4,4%	3,1	3,2%
12	End-of-life treatment of sold products	4,4	3,8%	5,3	5,4%
	<b>Total</b>	<b>116,1</b>	<b>100,0%</b>	<b>98,4<sup>(a)(d)</sup></b>	<b>100,0%</b>

(a) Due to updated emission factors, the 2024 GHG indicators were recalculated retrospectively; therefore, the values presented in this publication differ from those reported in the previous report.

(b) Value adjusted from 2,2 (change +1,2). (c) Value adjusted from 14,8 (change +1,8). (d) Value adjusted from 95,4 (change +3,0).

Almost 70% of all Scope 3 emissions come from the purchased goods and services and transportation categories, meaning emissions generated during the production of the raw materials we purchase, their transportation, and the transportation of our finished products. The remaining categories – such as further processing of sold products or their end-of-life treatment – account for slightly more than 30% of Scope 3 emissions.

GHG emissions intensity by net income (Net Income 2.2 Financial and operating performance of the Group and the Company):

GHG intensity per net revenue	2025	2024
	Thousand t CO <sub>2</sub> e / million EUR	Thousand t CO <sub>2</sub> e / million EUR
Total GHG emissions (location-based) per net revenue	0.708	0.753 <sup>(a)(b)</sup>
Total GHG emissions (market-based) per net revenue	0.691	0.814 <sup>(a)(c)</sup>

(a) Due to updated emission factors, the 2024 GHG indicators were recalculated retrospectively; therefore, the values presented in this publication differ from those reported in the previous report.

(b) Value adjusted from 0.760 (change -0,007). (c) Value adjusted from 0.802 (change +0,012).

In 2025, GHG intensity per net revenue decreased under both the location-based and market-based methods compared to 2024. This indicates more efficient resource use and an improved ratio between revenue and emissions.

### GHG removals and GHG mitigation projects financed through carbon credits (E1-7)

The Group did not finance any mitigation-related projects outside its value chain during the financial year and did not purchase carbon credits. The Group does not use carbon pricing.

### Internal carbon pricing (E1-8)

Group companies do not have a carbon pricing system.

### Anticipated financial effects from material physical and transition risks and potential climate-related opportunities (E1-9)

The Group assessed the expected financial impact of climate-related physical and transition risks and opportunities. The assessment shows that the energy transition has the highest material significance—particularly fluctuations in green energy prices and the necessary investments in energy efficiency and electrification. These factors drive both increased cost risks and substantial long-term financial opportunities related to cost reductions and greater stability in energy consumption. The impact of physical climate risks remains limited in the short term, but their importance grows over the long term, especially in the context of supply chain and infrastructure resilience.

All amounts are in EUR thousands unless otherwise stated

## ESRS E2 Pollution

### Description of the processes to identify and assess material pollution-related impacts, risks and opportunities (IRO-1)

In accordance with the established legal requirements, our production sites are subject to Environmental Impact Assessment (EIA) screening procedures, which assess the potential impacts and risks related to pollution. The EIA procedures involve consultations with interested parties such as local communities, public authorities, etc. During the reporting year, a public presentation on the planned construction of the anaerobic reactor was organised, during which the affected communities were able to express their views and comments. In addition, in accordance with the requirements, the responsible authorities have issued Integrated Pollution Prevention and Control (IPPC) or Pollution Permits for the sites concerned. This complements our process of double materiality analysis.

### Table of significant ESRS sub-topics

The assessment of pollution-related impacts, risks and opportunities identified material topics for the Group's companies and assessed the impact and financial materiality. Water pollution have been identified as Critical topic for the Group, while air pollution is considered as Significant topic. Five sub-topics (pollution of soil, pollution of living organisms and food resources, substances of concern, substances of very high concern, microplastics) were not identified as material after the assessment.

Subtopic	Impact materiality	Financial materiality
Pollution of air	Significant	Significant
Pollution of water	Critical	Critical

### Grigeo Klaipėda AB environmental incident in 2020

The environmental incident occurred in 2020, when it was announced that Grigeo Klaipėda AB released partially biologically treated wastewater into the Curonian Lagoon through the treated wastewater collector of municipal company Klaipėdos vanduo AB.

Grigeo Klaipėda AB assumed legal responsibility for this incident, carried out internal inspections and commissioned international expert investigations to establish, through scientific research, the fact and extent of possible environmental damage. It also started implementing environmental remedial measures on its own initiative to remove the pollutants discharged with its wastewater from the natural environment.

Pollutants released into the natural environment with the wastewater of Grigeo Klaipėda AB that was only partially biologically treated were nitrogen and phosphorus (i.e., water-soluble nutrients of organic origin that are necessary for every living organism) and BOD<sub>7</sub> (biochemical oxygen demand per 7 days). Pollutants contained in the biologically untreated wastewater of Grigeo Klaipėda AB are attributable to non-hazardous pollutants that have not had a significant negative impact on (significant damage to) the water state, biota, and ecosystem of the Curonian Lagoon.

Grigeo Klaipėda AB seeks to cooperate with state authorities in implementing wastewater management solutions and environmental remedial measures that would remove the allegedly released pollutants from the natural environment, implement environmental remedial measures (improvement of the state of water of the Curonian Lagoon), restore lost public confidence, and ensure business resilience in the long run. It is very important to the management of Grigeo Klaipėda AB that this incident not only becomes a painful lesson for the company, but also prevents the recurrence of such cases in the future in all economic activities of the country.

### Grigeo Klaipėda AB environmental restoration actions after the 2020 environmental incident

In 2021 and in 2022 Grigeo Klaipėda AB assessed scientifically based environmental restoration measures, which would aim to remove the amount of pollutants (phosphorus, nitrogen and BOD<sub>7</sub>) from the Curonian Lagoon and contribute to more favourable conditions for the recovery of biological diversity, thereby reducing eutrophication processes in the Curonian Lagoon. It was determined that the environmental restoration criteria set by the Environmental Protection Department is best met by the following two environmental restoration measures: reed removal in the Curonian Lagoon and installation of surface wastewater treatment facilities in Klaipėda city.

#### The first measure: Cutting and removing reed biomass on the shores of the Curonian Lagoon.

With this measure, the pollutants that Grigeo Klaipėda AB may have allegedly released into the natural environment would be removed from the Curonian Lagoon. Also, removing the biomass of cut reeds would restore the sandy shores of the Curonian Spit and the habitats of rare plant and animal species, reduce the amount of organic matter entering the Curonian Lagoon, mitigating the negative effects of eutrophication. After the restoration of open bays and the formation of canals, the swamping processes of the shores of the Curonian Lagoon would be eliminated, recreational space and views of the Curonian Lagoon would open up, and this would increase the area's biological diversity and recreational potential.

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Reed cutting would be carried out over four years from whenever the program is approved by the Environmental Protection Department.

Grigeo Klaipėda AB carried out two pilot reed-cutting projects, and their results were validated in the laboratory.

The harvested reeds are used in sustainable ways, in such order of priority:

- Roofing (a new product is being developed, with a service life of about 50 years).
- Biofuel – helps reduce the need for fossil fuels, biogenic CO<sub>2</sub> is released.
- Compost – returned to the natural environment as green waste.

In 2021, based on the conclusions of scientific experts, a plan of environmental restoration measures was prepared and submitted to the Environmental Protection Department. The plan was subsequently revised several times in response to the Department's comments and supplemented with the results of the pilot projects that had been carried out. However, by the end of 2025, it had still not been approved. Grigeo Klaipėda AB hopes that the Environmental Protection Department will approve the plan of environmental restoration measures soon, and that once implemented, the incriminated volume of pollutants will be removed from the natural environment of the Curonian Lagoon.

*The second measure. Modernization of treatment facilities of Klaipėdos vanduo AB (preventive measure).*

A trilateral cooperation agreement was concluded between Klaipėda City Municipality, Klaipėdos vanduo AB and Grigeo Klaipėda AB, in which the parties agreed to prepare and implement the construction and operation program of Klaipėdos vanduo AB surface wastewater treatment facilities. This measure would reduce the entry of oil products, floating substances, and organic matter into the Klaipėda Strait. This would have a positive impact on reducing the eutrophication of the Curonian Lagoon.

According to the signed contract, if the Environmental Protection Department approves the plan of environmental restoration measures, Grigeo Klaipėda AB will finance the modernization of No. 7 and No. 8 outlets of the surface sewage networks managed by Klaipėdos vanduo AB. The surface sewage networks, which need to be modernized, were chosen considering the position of Klaipėdos vanduo AB, according to which sewage basins No. 7 and No. 8 are among the largest, both in terms of their total area and the area of their surfaces intended for road transport (streets, driveways, parking lots). The amount of pollutants released through the outlets of these basins is one of the highest, compared to other basins where treatment facilities have not yet been built. From an environmental point of view, it is appropriate (necessary) to reduce pollution where it is generated the most. The preliminary value of the project amounts to EUR 2 million, which would be financed free of charge by Grigeo Klaipėda AB.

Investments in environmental research are essential for sustainable, efficient and future-proof environmental management. Back in 2020, in order to fulfil its promise to the public to fund research to determine the condition of the Curonian Lagoon water and to carry out environmental social initiatives, Grigeo Klaipėda AB signed a support agreement with Klaipėda University for a targeted EUR 500,000 support for the development of solutions to reduce environmental pollution in the Klaipėda region and for the training of environmental professionals. Under the terms of the agreement, a five-year programme of environmental action is being implemented, focusing on long-term value creation. Under the terms of the contract, a five-year programme of environmental action is being implemented, focused on long-term value creation. A total of EUR 464 000 has been transferred to Klaipėda University by the end of 2024. Klaipėda University is using the funds for the following research programmes: The first is the development and implementation of a monitoring system for ambient air pollution (industrial and transport pollutants, volatile organic compounds) in the city of Klaipėda. The second is the application of advanced treatment technologies for the containment and removal of hazardous organic micro-pollutants in the city's wastewater treatment plants. The third is the provision of support for undergraduate and postgraduate projects for the preparation of theses. The support agreement has been fulfilled, and the intended objectives have been achieved.

### **Policies related to pollution (E2-1)**

The disclosures are provided in ESRS 2 General Information, Group Environmental Policy section.

### **Actions and resources related to pollution (E2-2)**

To monitor progress and to involve and inform stakeholders, we have introduced public monitoring platforms where information can be tracked not only on discharges, but also on the results of direct, periodic air measurements by an independent supplier. In order to achieve the highest environmental standards, we have added automated processes to our existing environmental systems, which not only make it easier to track data, but also make it available to the public. The monitoring platforms allow residents to see periodic updates of air test data showing the carbon emissions from boiler plants.

[GRIGEO TISSUE UAB MONITORING PLATFORM](#) and [GRIGEO KLAIPĖDA AB MONITORING PLATFORM](#)

Emergency and non-standard emergency response plans are publicly available on the Group's website ([www.grigeo.com](http://www.grigeo.com)).

Our actions and resources are also included in the disclosure on the AB Grigeo Klaipėda 2020 environmental incident.

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### Targets related to pollution (E2-3)

Water pollution is a critical topic for the Group. The commitment to reduce water pollution, i.e. to improve the quality of wastewater by reducing wastewater volume per unit of production, is included as one of the Group's objectives in its strategy.

Target	Unit of measurement	Base year 2021	Interim result in 2025	Change	Target for 2026
Effluent reduction	m <sup>3</sup> /ton of production	7.1	6.7	-5.9 %	-17.0 %

### Pollution of air, water and soil (E2-4)

#### Pollution of water

Water is used in almost all stages of paper (both tissue and containerboard) production. In addition, hardboard production process also heavily depends on water supply. The quality of industrial wastewater is characterized by biochemical oxygen consumption (BOD<sub>7</sub>), suspended solids (SS), total nitrogen (N), total phosphorus (P). BOD<sub>7</sub> represents the amount of dissolved oxygen needed (i.e., demanded) by aerobic biological organisms to break down organic material present in each water sample at a certain temperature over a specific time. This is an indicator of organic contamination. A long and strong fibre is required to produce high-quality tissue paper, cardboard, and wood panels. The fibre in paper products going through repetitive recycling cycles deteriorates over time becoming weaker, shorter and unsuitable for papermaking, i.e., during paper web formation, a large part of the fibre enters the wastewater as SS and settles as sludge. In 2025, we recycled 147 thousand tonnes of recovered paper, which contains various additives and impurities. All these impurities become our waste and water pollution.

Monitoring of pollutants discharged with wastewater is carried out in accordance with the approved environmental monitoring programme at least once per month. Wastewater samples are analysed in laboratories authorised to perform such testing, where their pollution parameters are determined.

Pollution by operating sites in tonnes:

Pollutant, t	Grigiškės*		Niedomice**		Klaipėda***	
	2025	2024	2025	2024	2025	2024
BOD <sub>7</sub>	312	366,2	4,9	2,1	1580,1	2985,5
Nitrogen (N)	-	-	0,4	0,7	35,3	33,9
Phosphorus (P)	-	-	0,1	0,03	3,1	4,0
Suspended solids (SS)	174,6	422,4	6,0	8,5	303,9	224,2
<b>Total</b>	<b>486,6</b>	<b>788,6</b>	<b>11,4</b>	<b>11,3</b>	<b>1922,4</b>	<b>3247,6</b>

\*Grigeo Tissue UAB, Grigeo Baltwood UAB, Grigeo Packaging UAB, Grigeo Recycling UAB

\*\*Grigeo Tissue sp zoo

\*\*\*Grigeo Klaipėda AB

Immediate and properly managed wastewater management is an essential step in reducing the impact of water pollution. Innovative wastewater treatment technologies contribute to safer and more sustainable water use. The Group has invested in a wastewater evaporator in Vilnius, which treats wastewater and reduces the level of contamination of wastewater. After treatment, the concentration of suspended solids (SS) is <350 mg/l, the concentration of BOD<sub>7</sub> is <800 mg/l, and the concentrated organic matter is returned to the production process of hardboard, reducing the amount of process water used in the process.

The anaerobic bioreactor mentioned under the E1 ETAS Climate Change theme will not only reduce GHG emissions, but will also allow the treatment of wastewater using micro-organisms, which will reduce the pollution of industrial wastewater with BOD<sub>7</sub>, COD and suspended solids, and thus reduce the load on the wastewater treatment plant of "Klaipėdos vanduo" AB. In the summer of 2025, the start-up and commissioning of the bioreactor began, and the annual BOD<sub>7</sub> load in Klaipėda decreased almost twofold compared to 2024.

#### Pollution of air

Grigeo Tissue UAB and Grigeo Klaipėda AB are key emitters, as these two companies operate boiler houses. Grigeo Tissue sp zoo also operates a boiler house, but compared to the Group's boiler houses operating in Lithuania, its power is lower, as are its air emissions. Grigeo Tissue UAB supplies steam to Grigeo Baltwood UAB which does not burn any sort of fuels needed to produce hardboard; therefore, air emissions arise only from the production areas.

Emissions from stationary sources of air pollution are monitored at specified intervals by a certified laboratory. Monitoring of air emissions shall be carried out in accordance with an approved Environmental Monitoring Programme. Depending on the pollutant, measurements shall be carried out between 1 and 4 times a year, the method of measurement being chosen according to the type of pollutant (counting, gas chromatography, etc.). In 2025, a slight increase in particulate matter (other) was observed at UAB Grigeo Tissue, which can be linked to the higher volume of products converted into final goods. In 2025, an increase in air emissions was also recorded at AB Grigeo Klaipėda,

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associated with the start-up and commissioning works of the bioreactor initiated that year. It is expected that once the bioreactor commissioning is completed, air emission levels will decrease.

Air emissions in tonnes per year (according to the Air Pollution Accounting Report 2025):

Pollutant, t	Grigeo Baltwood UAB		Grigeo Tissue UAB		Grigeo Tissue sp zoo		Grigeo Klaipėda AB	
	2025	2024 m.	2025 m.	2024 m.	2025 m.	2024 m.	2025 m.	2024 m.
Nitrogen oxides (NO <sub>2</sub> )		-	144,8	145,4	2,9	2,4	123,1	125,5
Sulphur dioxide (SO <sub>2</sub> )	-	-	7,3	7,3	0,5	-	6,1	6,2
Carbon monoxide (CO)	-	-	202	203,5	3,9	-	170,3	173,3
Particulate matter from the combustion of solid, liquid or gaseous fuels or waste	-	-	0,9	26,6	0,3	-	1,7	0,9
Particulate matter (other)	2,2	2,1	12,5	10,6	0,2	0,3	3,7	3,3
Non-methane volatile organic compound (NMVOC)	9,1	8,3	0,003	0,001	0,3	0,9	27,6	14,4
Ammonia (NH <sub>3</sub> )	2	2	-	-	0,009	0,007	2,7	2,3

In the Group's operations, fuel is burned to produce thermal energy. During combustion, various substances are released into the ambient air, and their quantities are continuously monitored and recorded. To reduce emissions, the Group uses air-cleaning filters (multicyclones) and a condensing economizer, which not only lowers emissions but also enables the recovery of part of the thermal energy.

In 2024, additional electrostatic filters were installed in the biomass boiler houses in Grigiškės (investment value – approximately EUR 1.2 million). Thanks to these filters, particulate matter emissions were further reduced, contributing to improved air quality and reducing potential negative impacts on human health.

In 2025, the reduction in particulate matter from the combustion of solid, liquid, or gaseous fuels was driven by the increased efficiency of the filters – after the installation of electrostatic filters, the overall efficiency of the air-cleaning equipment in the Grigiškės boiler houses reached 95%. The change was also influenced by an updated methodology for calculating emitted pollutants.

It should be noted that in 2024 and previous years, the particulate matter figures for Grigeo Tissue UAB were reported without accounting for the efficiency of the boiler house air-cleaning equipment.

#### Anticipated financial effects from pollution-related, risks and opportunities (E2-6)

The Group assessed the expected financial impact of pollution-related risks and opportunities. Water pollution risks have the highest material significance, driven by the need to invest in modern wastewater treatment solutions, potential pollution taxes, and ongoing legal proceedings. These risks are highly likely and carry a critical financial impact. At the same time, the planned investments create significant long-term opportunities to reduce costs, improve operational efficiency, and strengthen the Group's environmental performance and reliability.

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## ESRS E3 Water and marine resources

### Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities (2 ESRS IRO-1)

Water is an essential resource in the paper industry and is used in almost all stages of paper production (both tissue and paperboard). Similarly, the production process of hardboard is highly dependent on water supply. This is one of the most important sources in our operations. We clearly understand that the use of water in our production processes has an impact not only on the environment but also on local communities. Despite the need to use water in the paper industry, it is important to look for sustainable water use strategies and efficient technologies to minimise the impact on the environment and water resources, which is why one of our most important strategies is to preserve nature. In order to meet our objectives, we have strengthened our internal processes for rational water use and closely monitor the volume of wastewater discharges and the level of pollutants, and we strive to find sustainable solutions in water management.

Large volumes of water are used in production, and withdrawal procedures are subject to Environmental Impact Assessment (EIA) screening procedures, where necessary, to assess potential impacts and risks.

### Table of significant ESRS sub-topics

The impact, risk and opportunity assessment identified significant themes for the Group's companies and the assessment of impact and financial materiality is presented in the table below. Water discharges into the oceans and extraction and use of marine resources were not identified as material due to the non-existence of such activities in the Group.

Subtopic	Impact materiality	Financial materiality
Water withdrawal	Important	Important
Water discharge	Significant	Critical

### Policies related to water and marine resources (E3-1)

The disclosures are provided in ESRS 2 General Information, Group Environmental Policy section.

### Actions and resources related to water and marine resources (E3-2)

Water is used in both paper and fibreboard production lines in the Group's companies and plays a key role in our business:

- It acts as a binding agent for the fibre and is needed in the cleaning and de-watering stages of the production process.
- Water is used as a solvent.
- Carries energy in the form of vapour and in the cooling process equipment.

We are looking for more efficient water management methods to reuse water and reduce the amount of water withdrawn by our Group. We are also working to ensure responsible management of water as a key resource in the supply chain. Surface water is used subject to additional treatment as required and used in technological processes. Our aim to conserve water as much as possible and to reduce its use in our production processes is reflected in our environmental policy. Processes related to water use and wastewater management are described in our operational documents such as the IPPC (Integrated Pollution Prevention and Control), subject to continuous monitoring and control, and reported to the responsible authorities.

To reduce water consumption, it is important to promote conscious use and resource-efficient habits at both the individual and business levels. It is also essential to invest in advanced technologies that enable more efficient water use in industry, agriculture, and other sectors.

### Targets related to water and marine resources (E3-3)

The Group's strategic objectives do not include a separate target for water consumption. Reducing water use is one of the components of the wastewater-reduction objective.

### Water consumption (E3-4)

The main sources of water used in our production processes are the Vokè River and the Curonian Lagoon. Drinking water is also used, but it accounts for only up to 3% of the Group's total water demand. Water withdrawal data are calculated using meter readings or other measurement data.

To avoid potential disruptions in the supply of technical water due to the removal of the Vokè dam, UAB Grigeo Tissue carried out, in 2023, and coordinated with the competent authority, a screening procedure for the planned economic

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activity under the environmental impact assessment requirements for the construction and operation of a new water intake structure, pumping station, and water supply network at Vilniaus g. 10, Grigiškės, Vilnius City Municipality.

The project foresees abstracting water from the Neris River. It includes the design of a water intake structure (intake mouth, supply pipeline, and distribution chamber), a water pumping station, and water supply pipelines connecting to the existing factory water network. Once surface water from the Neris River is used, the existing pumping station will no longer be used to supply surface water from the Grigiškės pond. The Grigiškės pond maintenance and use rules will need to be amended to remove Grigeo Tissue UAB as a water user. The existing pumping station will not be demolished but will remain in place and may be used only in emergency or abnormal (non-conforming) operating conditions. The planned start of operation of the new water intake, pumping station, and water supply network is 2026-04-26.

The installation and commissioning of the new water intake and pumping station will not change Grigeo Tissue's UAB technological production processes, wastewater management infrastructure, or related solutions. The project only changes the water withdrawal point – discontinuing the current withdrawal from the Vokė dam and introducing a new withdrawal point from the Neris River.

Group's water withdrawal (thousand m<sup>3</sup>):

	Tissue paper		Hardboard		Containerboard and packaging		Group	
	2025	2024	2025	2024	2025	2024	2025	2024
Water withdrawal	684,8	654,3	188,4	196,1	1037,9	994,9	1911,1	1845,2
<b>Water intensity, m<sup>3</sup> per million EUR net revenue</b>							<b>7,8</b>	<b>8,7</b>

The surface water we use must be filtered and purified before the production cycle begins. In addition, treating the water and discharging it to third-party treatment facilities is costly and strictly regulated. We are continuously improving the recycled water cycle during production so that we can reuse water several times. Re-use rates vary depending on product specifications, but these figures are not currently recorded.

Water discharge (thousand m<sup>3</sup>):

	Tissue paper		Hardboard		Containerboard and packaging		Group	
	2025	2024	2025	2024	2025	2024	2025	2024
Untreated effluent to Klaipėdos vanduo AB treatment plant	-	-	-	-	941,5	888,5	941,5	888,5
Treated effluent to Vilniaus vandenys UAB treatment plant	438,3	437,6	195,9	199,8	7,1	7,8	641,3	645,2
Wastewater to urban treatment plants*	48,8	35,8	-	-	0,4	0,3	49,1	36,1
<b>Total</b>	<b>487,1</b>	<b>473,4</b>	<b>195,9</b>	<b>199,8</b>	<b>949,0</b>	<b>896,6</b>	<b>1 632,1</b>	<b>1 569,8</b>

\*Not Vilnius or Klaipėda water treatment plants.

### Anticipated financial effects from water and marine resources-related impacts, risks and opportunities (E3-5)

The Group assessed the expected financial impact of risks and opportunities related to water and marine resources. The highest material significance is attributed to wastewater discharge risks, driven by large wastewater volumes, dependence on third parties, and increasingly stringent requirements. These risks are highly likely and carry a critical financial impact. At the same time, investments in the modernisation of wastewater networks and treatment solutions create significant opportunities to reduce costs, improve process efficiency, and strengthen the Group's environmental performance and reliability.

All amounts are in EUR thousands unless otherwise stated

## ESRS E5 Circular economy

### Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities (IRO-1)

Circular economy is a commitment to sustainable development, reducing environmental impacts and making efficient use of productive resources. The Group's activities are oriented towards the circular economy. We strive to use resources as efficiently as possible and promote recycling processes by recycling collected waste paper and returning it to the life cycle as a new product, thus reducing the negative impact. We also invest in energy efficiency solutions, such as retrofitting and the use of energy-efficient technologies, to reduce carbon emissions and energy consumption.

We operate in accordance with an emissions or IPPC permit, through which we assess the risks and impacts of our activities. The increasing focus on environmental issues and the circular economy allows us to assess and take advantage of opportunities in the areas of recycling and renewable resources.

### Table of significant ESRS sub-topics

In assessing the impacts, risks and opportunities related to the circular economy, material topics have been identified for the Group's companies and an assessment of the impact and financial materiality has been carried out. The Circular Economy subtopics of resource inflows and waste are identified as material at the Group level. Waste minimisation and waste collection/ recycling have been identified as the most significant topics for which we have set targets at the Group level.

Subtopic	Impact materiality	Financial materiality
Resources inflows, including resource use	Significant	Significant
Waste	Significant	Critical

### Policies related to resource use and circular economy (E5-1)

The disclosures are provided in ESRS 2 General Information, Group Environmental Policy section.

### Actions and resources related to resource use and circular economy (E5-2)

In carrying out our activities, we follow the waste hierarchy principles (prevention – reuse – recycling – other recovery, e.g., energy recovery – and disposal), giving priority to waste prevention or reduction and the lowest priority to disposal. Waste disposal is identified as one of the most significant topics at the Group level and is included as a strategic objective – to reduce the amount of waste sent for disposal.

We invest in a centralized system for collecting production residues and waste in tissue paper manufacturing, where offcuts are automatically collected and baled. This contributes not only to the circular economy but also improves occupational safety and saves space in the production area.

All recyclable paper/ cardboard production residues and waste generated in our operations are returned for recycling and used in the production of new products. We also reuse or return suitable packaging materials – such as cardboard cores, IBC containers, wooden pallets, and others – to suppliers.

To reduce the amount of waste sent to landfill and increase the volume of recyclable waste, in 2025 the company invested in a mechanism for cutting and removing wires from recovered paper bales (investment value approximately EUR 0.5 million). The wire-removal mechanism was installed in the second half of 2025, and commissioning works began. Already during the commissioning stage, more than 32 tonnes of metal waste were separated and transferred to a waste recycler. It is estimated that once the project is fully implemented, approximately 400 tonnes of wire per year will be separated and recycled from the waste stream generated during recovered paper processing.

### Targets related to resource use and circular economy (E5-3)

In order to use resources responsibly and strengthen the application of circular-economy principles, we work consistently on waste prevention, sorting, and identifying the most appropriate methods of reuse or recovery. To this end, we not only optimise waste management within our operations but also actively encourage other market participants to sort waste properly and deliver it for recycling. These actions help reduce the volume of waste sent for disposal and increase the use of secondary raw materials.

One of our key circular-economy objectives is to steadily increase the collection and sorting of recovered paper. This goal directly contributes to reducing the need for primary raw materials and improving circular material-use indicators. In 2025, we achieved significant progress – the volume of recovered paper collected increased by more than 60% compared to the 2021 baseline year, already exceeding the 2026 target of increasing this indicator by 50%.

All amounts are in EUR thousands unless otherwise stated

	Target	Unit of measurement	Base year 2021	Interim result in 2025	Change	Target for 2026
1.	Effluent reduction	m <sup>3</sup> /ton of production	53,0	31,7	-40,2 %	-9,0%
2.	Increasing waste-paper collection and sorting	In thousands of tons	53,0	85,9	+62.1 %	+50,0%

In the same year, Grigeo Recycling UAB purchased a waste-collection truck designed for the separate collection of paper and plastic packaging. This investment enables even small companies to sort waste conveniently, expands access to circular-economy solutions, and contributes to the continued growth of secondary-raw-material collection.

## Resource inflows (E5-4)

### Raw materials

We work to ensure sustainable and responsible sourcing of raw materials and supplies. Almost all of the fibre (pulp, wood) we produce and buy is FSC® (The Forest Stewardship Council) Chain of Custody certified. FSC® is an independent international certification organisation that promotes environmentally sound, socially responsible and economically viable forest management. We prefer the FSC® certification system and encourage all our suppliers to seek this certification.

The recovered paper used in recycling processes is an important raw material for our Group as a whole, and this is reflected in our strategic objectives.

Raw materials used (thousand tonnes):

	Tissue paper		Hardboard		Containerboard and packaging		Group	
	2025	2024	2025	2024	2025	2024	2025	2024
<b>Renewable materials</b>								
Raw materials	83,50	72,15	120,54	115,24	140,03	143,45	344,07	330,84
Additional materials/ raw materials	-	-	-	-	-	-	-	-
Packaging	15,72	12,85	1,86	1,82	3,01	2,96	20,59	17,64
<b>Total renewable materials</b>	<b>99,22</b>	<b>85,00</b>	<b>122,40</b>	<b>117,06</b>	<b>143,04</b>	<b>146,41</b>	<b>364,66</b>	<b>348,47</b>
<b>Non-renewable materials</b>								
Raw materials	-	-	-	-	-	-	-	-
Additional materials/ raw materials	1,37	1,23	1,04	1,14	1,77	1,54	4,18	3,92
Packaging	1,77	1,42	0,02	0,01	0,04	0,03	1,82	1,46
<b>Total non-renewable materials</b>	<b>3,14</b>	<b>2,65</b>	<b>1,05</b>	<b>1,15</b>	<b>1,80</b>	<b>1,58</b>	<b>6,0</b>	<b>5,38</b>
<b>Total materials used</b>	<b>102,36</b>	<b>87,65</b>	<b>123,45</b>	<b>118,21</b>	<b>144,85</b>	<b>147,99</b>	<b>370,66</b>	<b>353,85</b>
<b>% of renewables</b>	<b>97%</b>	<b>97%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>98%</b>	<b>98%</b>

Data extracted from accounting documents.

On the Group level, only 2% of all raw materials used were non-renewable. All tissue paper and manufactured corrugated paper boxes come in some plastic packaging. This packaging makes a large proportion of non-renewable materials in our Group. We are cooperating closely with our packaging suppliers to reduce the total impact of non-renewable packaging.

Composition of the raw materials used in the production of the Group's products and steam:

	2025	2024
Waste paper	29%	30%
Wood	24%	24%
Cellulose	10%	9%
Biomass	25%	25%
Natural gas	2%	2%
Renewable packaging	4%	4%
Other renewable materials	5%	5%
Non-renewable materials	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Biofuels and natural gas are used as raw materials for the production of steam, which is needed in all the Group's production facilities. This represents 27% of the total inputs consumed (converted into tonnes).

## Resource outflows (E5-5)

### Waste

In 2025, we consumed 370,7 thousand tonnes of materials for production. In the same year, our operations generated 23,9 thousand tonnes of waste. Our production process is unique in that a large share of the waste generated can be returned to the production cycle within the Group. More than half of all waste generated across the Group was returned to production in the form of materials.

All amounts are in EUR thousands unless otherwise stated

For the waste that cannot be avoided and cannot be reused in our production processes, we apply the principles of the waste hierarchy. Nevertheless, a portion of waste is still directed to disposal. In 2025, the largest share of disposed waste consisted of Grigeo Klaipėda’s AB recovered-paper sorting residues – accounting for 76% of all waste sent for disposal. These residues arise together with the incoming recovered paper. They are disposed of through incineration, and their energy value is used for energy generation.

The total amount of waste sent for disposal remains one of our strategic challenges. Therefore, we continue to invest in improving recovered-paper processing equipment and strengthening quality control of collected raw materials. The higher the quality of paper waste entering our facilities, the greater the share that can be effectively recycled, helping reduce resource waste, waste volumes, and related pollution.

To improve the quality of collected paper waste, it is also important for us to contribute to public education on proper waste sorting. Only properly sorted materials can become high-quality secondary raw materials that can be returned to the production cycle, thereby supporting circular-economy objectives.

During wastewater treatment, organic material – sludge – naturally forms. Currently, all wastewater generated by Grigeo Klaipėda AB is transferred for treatment to Klaipėdos vanduo AB under contract. All sludge generated during the wastewater treatment process is broken down, dried, and transferred to a waste handler by Klaipėdos vanduo AB. At the Grigiškės production site, the fibre sludge generated from Grigeo Tissue UAB wastewater is processed and delivered to other users for compost production, land reclamation, and similar purposes. In 2025, 5,6 thousand tonnes of fibre sludge were generated during wastewater treatment.

Waste generated (tonnes):

	Tissue paper		Hardboard		Containerboard and packaging		Group	
	2025	2024	2025	2024	2025	2024	2025	2024
Hazardous waste	50	77	20	20	113	98	183	195
Non-hazardous waste	3 052	2 582	5 793	7 787	14 860	14 882	23 705	25 251

Waste diverted to other operations (tonnes):

	2025	2024
<b>Waste recovery operation</b>		
Preparation for reuse	-	-
Recycling	15 075	16 395
Other recovery operations	-	-
<b>Total recover</b>	<b>15 075</b>	<b>16 395</b>
<b>Waste treatment</b>		
Incineration	7 862	8 413
Landfill	952	638
Other disposal operations	-	-
<b>Total treated</b>	<b>8 814</b>	<b>9 051</b>
<b>Non-recycled waste</b>	<b>37%</b>	<b>36%</b>

Data from direct measurement, weighing of waste delivered (using GPAIS data)

The Group continuously seeks opportunities to reduce the amount of waste sent for disposal; however, some waste still cannot be avoided and is therefore directed to incineration or landfill. One of the main reasons is that not all waste generated can currently be recycled within the Lithuanian market or in neighbouring regions. In addition, we assess economic feasibility: transporting large volumes of waste over long distances is not always a sustainable or economically rational solution.

An important step in reducing the volume of waste sent for disposal is Grigeo Klaipėda’s AB project to install a mechanism for cutting and removing wires from recovered-paper bales. Once implemented, this solution is expected to reduce the amount of waste sent to landfill by up to 400 tonnes per year. This will significantly contribute to our goals of reducing waste disposal and increasing the use of secondary raw materials.

### Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities (E5-6)

The Group assessed the expected financial impact of risks and opportunities related to resource use and the circular economy. The highest material significance is attributed to waste generation and disposal risks, driven by increasingly stringent recycling requirements, rising landfill taxes, and the need to secure substantial bank guarantees for waste management activities. These risks are highly likely in the short- and medium-term and have a critical financial impact due to significantly increasing waste management costs. At the same time, investments in enhanced recycling, process efficiency, and circular economy solutions create long-term opportunities to reduce costs, optimise raw material use, and strengthen the Group’s operational sustainability.

All amounts are in EUR thousands unless otherwise stated

### 7.3. Social information

#### ESRS S1 Own workforce

##### Interests and views of stakeholders (ESRS 2 SBM-2)

The disclosures are provided in ESRS 2 General Information Interests and views of stakeholders section.

##### Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

Employees are a vital part of any organisation, as their contribution directly influences the efficiency and overall success of the company. These people not only deliver the organisation's objectives but also contribute to its growth and innovation. A successful company is only as successful as the commitment, talent and motivation of its workforce. In addition to their specific roles, employees shape the company's culture and work environment. Their cooperation, ability to overcome challenges and willingness to learn new things are essential for the success of the organisation. For optimal performance and long-term success, it is important to emphasise employee well-being, promote their professional development and create a supportive working environment. In order to ensure the well-being of employees, the Group continuously monitors and assesses the impacts, risks and opportunities relating to employees. An employee engagement survey is conducted each year to identify areas of strength or areas for improvement. The Group also prioritises the health and safety of its employees in its operational activities and continuously assesses the impacts and risks to prevent accidents.

##### Table of significant ESRS sub-topics

When assessing impacts, risks, and opportunities, the material topics for the Group's companies were identified, and both impact and financial materiality assessments were carried out. Health and safety have been identified as the most critical sub-topic for the Group's operations in the assessment of the sub-topics and sub-sub-topics of the own workforce.

Topic	Sub-topic	Impact materiality	Financial materiality
<b>Working conditions</b>	Adequate wages	Significant	Important
	Working time	Important	Important
	Collective bargaining, including rate of workers covered by collective agreements	Informative	Important
	Work-life balance	Important	Informative
	Health and safety	Critical	Critical
<b>Equal treatment and opportunities for all</b>	Gender equality and equal pay for work of equal value	Important	Informative
	Training and skills development	Significant	Significant
	Measures against violence and harassment in the workplace	Significant	Informative
	Diversity	Important	Informative

##### Policies related to own workforce (S1-1)

The Group's commitment and targeted management of material topics is described in the Code of Conduct, the Occupational Health and Safety, Equal Opportunities and the Prevention of Violence and Harassment policies which are described in more detail in the General Information section of ESRS 2, Group policies. Internal communication and training are in place to ensure that employees understand and adhere to the organisation's objectives, values and policies, thereby contributing to the success of the organisation.

##### Processes for involving own workers and workers' representatives in addressing impact-related matters (S1-2)

Communication with employees is carried out systematically, ensuring timely and transparent dissemination of information about key processes and decisions within the Group through the SharePoint system and other internal communication channels. Employee opinions and feedback are collected through periodic surveys conducted via internal channels, and relevant information is also shared during daily meetings. Employees have the possibility to report concerns or potential violations anonymously.

The Group's companies organise internal training sessions led by external experts on relevant industry and operational topics. Training sessions and presentations are delivered in both Lithuanian and English. In addition, e-learning programmes are implemented, enabling employees to enhance their professional knowledge and

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competencies remotely and with flexible scheduling. Depending on job-specific requirements, employees are assigned mandatory training, with clear communication to the target audience, appropriate preparation of training content, and systematic monitoring of participation and completion.

When preparing or updating the remuneration system of the Group’s companies, the information and consultation procedure with employee representatives is carried out in accordance with applicable legal requirements.

**Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)**

The Group has an occupational health and safety register to record incidents, accidents and unsafe situations that may lead to incidents or accidents. All employees of the Group can keep a record of these incidents, thus ensuring that all relevant incidents are recorded and dealt with appropriately. This tool reinforces the safety culture within the company. Encouraging employees to take an active part in the health and safety process creates a safer working environment where everyone feels responsible for their own safety and that of their colleagues. In addition, the register provides the opportunity to track statistics, which is essential for analysing the frequency of incidents, causes and locations of unsafe situations.

Additional information on communication channels is disclosed in the Business Ethics section of ESRS G1, Corporate Culture and Business Ethics Policy.

**Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)**

**Employee engagement survey**

Our long-term success is based on engaged and motivated people. As an employer, we strive to grow with our people. Each year we conduct an employee engagement survey to determine the current level of engagement of our employees, to assess how well our employees feel we are using employee engagement opportunities in the organisation, to identify the strengths of our employees’ experiences and to identify areas for improvement that are a priority to maintain and strengthen employee engagement. Employee engagement is the responsibility of the HR department.

Results of the annual survey:

	Tissue paper		Hardboard		Containerboard and packaging		Group	
	2025	2024	2025	2024	2025	2024	2025	2024
<b>Engaged</b>	47%	58%	62%	61%	49%	50%	48%	53%
<b>Satisfied</b>	69%	81%	81%	77%	72%	84%	72%	82%
<b>Not engaged</b>	6%	1%	0%	1%	6%	1%	5%	1%

In 2025, the Group’s overall employee engagement score reached 48%, which is 5 percentage points lower than in 2024. This fluctuation was driven by lower engagement levels at the newly acquired plant in Poland and in several companies in Lithuania.

The results of engagement survey are presented and discussed with employees, which:

- Sets a direction of working conditions’ improvement.
- Helps prepare/develop training programs.
- Provides valuable insights on wage and benefit system modification.
- Gives us a better understanding on the competence of a manager.

We encourage and strive to create the conditions to our employees to express their observations, complaints, and deal with any work-related issues as soon as they occur.

**Improving the employee engagement**

The survey results showed that employees’ most positive experiences highlight the strengths of our organisational culture. The study also identified three priority areas for improvement, which the Group’s companies are focusing on to enhance employee engagement. The results indicate that both the most positively rated aspects and the areas for improvement have improved compared to the previous year. The Group’s companies continue to implement an improvement plan that helps maintain and further increase employee engagement. Significant attention is devoted to strengthening collaboration and feedback culture. The development of managers and specialists, as well as internal career opportunities, is also considered one of the priority areas for increasing employee engagement.

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Most positive evaluations and areas for improvement:

	Positive		Negative	
	2025	2024	2025	2024
<b>Most positive evaluations</b>				
I believe that our organisation will be successful in the future	74%	83%	7%	3%
My colleagues are always ready to help with work-related questions when needed	78%	81%	5%	3%
A positive and friendly atmosphere prevails in my department	71%	75%	9%	6%
I have enough freedom to independently solve issues directly related to the performance of my work.	69%	73%	10%	10%
The goals and tasks that are set for me are realistic	67%	72%	9%	7%

	Positive		Negative	
	2025	2024	2025	2024
<b>Areas for improvement</b>				
The organization has attractive professional growth opportunities for me	41%	47%	34%	29%
My salary is fair compared to the salary received by specialists in a similar field in our country	43%	45%	32%	30%
To achieve organizational goals, departments/groups cooperate effectively	41%	45%	30%	25%

**Dialogue and feedback**

We understand the meaning of feedback as a very important and significant work for the manager, the employee, and the company. The feedback is given to employees at all levels and is always based on gender equality and other non-discrimination grounds at the Group companies. The feedback is provided in the form of performance discussion, which aims to discuss employee performance, career perspectives and development expectations, strengthening employee motivation to pursue new goals actively, thus contributing to the good performance of the Group.

The performance objectives of the Group companies are set for the year, usually during the strategic session of the top management while using X matrix strategy development tool. Objectives are delegated in departments to employees of all levels. Objectives are measured by setting KPIs (key performance indicators) and performance is periodically reviewed. The periodicity of the discussion is determined by the nature of the objectives at different levels of organisation, in the position groups: for managers, the performance is discussed during the annual performance evaluation, for specialists – quarterly, for workers – daily and monthly during the meetings, while training and instructing. The results of the performance evaluation and feedback interview are completed and confirmed in the goal evaluation forms.

**Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)**

The Group's strategic objectives include three social aspects related to its workforce. These address the identified material impact of the Group's activities on its employees. The objectives help to meet the expectations of stakeholders (such as employees, the community or policy makers), mitigate risks, and increase the positive impact on the workforce to ensure the success of the Group.

	Target	Unit of measurement	Base year 2021	Interim result in 2025	Change	Target for 2026
1.	Reduce the number of accidents at work	TRI ratio (number of incidents among employees per 1 million hours worked)	17,1	8,6	-8,5	8,0
2.	Employee turnover	The ratio of retired employees to the average number of employees	30,8%	19,3%	-11,5pp	22,0%
3.	Employee retention rate	Employees with 1+ years' service to total employees	85,7%	90,2%	+4,5pp	91,0%

The Group takes care of its employees and devotes particular attention and resources to reducing and maintaining staff turnover, and improving these indicators is included in the Group's strategic objectives. The factors that have led to the positive change in retention and turnover rates are complex. Competitive remuneration is one of the most important factors in retaining existing staff and attracting new talent. The Group continuously monitors the labour market situation, remuneration forecasts, takes into account the analytics of the available data and reviews the remuneration system during the year. Other important factors include interesting and meaningful work, opportunities for employees to develop their competences, involvement of employees in ongoing projects, implementation of strategic objectives and recognition of employees for their achievements.

All amounts are in EUR thousands unless otherwise stated

Employees turnover and retention rates:

Employees	Tissue paper		Hardboard		Containerboard and packaging		Group	
	2025	2024	2025	2024	2025	2024	2025	2024
<b>Total turnover*</b>	16%	12%	19%	19%	22%	28%	19%	21%
<b>Retention rate</b>	91%	90%	92%	90%	89%	79%	90%	86%

\* Calculated as the number of total employees leaving the company divided by the average annual number of employees in the current calendar year.

### Characteristics of the undertaking's employees (S1-6)

For the purposes of this report, the own workforce includes persons employed by, or in an employment relationship with, the Group companies. The majority of employees of the Group companies are male (more than 60%). Our priority is full-time employees with permanent contracts and long-term employees. We offer fixed-term contracts to students, for whom we provide internships. We do not have any employees with non-guaranteed working hours.

Number of staff as at the end of the reporting period (see also Activity Overview 2.3 Employees):

Employees	Tissue paper		Hardboard		Containerboard and packaging		Group	
	2025	2024	2025	2024	2025	2024	2025	2024
<b>Under 30 years old</b>								
Women	13	4	2	2	7	9	22	15
Men	50	44	9	12	46	41	105	97
Other*	-	-	-	-	-	-	-	-
<b>30-50 years old</b>								
Women	75	60	17	17	63	61	155	138
Men	238	221	56	50	212	231	506	502
Other*	-	-	-	-	-	-	-	-
<b>Over 50 years old</b>								
Women	35	30	16	17	49	40	100	87
Men	109	100	31	35	82	68	222	203
Other*	-	-	-	-	-	-	-	-
<b>Total</b>	<b>520</b>	<b>459</b>	<b>131</b>	<b>133</b>	<b>459</b>	<b>450</b>	<b>1110</b>	<b>1042</b>

\* Included in accordance with ESRS requirements.

In 2025, the number of employees increased by 6% compared to 2024. This growth was driven by the acquisition of a new company in Germany, which contributed to business expansion and the overall increase in the Group's workforce.

Number of employees by country:

Country	Employee
Lithuania	815
Poland	160
Ukraine	72
Latvia	18
Germany	45
<b>Total</b>	<b>1110</b>

The largest part of the Group's companies is located in Lithuania, where the largest number of employees work – 73% of all the Group's employees. The number of employees in the other four countries is smaller due to the smaller number of companies and accounts for the remaining 27%.

Due to the current situation in Ukraine, we are currently not providing data on employee turnover, engagement and other social indicators. We understand the importance of this information, but in an unstable environment, we strive to ensure data accuracy and employee safety.

### Collective bargaining coverage and social dialogue (S1-8)

We respect the right of workers to join, organise or not, including the right to form and join trade unions to defend their interests. Workers have the right to bargain collectively freely. Workers shall not be discriminated against, intimidated or harassed in the exercise of these rights.

The social dialogue between the employer and the employees of the Group companies is ensured together with the existing trade unions and/or work councils. The relations of Grigeo Group AB, Grigeo Hygiene UAB, Grigeo Tissue UAB, Grigeo Klaipėda AB, Grigeo Baltwood UAB, Grigeo Tissue S.p. z o.o. with the employees are defined by the

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provisions of the collective agreement. Group's employees are covered by a collective agreement. There are no collective agreements outside of Lithuania.

### Diversity metrics (S1-9)

Gender distribution of employees at top management level (unit directors), in numbers and percentages:

Employees	Tissue paper		Hardboard		Containerboard and packaging		Group	
	2025	2024	2025	2024	2025	2024	2025	2024
Women	2	1	0	0	3	3	5	4
Women %	12%	8%	0%	0%	25%	21%	16%	14%
Men	14	12	4	4	9	11	27	25
Men %	88%	92%	100%	100%	75%	79%	84%	86%
<b>Total</b>	<b>16</b>	<b>13</b>	<b>4</b>	<b>4</b>	<b>12</b>	<b>14</b>	<b>32</b>	<b>29</b>

Data on the distribution of employees by age are provided in the ESRS S1 Own Workforce, Characteristics of the undertaking's employees (S1-6) section.

### Adequate wages (S1-10)

A transparent and clear wage management system, approved in 2020 and renewed in 2024, helps to retain and attract talents, promotes productive and efficient work, and allows fair remuneration for work performed and results achieved.

The payment system is based on the following principles and foundations:

- gender equality and non-discrimination on other basis,
- transparency of the payment system within the Group,
- fair calculation and determination of payment,
- the determination of an appropriate level of payment for all employees of the Group,
- the encouragement of employees to develop and improve their skills,
- appropriate recognition of employee performance and additional monetary incentives and bonuses for achieving targets.

In all our companies of the Group, positions are divided into three main groups: managers (2 levels), specialists (4 levels) and workers (3 levels). Additional monetary incentive systems are applied to all groups of positions or certain individual positions.

The basic wage is determined based on the category and level of position as well as objective criteria relating to employee's education, experience, competencies, abilities in relation of responsibility degree, the nature and complexity of work performed, and the results obtained, the market situation is also taken into account to ensure a fair wage.

### Social protection (S1-11)

We take care of our employees, ensuring that they feel engaged, motivated and secure. We provide all the social guarantees such as retirement benefits, parental leave, sickness, unemployment, accident and acquired disability benefits, etc. We also give employees access to additional benefits. Employees of Group companies are covered by accident insurance, accident benefits, critical illness benefits or supplementary health insurance. The list of fringe benefits is regularly reviewed in line with employee needs. Employees are very appreciative of the fringe benefits and actively take advantage of them.

### Persons with disabilities (S1-12)

The Company does not have information on the exact number of employees with disabilities, as under national legislation employees are not required to provide their employer with information about their disability status. Such information may only be disclosed voluntarily at the employee's initiative, as a right rather than an obligation. In Lithuania, as of 13 June 2024, Article 25(11) of the Law on Safety and Health at Work – previously requiring employees to submit a medical assessment confirming their fitness for a specific job – was repealed. In line with applicable legislation, data-collection limitations, and the protection of employee privacy, the Company does not collect this information and therefore does not hold statistics on employees with disabilities.

### Training and skills development metrics (S1-13)

Work in the paper and wood-processing industry involves the use of powerful, complex, and potentially hazardous equipment. To reduce the likelihood of risks and in line with the legal requirements, the control and operation of machinery described in production process documentation may be entrusted only to highly qualified operators.

To supply our customers with high-quality products and ensure smooth operations across our business, we rely on skills, experience, and knowledge. The training and development processes within Grigeo Group are designed – and

All amounts are in EUR thousands unless otherwise stated

continuously improved – to build and strengthen employee competencies while opening opportunities for professional growth.

Given the wide range of responsibilities and functions across the Group, we continuously develop our employees in several directions:

- Development of production employees through internal training programmes and categorisation processes.
- Category advancement for production and technical personnel.
- Internal e-learning for all employees, including general competency development and mandatory training.
- Mandatory external training for production and technical personnel.
- External training for specialists and managers focused on general and leadership competencies.

We encourage employees to pursue career opportunities within the Group. The People Development Partner and HR managers are responsible for the systematic assessment of training needs. Training needs for specialists and managers are identified through the career management process and performance evaluations. Managers are also required to identify competency development priorities for their team members. Mandatory training for production and technical personnel, as well as the review of internal training programmes, is initiated and coordinated by training coordinators.

These processes help us ensure:

- An adequate number of qualified employees required for production, product delivery, and service provision.
- Continuous encouragement of employee qualification improvement.
- Support for employee category advancement.
- Consistent application of the company’s values in daily operations.
- Fair and transparently determined remuneration for each employee, aligned with their acquired qualifications.

Supervision and management of training processes:

- To assess training needs and opportunities, we take into account the Group’s strategic objectives, the career management process, and performance evaluations.
- Training coordinators monitor whether the content of internal training programmes and the competency assessment within the categorisation process remain relevant and aligned with current needs.
- The need, content, and relevance of internal training are evaluated and coordinated by process owners.
- Particular attention is given to formal and informal certifications and training with a defined validity period. Training coordinators and managers are responsible for ensuring that employee certifications and permits are issued and renewed on time.

Average formal training in numbers\*:

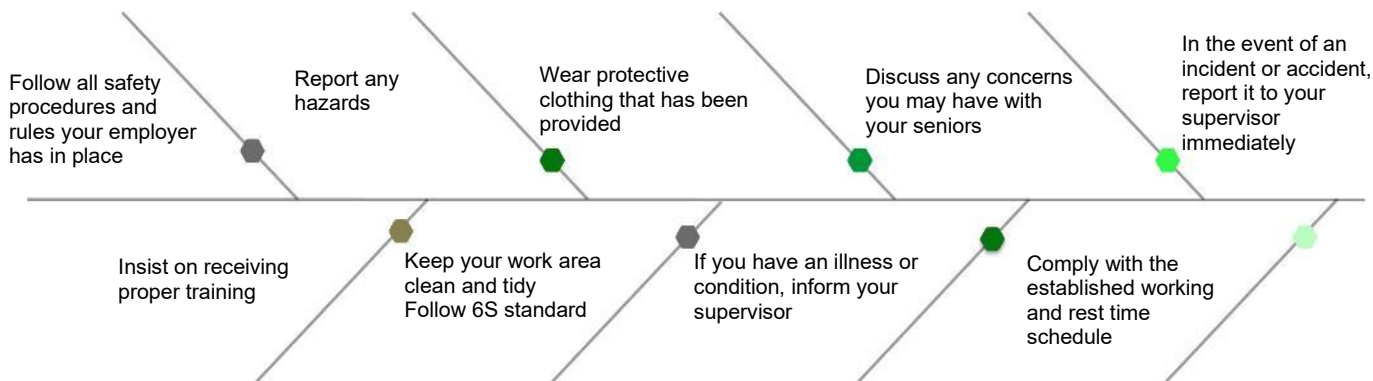
Average number of training hours per employee	Tissue paper		Hardboard		Containerboard and packaging		Group	
	2025	2024	2025	2024	2025	2024	2025	2024
Women	37	22	40	12	39	21	38	18
Men	53	50	45	39	65	52	56	47

\* Year 2024 Grigeo Group AB, Grigeo Hygiene UAB ir Grigeo Tissue UAB training hours are without Grigeo Tissue sp zoo.

All employees participate in regular performance and career development reviews, regardless of position, gender or other aspects.

**Health and safety metrics (S1-14)**

General safety guidelines for every employee:



All amounts are in EUR thousands unless otherwise stated

In 2016, our companies, with an exception of Mena PAK AT, implemented the OHSAS 18001:2007 Occupational Health and Safety Management Standard (ISO 45001 from 2021). This standard helps ensure the Group's occupational health and safety, reducing the likelihood of accidents at work and occupational morbidity.

**The key principles of our occupational safety and health (OSH) management system**

- Compliance with legal requirements and the Code of Business Ethics.
- Promoting high awareness and personal involvement.
- Encouraging employees to actively contribute to improving the OSH management system.
- Providing employees with safe and healthy working conditions to prevent work-related injuries and illnesses.
- Timely identification and elimination of hazards and unsafe situations.
- Carefully assessing OSH standards implemented by companies during supplier selection.
- Continuously analysing and evaluating the needs of stakeholders and seeking ways to meet their requirements more effectively.
- Monitoring contractors working on our premises.
- Applying the OSH management system to all employees, contractors, visitors, suppliers, and trainees.
- Ensuring continuous employee training and timely certification.

We continuously monitor and identify risk factors and hazards to ensure a safe and healthy working environment.

Hazard identification	Key risk factors
<ul style="list-style-type: none"> <li>• In 2025, we operated without a single life-changing accident. No workers (both our employees and those employed by our contractors) suffered a major injury.</li> <li>• We are dedicated to maintaining a safe and reliable workplace for everybody performing their duties within our Group.</li> <li>• Occupational risk assessment is performed by an external company.</li> <li>• The risk assessment of production processes performed internally involves OSH specialists, production management, employees, and the quality department.</li> <li>• Incident investigation – through a register of unsafe situations or in the event of a more serious incident, a team is selected to investigate the incident.</li> <li>• Incident investigation – recorded in the occupational health and safety register, with a team appointed to analyse the event and define preventive measures.</li> <li>• Close daily cooperation with employees across all departments.</li> </ul>	<ul style="list-style-type: none"> <li>• Rotating parts of equipment.</li> <li>• Moving transport, loading works.</li> <li>• Night work.</li> <li>• Work at height.</li> <li>• Works in wells.</li> <li>• Manual lifting of loads.</li> <li>• Working with chemicals.</li> <li>• Use of potentially dangerous equipment (cranes, pressure vessels, elevators).</li> <li>• Noise</li> <li>• Plant-based dust</li> <li>• Electrical work</li> </ul>

**Accident prevention**

To prevent negative impacts and risks in the workplace, continuous employee involvement is essential. All employees are required to report unsafe working conditions. All identified situations are recorded and managed in the occupational health and safety register.

- A mobile application is used to register technical issues. Reported issues are transferred to the system, where technical staff plan repairs or respond promptly.
- Safety matters are addressed during meetings attended by responsible personnel.
- Employees are represented through the occupational health and safety committee.
- Employees participate in identifying risks and hazards.
- All personal and collective protective equipment is inspected, and its timely maintenance is ensured.

**OSH committees have been established within the Group's companies, composed of representatives of both the employer and employees.**

**Main responsibilities:**

- Analyse and assess the occupational health and safety conditions within the companies.
- Review preventive measures aimed at avoiding workplace accidents and occupational diseases.
- Monitor compliance with established procedures and ensure that employees are provided with collective and personal protective equipment, as well as oversee the maintenance of such equipment.
- Examine employee requests regarding the provision of safe and healthy working conditions, as well as reports on situations in workplaces, work premises, or other company locations that, in their view, may pose risks to employee safety and health, and submit proposals to the employer's representative on measures to ensure occupational health and safety.

All amounts are in EUR thousands unless otherwise stated

To follow up on the Group's social strategic target, data on accidents at work are collected and recorded, and progress is monitored. The TRI indicator is used to monitor occupational accidents:

	Tissue paper		Hardboard		Containerboard and packaging		Group	
	2025	2024	2025	2024	2025	2024	2025	2024
High-consequence injuries	-	-	-	-	-	-	-	-
Minor injuries	6	11	4	9	5	7	15	27
Hours worked	712 523	525 128	244 064	243 219	796 017	783 682	1 752 604	1 552 029
<b>TRI rate*</b>	<b>8,4</b>	<b>20,9</b>	<b>16,4</b>	<b>37,0</b>	<b>6,3</b>	<b>8,9</b>	<b>8,6</b>	<b>17,4</b>

\*Number of incidents among our own employees per 1 000 000 hours worked.

Number of working days lost due to occupational accidents: 708.

### Work-life balance metrics (S1-15)

Work-life balance not only contributes to the well-being of the individual employee, but also has a positive impact on the Group's overall performance and long-term success. The Group ensures that all employees have the right to take leave for family reasons, the table below shows data on employees who are entitled to and have taken parental leave:

Employees	Tissue paper		Hardboard		Containerboard and packaging		Group	
	2025	2024	2025	2024	2025	2024	2025	2024
<b>Employees entitled to parental leave</b>								
Women	8	2	0	0	5	3	13	5
Men	44	7	4	4	12	8	60	19
<b>Employees that took parental leave (of those entitled to do so), %</b>								
Women	25%	100%	0%	0%	80%	100%	46%	100%
Men	25%	14%	100%	0%	92%	0%	43%	5%

### Compensation metrics (pay gap and total compensation) (S1-16)

The Group adheres to the principle of equal opportunities and ensures that all employees are assessed on the basis of their competences, experience and work results, regardless of their gender. Salaries in our organization are determined objectively, based on clear criteria such as the nature of the work, level of responsibility and professional skills.

We understand that in certain areas or positions there may be natural differences in gender distribution due to general market trends or sector specificities. However, this does not in any way constitute discrimination - our goal is to create equal conditions for all employees to grow and develop in their careers.

Average wage ratio between women and men\*:

Employees	Tissue paper		Hardboard		Containerboard and packaging		Group	
	2025	2024	2025	2024	2025	2024	2025	2024
Women/Men	7%	3%	23%	30%	11%	13%	11%	12%

\* Calculated as: average hourly gross wage of male employees – average hourly gross wage of female employees / average hourly gross wage of male employees × 100.

Information on the disclosure of the total remuneration ratio is provided in Section 6. Remuneration Report, Remuneration paid to the management and supervisory bodies.

### Incidents, complaints and severe human rights impacts (S1-17)

In 2025, the Group did not receive any complaints from employees regarding discriminatory behaviour at work. No other major human rights incidents (such as forced labour, child labour, etc.) were identified.

All amounts are in EUR thousands unless otherwise stated

## ESRS S2 Workers in the value chain

### Interests and views of stakeholder (ESRS 2 SBM-2)

In the S2 ETAS double materiality assessment of value-chain workers, two material topics were identified: adequate wages and health and safety. The Group recognises that value-chain workers (supplier and contractor personnel) are a key stakeholder group essential for ensuring business continuity. We understand their views and interests through a consistent supplier-management process: all new partners are audited using a specialised questionnaire, and throughout the cooperation we follow the provisions of the Supplier Code of Conduct. These provisions require suppliers to implement internal reporting systems and to inform their employees about the Group’s Trust Line, thereby ensuring access to feedback mechanisms in their workplaces.

### Table of significant ESRS sub-topics

Sub-topic	Sub-sub-topics	Impact materiality	Financial materiality
Work conditions	Adequate wages	Important	Informative
	Health and safety	Significant	Informative

### Material impacts, risks and opportunities and their interaction with strategy and the business model (SBM-3)

The highest risk of negative impacts on value-chain workers has been identified in the raw-material extraction and logistics stages, operating across the Lithuanian, Polish, Latvian, German and Ukrainian markets. The Group’s business model is directly dependent on these inputs; therefore, ensuring safe working conditions within the supplier chain is a critical factor in preventing supply disruptions and maintaining the Group’s ‘responsible 360°’ culture standards. To manage the identified impacts, the Group applies specific risk-management scenarios (e.g., for LDPE film), enabling rapid response to potential shortages or ethical breaches within the value chain.

### Policies related to value chain workers (S2-1)

The main document governing the Group’s relationship with value-chain workers is the Supplier Code of Conduct (SCoC), approved in 2024. This policy is aligned with the UN Guiding Principles on Business and Human Rights and ILO conventions, ensuring strong compliance with international standards.

Key SCoC commitments:

- **Human rights:** strict prohibition of forced and child labour, and adherence to non-discrimination principles.
- **Working conditions:** commitment to pay no less than the minimum wage and to compensate overtime fairly.
- **Health and safety:** obligation to provide regular instruction and training to employees, ensuring safe working conditions across all operations.

The SCoC sets clear requirements for suppliers and is an important tool for ensuring fair labour practices, the protection of workers’ rights, and ethical conduct throughout the supply chain. The principles defined in the Code cover workers’ rights, equal opportunities, fair remuneration, regulation of working hours, and safe and healthy working conditions. In addition, the SCoC promotes environmental and social responsibility initiatives and obliges suppliers to uphold high standards of business ethics and transparency.

The Code of Conduct not only protects workers from potential exploitation or unfair working conditions but also strengthens long-term cooperation with responsible suppliers. Its implementation reduces supply-chain risks, supports sustainable business development, and enhances trust among partners and stakeholders.

### Remediation processes and channels for value-chain workers (S2-3)

The Group has implemented a grievance and incident-reporting mechanism that ensures value-chain workers can safely and confidentially report potential violations, and that identified non-conformities are addressed promptly.

### Grievance channels

- Internal supplier channels. Under the Supplier Code of Conduct (SCoC), all suppliers are required to maintain functioning internal systems that allow their employees to submit complaints related to human rights, working conditions or environmental violations. These channels must be easily accessible in the workplace.
- Group Trust Line. In addition, all value-chain workers have access to the Group’s Trust Line – a confidential channel through which potential violations can be reported via email at [pranesejuapsauga@grigeo.com](mailto:pranesejuapsauga@grigeo.com).

All amounts are in EUR thousands unless otherwise stated

### Remediation of negative impacts

The Group aims to promptly address identified violations by applying risk-management and corrective-action scenarios tailored to different product groups.

- When non-conformities are identified, the supplier must immediately implement corrective actions based on the Group's recommendations.
- The Group monitors the effectiveness of these measures and, if necessary, conducts follow-up checks after the initial supplier assessment.
- In cases of material breaches of the SCoC, the Group reserves the right to terminate contractual relationships.

### Supplier assessment and prevention

New suppliers are evaluated using an audit questionnaire covering occupational safety, fair remuneration, working conditions and other areas of social responsibility. Suppliers are required to inform their employees and subcontractors about the SCoC requirements, ensuring that responsible practices are applied throughout the entire supply chain.

### Actions to manage material impacts and risks (S2-4)

To manage risks, the Group applies the following measures:

- **Preventive assessment:** New suppliers are audited before contracts are signed.
- **Risk-management scenarios:** Action plans have been developed for specific product groups (e.g., LDPE film) to address potential supply disruptions or ethical risks.
- **Inspections:** Periodic supplier inspections are carried out as needed, with particular attention to compliance with OSH standards.

### Objectives related to material impacts, risks and opportunities (S2-5)

At present, the Group has not established quantitative KPIs for value-chain workers.

All amounts are in EUR thousands unless otherwise stated

## ESRS S3 Affected communities

### Interests and views of stakeholders (ESRS 2 SBM-2)

The Group's corporate activities have many points of contact with local communities, which are one of our important stakeholders. We want to be a valuable part of the community and we assess our impact, risks and opportunities related to this. We strive to avoid and minimise our negative impacts.

### Policies related to affected communities (S3-1)

The Group's impacts and opportunities relating to affected communities are described in our Code of Ethics and Environmental Policy. The Group's businesses adhere to important internationally recognised instruments such as the United Nations Guiding Principles on Business and Human Rights.

The Group respects and guarantees human rights and freedoms as defined in the Universal Declaration of Human Rights of the General Assembly of the United Nations, the Convention for the Protection of Human Rights and Fundamental Freedoms of the Council of Europe, the Conventions of the International Labour Organisation and other international and national legislation.

### Material impacts, risks and opportunities and their interaction with strategy and business model (2 ETAS SBM-3)

#### Table of significant ESRS sub-topics

The assessment of the impacts, risks and opportunities related to the affected communities identified two significant topics and carried out an impact and financial materiality assessment. Two sub-topics were identified: water and sanitation and security-related impacts, which were assessed at the level of significant materiality.

Sub-topic	Sub-sub-topics	Impact materiality	Financial materiality
Communities' economic, social and cultural rights	Water and sanitation	Important	Important
	Security-related impacts	Important	Important

### Processes for engaging with affected communities about impacts (S3-2)

The Group respects the local environment in which it operates and seeks to maintain good relations with local communities and engage with affected communities. Affected communities are involved in impact assessment processes. Each time an EIA procedure is carried out, a consultation process is carried out, during which changes and news are presented and interested parties are given the opportunity to make comments, observations and ask questions. There is no specific function assigned to ensure the involvement of affected communities. This depends on the project and the responsibilities assigned. The main affected communities are located in the areas close to the production sites – Grigiškės and Klaipėda. The Group has not assessed affected communities within the value chain.

### Remediation processes and channels for affected communities (S3-3)

The Group respects the local communities in which it operates and seeks to maintain responsible and transparent relationships with them. When a potential or actual negative impact is identified, the Group assumes responsibility for addressing it in accordance with national legislation and its internal procedures.

Representatives of affected communities can report concerns directly and confidentially through the Group's Trust Line (pranesejuapsauga@grigeo.com). This channel is publicly accessible and available to all stakeholders, including residents, community organisations and other local interest groups.

In addition, communities are involved in impact assessments through EIA (Environmental Impact Assessment) procedures and public consultations. During these processes, residents — for example, in Grigiškės or Klaipėda — are informed about planned projects, their potential impacts, and have the opportunity to provide comments and ask questions.

Reports received are examined promptly, independently and objectively, in line with the Group's internal regulations. Investigations may be carried out by designated employees or by specially formed committees to ensure competence and impartiality. The Group guarantees whistleblower anonymity and confidentiality in accordance with the Whistleblower Protection Act. More detailed information on protection measures is provided in section G1-1 'Business Ethics'.

### Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions (S3-4)

All amounts are in EUR thousands unless otherwise stated

## Odour management at Grigeo Klaipėda

Located in the centre of Klaipėda city, we recycle paper waste. We find various microorganisms (molds, fungi, bacteria) in paper raw material – waste paper, which can cause a strong odour under certain conditions. Based on our research, the intensity of the odour is dependent on the quality of paper being recycled. Recycled paper is made up of a larger amount of short fibres and is often tainted with chemicals, glues and other substances, which directly increase water pollution. In addition, we use raw water from the Curonian Lagoon, which adds contamination to the process and accelerates the reproduction of microbes.

In 2025, we did not receive any notifications or complaints regarding odours from public authorities. Nevertheless, we continuously monitor the situation and continue implementing odour-management measures. In 2025, we introduced additional air-pollution and odour-reduction measures at one of the emission sources, which will further help to minimise potential impacts on the environment and surrounding communities.

## Support for communities

The Group contributes to positive impacts on communities by creating jobs and supporting local initiatives. Support is provided not only to local communities in Klaipėda and Grigiškės, but also through cooperation with other organisations. The Group's companies allocate financial support for the implementation of various environmental and social projects and initiatives carried out by external organisations. Since the start of the war in Ukraine, the Group has supported Ukraine by providing humanitarian and financial assistance to charitable and support organisations. We also cooperate with and support foundations such as 'Mamų unija' and 'Maisto bankas'.

Group's direct charity contributions to local communities:

	2025	2024
City of Vilnius	124	187
City of Klaipėda	10	46
Donations to Ukraine	20	40
<b>Total</b>	<b>154</b>	<b>273</b>

## Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S3-5)

The Group's companies do not have specific targets related to communities, but we work closely together and look for opportunities to improve or eliminate the impacts on local communities related to our activities.

All amounts are in EUR thousands unless otherwise stated

## 7.4. Governance information

### ESRS G1 Business conduct

Our mission and values (described in Section 1, Business model, under ‘Our mission and values’) are grounded in the Group’s long-standing history and accumulated business experience. We strive to build a motivating corporate culture, which is why it matters how we behave and what principles guide our actions. Our core values inspire and engage employees to pursue higher goals in their daily work and to contribute to building a successful company. In creating and producing, we always consider our employees, customers, partners and communities — what matters to them and how we can contribute to their well-being.

In 2025, we continued our value-strengthening initiatives. Together with external partners, we developed an e-learning programme, ‘The City of Values’, with content tailored to our operational specifics and organisational culture. To ensure that the scenarios presented in the training were realistic and reflected employees’ everyday experiences, dedicated workshops were organised and facilitated by external experts. During these workshops, employees from different Group companies created practical situations that were later integrated into the training programme. This initiative strengthened the shared understanding of how values are applied in practice and helped employees better recognise the importance of value-driven behaviour in everyday decision-making.

We are committed to building a motivating corporate culture, which means not only declaring our values but also consistently applying, developing and integrating them into daily operations.

#### Table of significant ESRS sub-topics

The assessment of business ethics impacts, risks and opportunities has identified material topics for Group companies and assessed impact and financial materiality. Animal welfare and political engagement were not identified as material due to the absence of such activities.

Sub-topic	Sub-sub-topics	Impact materiality	Financial materiality
Corporate culture		Important	Informative
Protection of whistle-blowers		Significant	Informative
Management of relationships with suppliers including payment practices		Significant	Significant
Corruption and bribery	Prevention and detection including training	Important	Significant
	Incidents	Important	Significant

#### The role of the administrative, supervisory and management bodies (ESRS 2 GOV-1)

Information is provided in sections 5.3 Management and supervisory bodies and 5.4. Functions and responsibilities of management and supervisory bodies.

#### Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO-1)

The information is disclosed in ESRS 2 General Information, in the section Description of the processes to identify and assess material impacts, risks and opportunities.

#### Corporate culture and Business conduct policies and corporate culture (G1-1)

Transparency, integrity and anti-corruption are fundamental principles in business and society, forming a solid and healthy organisational and social foundation. These principles are clearly embedded in our Group’s Code of Ethics, and the Group consistently follows them in its operations:

- Our relationships with employees, customers, partners and the state are based on integrity and transparency.
- We report transparently to our employees and encourage other market participants to do the same.
- Any payments or other expenses that are not recorded in the relevant documents are unacceptable.
- We strongly oppose all forms of corruption.
- In order to ensure transparency and objectivity in our dealings with suppliers and business partners, we do not accept any commercial offers that raise suspicions about their legality.
- We openly state our requirements and evaluation criteria to potential partners and define the terms of cooperation in our contracts.
- We comply with the law and pay the required taxes.
- The Group complies with the applicable tax laws and the principles of the tax legislation and meets its tax obligations in a timely and accurate manner.
- The Group has a low tolerance for tax risks in its risk assessment.

All amounts are in EUR thousands unless otherwise stated

- The Group's processes are clearly regulated by approved clear and transparent procedures.

### **Enforcement of the Code of Business Ethics and Communication of critical concerns**

Ensuring the effectiveness of business ethics is an important organisational task that helps maintain high ethical standards and values. The Group aims for all employees, customers and partners to adhere to ethical principles and consistently promotes responsible, transparent and fair behaviour across all areas of activity.

- Employees may report violations, as well as questions or concerns related to the Business Ethics Code or other relevant topics, to their direct manager, the HR manager or the company's general manager.
- To ensure compliance with the requirements of Directive (EU) 2019/1937 of the European Parliament and of the Council and the Lithuanian Law on the Protection of Whistleblowers, the Group has approved the Procedure for Submitting and Investigating Information on Violations and Ensuring Confidentiality at AB 'Grigeo', effective since 6 January 2020. This procedure is based on the provisions of the Lithuanian Whistleblower Protection Law. As these legal requirements apply to the Group, and in line with ESRS G1-1 paragraph 11, this information is considered to meet the policy disclosure requirements.
- In accordance with the requirements of Directive (EU) 2019/1937 applicable to the Group, reports concerning any suspected, ongoing or completed criminal act, administrative offence, breach of work duties, serious violation of mandatory professional ethics, or any other legal infringement posing a threat to or violating the public interest may be submitted through the Group's internal whistleblowing channel via email at [pranesejuapsauga@grigeo.com](mailto:pranesejuapsauga@grigeo.com).
- If information is received regarding violations, complaints or other negative impacts in governance, environmental or social areas, such information is examined in accordance with the Group's internal regulations. The head of the Group company may appoint responsible persons or establish an ad hoc committee composed of employees with the relevant competence and responsibilities to investigate the matter.
- The management of each Group company is responsible for implementing the provisions of the Code and for ensuring zero tolerance of actions that contradict the Code, as well as for prompt and fair remediation.
- The Group supports employees who act in good faith in accordance with the Code, encourages others to follow it, and does not tolerate or overlook any instance of non-compliance.
- The internal whistleblowing channel is publicly accessible on the Group's website at <http://www.grigeo.com>. To ensure the effectiveness of this channel, internal communication is carried out for employees. Training is organised as needed.

### **Management of relationships with suppliers (G1-2)**

The Group is committed to a responsible and sustainable purchasing policy to ensure effective supply chain management and long-term relationships with suppliers. Our priority is to build long-term partnerships with trusted suppliers based on integrity, transparency and mutual efficiency. The principles and guidelines for the Group's procurement are described in the Procurement Policy:

- The Group undertakes to carry out procurement activities responsibly. Long-term, good business relations and beneficial cooperation are the most important for the Group.
- All employees of the Group engaged in procurement activities must comply with the rules of the Group's Code of Business Ethics. The Group's suppliers are also expected to comply with the Group's Code of Business Ethics.
- All procurement activities must be conducted in such a way that the Group meets ethical, environmental and social sustainability requirements in all parts of the supply chain.
- The Group communicates with suppliers in such a way that it is considered as honest, professional and working by the highest standards of business ethics and procurement.
- To maintain constant competitive ability and lower risk, whenever possible the Group avoids purchases from the single supplier and assesses all risks associated with the purchase.

### **Prevention and detection of corruption and bribery (G1-3)**

The prevention and detection of corruption and bribery are an integral part of our organization's processes and policies. We strive to ensure transparency, accountability, and integrity at all stages of our operations, which is why anti-corruption mechanisms are embedded in our internal control systems, risk management, and ethical standards. We continuously strengthen employee awareness, implement preventive measures, and promote a culture of open reporting on potential violations, ensuring that our activities comply with the highest standards of integrity and legal compliance.

- The Group's Code of Ethics describes our commitments to transparency, integrity and anti-corruption.

All amounts are in EUR thousands unless otherwise stated

- The Group has an approved gift policy which prohibits the acceptance and giving of any type of gratuitous items, services or other benefits of any value by employees of the Group in the course of their employment functions. This policy is communicated to and adhered to by all employees.
- The Group has an approved Supplier Code of Ethics, compliance with which is an integral part of our collaboration. By signing a contract, each supplier confirms their commitment to follow the provisions of this code, including anti-corruption principles. This ensures a transparent, responsible, and ethical partnership based on integrity and mutual respect.
- We have an established risk management process that includes corruption prevention-related risks. As needed, management plans are assigned, and risk levels are assessed. This systematic approach allows us to monitor, analyze, and mitigate corruption threats, ensuring transparent, ethical, and responsible operations.

#### **Confirmed incidents of corruption or bribery (G1-4)**

During the previous reporting period, no cases of corruption and/or bribery were identified.



**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

All amounts are in EUR thousands unless otherwise stated

## STATEMENTS OF FINANCIAL POSITION

	Notes	Group		Company	
		At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	113,684	97,434	5,625	1,881
Right-of-use assets	6	7,044	5,611	534	541
Intangible assets	7	14,491	5,486	1,103	429
Investment property	8	4,323	4,441	4,323	4,441
Investments in subsidiaries	1	-	-	78,331	77,989
Other receivables		300	-	-	-
Deferred income tax assets	25	-	-	36	29
<b>Total non-current assets</b>		<b>139,842</b>	<b>112,972</b>	<b>89,952</b>	<b>85,310</b>
<b>Current assets</b>					
Inventories	9	23,577	20,590	11	1
Trade and other amounts receivable	10	27,760	31,677	9,051	2,676
Prepaid income tax		210	-	-	84
Other current assets		931	522	180	98
Cash and cash equivalents	11	10,271	14,018	3,609	10,885
<b>Total current assets</b>		<b>62,749</b>	<b>66,807</b>	<b>12,851</b>	<b>13,744</b>
<b>TOTAL ASSETS</b>		<b>202,591</b>	<b>179,779</b>	<b>102,803</b>	<b>99,054</b>

(Cont'd on the next page)

All amounts are in EUR thousands unless otherwise stated

## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Notes	Group		Company	
		At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Authorised share capital	12	38,518	38,106	38,518	38,106
Share premium	12	2,249	1,119	2,249	1,119
Legal reserve	12	3,811	3,811	3,811	3,811
Reserve for share-based payments	12	-	500	-	500
Foreign currency translation reserve	12	(3,013)	(2,858)	-	-
Retained earnings	12	95,722	87,695	43,041	40,194
<b>Equity attributable to shareholders of the Company</b>		<b>137,287</b>	<b>128,373</b>	<b>87,619</b>	<b>83,730</b>
Non-controlling interest		541	656	-	-
<b>Total equity</b>		<b>137,828</b>	<b>129,029</b>	<b>87,619</b>	<b>83,730</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	13	8,773	677	-	-
Lease liabilities	14	5,882	4,807	571	573
Grants	15	1,569	1,934	-	-
Deferred income tax liability	25	4,857	4,251	-	-
Long-term employee benefits	16	513	546	25	29
Other amounts payable	17	1,165	2,034	-	-
<b>Total non-current liabilities</b>		<b>22,759</b>	<b>14,249</b>	<b>596</b>	<b>602</b>
<b>Current liabilities</b>					
Borrowings	13	3,675	1,820	-	-
Lease liabilities	14	1,261	566	2	2
Income tax payable		-	1,221	18	-
Trade and other amounts payable	17	37,068	32,894	14,568	14,720
<b>Total current liabilities</b>		<b>42,004</b>	<b>36,501</b>	<b>14,588</b>	<b>14,722</b>
<b>Total liabilities</b>		<b>64,763</b>	<b>50,750</b>	<b>15,184</b>	<b>15,324</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>202,591</b>	<b>179,779</b>	<b>102,803</b>	<b>99,054</b>

The accompanying notes are an integral part of these financial statements.

The financial statements were prepared by the management on 2 April 2026 and signed with a qualified electronic signature on its behalf by:

Tomas Jozonis  
Chief Executive Officer

Mindaugas Sologubas  
Chief Financial Officer

All amounts are in EUR thousands unless otherwise stated

## STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Group		Company	
		2025	2024	2025	2024
Revenue	18	246,424	212,992	7,285	36,669
Cost of sales	19	(196,468)	(167,607)	(5,417)	(27,680)
<b>Gross profit</b>		<b>49,956</b>	<b>45,385</b>	<b>1,868</b>	<b>8,989</b>
Selling and distribution expenses	20	(21,483)	(16,772)	-	(1,911)
Administrative expenses	21	(13,736)	(12,168)	(1,173)	(2,723)
Other income	22	924	901	10,803	2,192
Other gains/(losses) – net	23	3,350	6,416	88	1,012
<b>Operating profit</b>		<b>19,011</b>	<b>23,762</b>	<b>11,586</b>	<b>7,559</b>
Finance income	24	401	798	143	279
Finance costs	24	(896)	(691)	(44)	(102)
<b>Finance income/(costs) – net</b>		<b>(495)</b>	<b>107</b>	<b>99</b>	<b>177</b>
<b>Profit before income tax</b>		<b>18,516</b>	<b>23,869</b>	<b>11,685</b>	<b>7,736</b>
Income tax	25	(1,975)	(3,010)	(269)	(987)
<b>PROFIT FOR THE PERIOD</b>		<b>16,541</b>	<b>20,859</b>	<b>11,416</b>	<b>6,749</b>
<b>Profit for the period attributable to:</b>					
Shareholders of the Company		16,597	20,818	11,416	6,749
Non-controlling interest		(56)	41	-	-
<b>Other comprehensive income/(expenses)</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>		-	-	-	-
<b>Items that may be reclassified subsequently to profit or loss</b>					
Exchange differences arising on translation of financial statements of foreign operation		(155)	(37)	-	-
Cash flow hedges – effective portion of changes in fair value		-	-	-	-
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>(155)</b>	<b>(37)</b>	-	-
<b>Other comprehensive income/(expenses) for the period</b>		<b>(155)</b>	<b>(37)</b>	-	-
<b>Total comprehensive income for the period</b>		<b>16,386</b>	<b>20,822</b>	<b>11,416</b>	<b>6,749</b>
<b>Total comprehensive income for the period attributable to:</b>					
Shareholders of the Company		16,442	20,781	11,416	6,749
Non-controlling interest		(56)	41	-	-
Basic earnings per share (EUR)	26	0.126	0.158	0.086	0.051
Diluted earnings per share (EUR)	26	0.126	0.156	0.086	0.051

The accompanying notes are an integral part of these financial statements.

Tomas Jozonis  
Chief Executive Officer

Mindaugas Sologubas  
Chief Financial Officer

All amounts are in EUR thousands unless otherwise stated

## STATEMENTS OF CHANGES IN EQUITY

Group	Equity attributable to owners of the Company								
	Authorised share capital	Share premium	Legal reserve	Reserve for share-based payments	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
<b>At 1 January 2024</b>	<b>38,106</b>	<b>1,119</b>	<b>2,886</b>	<b>500</b>	<b>(2,821)</b>	<b>76,184</b>	<b>115,974</b>	<b>615</b>	<b>116,589</b>
Profit for the period	-	-	-	-	-	20,818	20,818	41	20,859
Other comprehensive income/(expenses)	-	-	-	-	(37)	-	(37)	-	(37)
<b>Total comprehensive income/(expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(37)</b>	<b>20,818</b>	<b>20,781</b>	<b>41</b>	<b>20,822</b>
Increase in legal reserve	-	-	925	-	-	(925)	-	-	-
Allocated dividends	-	-	-	-	-	(9,198)	(9,198)	-	(9,198)
Remuneration in share options	-	-	-	-	-	816	816	-	816
<b>Transactions with the Company's shareholders</b>	<b>-</b>	<b>-</b>	<b>925</b>	<b>-</b>	<b>-</b>	<b>(9,307)</b>	<b>(8,382)</b>	<b>-</b>	<b>(8,382)</b>
<b>At 31 December 2024</b>	<b>38,106</b>	<b>1,119</b>	<b>3,811</b>	<b>500</b>	<b>(2,858)</b>	<b>87,695</b>	<b>128,373</b>	<b>656</b>	<b>129,029</b>
<b>At 1 January 2025</b>	<b>38,106</b>	<b>1,119</b>	<b>3,811</b>	<b>500</b>	<b>(2,858)</b>	<b>87,695</b>	<b>128,373</b>	<b>656</b>	<b>129,029</b>
Profit for the period	-	-	-	-	-	16,597	16,597	(56)	16,541
Other comprehensive income/(expenses)	-	-	-	-	(155)	-	(155)	-	(155)
<b>Total comprehensive income/(expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(155)</b>	<b>16,597</b>	<b>16,442</b>	<b>(56)</b>	<b>16,386</b>
Allocated dividends	-	-	-	-	-	(7,884)	(7,884)	(59)	(7,943)
Increase in legal reserve	412	-	-	-	-	(412)	-	-	-
Reestablishment of reserve for share-based payments	-	-	-	(500)	-	500	-	-	-
Formation of share premium	-	1,130	-	-	-	(1,130)	-	-	-
Remuneration in share options	-	-	-	-	-	356	356	-	356
<b>Transactions with the Company's shareholders</b>	<b>412</b>	<b>1,130</b>	<b>-</b>	<b>(500)</b>	<b>-</b>	<b>(8,570)</b>	<b>(7,528)</b>	<b>(59)</b>	<b>(7,587)</b>
<b>At 31 December 2025</b>	<b>38,518</b>	<b>2,249</b>	<b>3,811</b>	<b>-</b>	<b>(3,013)</b>	<b>95,722</b>	<b>137,287</b>	<b>541</b>	<b>137,828</b>

All amounts are in EUR thousands unless otherwise stated

## STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Company	Authorised share capital	Share premium	Legal reserve	Reserve for share-based payments	Retained earnings	Total equity
<b>At 1 January 2024</b>	<b>38,106</b>	<b>1,119</b>	<b>2,886</b>	<b>500</b>	<b>42,752</b>	<b>85,363</b>
Profit for the period	-	-	-	-	6,749	6,749
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,749</b>	<b>6,749</b>
Allocated dividends	-	-	-	-	(9,198)	(9,198)
Increase in legal reserve	-	-	925	-	(925)	-
Remuneration in share options	-	-	-	-	816	816
<b>Transactions with the Company's shareholders</b>	<b>-</b>	<b>-</b>	<b>925</b>	<b>-</b>	<b>(9,307)</b>	<b>(8,382)</b>
<b>At 31 December 2024</b>	<b>38,106</b>	<b>1,119</b>	<b>3,811</b>	<b>500</b>	<b>40,194</b>	<b>83,730</b>
<b>At 1 January 2025</b>	<b>38,106</b>	<b>1,119</b>	<b>3,811</b>	<b>500</b>	<b>40,194</b>	<b>83,730</b>
Profit for the period	-	-	-	-	11,416	11,416
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,416</b>	<b>11,416</b>
Allocated dividends	-	-	-	-	(7,884)	(7,884)
Increase in legal reserve	412	-	-	-	(412)	-
Reestablishment of reserve for share-based payments	-	-	-	(500)	500	-
Formation of share premium	-	1,130	-	-	(1,130)	-
Remuneration in share options	-	-	-	-	357	357
<b>Transactions with the Company's shareholders</b>	<b>412</b>	<b>1,130</b>	<b>-</b>	<b>(500)</b>	<b>(8,569)</b>	<b>(7,527)</b>
<b>At 31 December 2025</b>	<b>38,518</b>	<b>2,249</b>	<b>3,811</b>	<b>-</b>	<b>43,041</b>	<b>87,619</b>

The accompanying notes are an integral part of these financial statements.

Tomas Jozonis  
Chief Executive Officer

Mindaugas Sologubas  
Chief Financial Officer

All amounts are in EUR thousands unless otherwise stated

## STATEMENTS OF CASH FLOWS

	Notes	Group		Company	
		2025	2024	2025	2024
<b>Cash flows from operating activities</b>					
Profit before income tax		18,516	23,869	11,685	7,736
<b>Adjustments for non-cash items:</b>					
Depreciation and amortisation		12,300	11,012	596	1,783
Dividends received		-	-	(9,950)	(1,300)
Interest expenses on borrowings and lease	24	301	462	23	70
Interest income	24	(208)	(620)	(143)	(278)
Other finance (income)/costs – net	24	402	51	21	32
Gain on disposal of non-current assets		(188)	(294)	(18)	(217)
Remuneration in share options		356	816	14	189
		<b>31,479</b>	<b>35,296</b>	<b>2,228</b>	<b>8,015</b>
<b>Changes in working capital</b>					
(Increase)/decrease in trade and other amounts receivable		5,626	(8,546)	(26)	(1,919)
(Increase)/decrease in inventories		(370)	(248)	(11)	(289)
(Increase)/decrease in other current assets		(410)	51	(82)	35
Increase/(decrease) in trade and other amounts payable		(2,677)	2,799	(3,376)	6,098
		<b>2,169</b>	<b>(5,944)</b>	<b>(3,495)</b>	<b>3,925</b>
Interest paid		(481)	(477)	(23)	(81)
Income tax paid		(2,004)	(4,459)	(390)	(3,928)
<b>Net cash inflow from operating activities</b>		<b>31,163</b>	<b>24,416</b>	<b>(5,182)</b>	<b>7,931</b>
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment and intangible assets	5 / 7	(30,696)	(19,062)	(4,293)	(1,250)
Acquisition of investment property	8	(135)	(298)	(135)	(298)
Disposal of property, plant and equipment		323	450	19	261
Business acquisition / investments in subsidiaries	1	(7,146)	(19,416)	-	(23,640)
Interest received		259	729	124	441
Payments for financial assets at amortised cost		-	20,050	-	20,050
Payments to subsidiaries under cash pool agreement		-	-	(6,330)	-
Subsidies received		1,155	-	-	-
Dividends received	22	-	-	9,950	1,300
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(36,240)</b>	<b>(17,547)</b>	<b>(665)</b>	<b>(3,136)</b>
<b>Cash flows from financing activities</b>					
Dividends paid		(7,794)	(9,058)	(7,757)	(9,055)
Repayments of borrowings		(2,163)	(2,147)	-	(412)
Loans received		12,114	-	-	-
Amounts received from subsidiaries under cash pool agreement		-	-	2,828	-
Lease payments		(827)	(598)	(2)	(113)
<b>Net cash (outflow) from financing activities</b>		<b>1,330</b>	<b>(11,803)</b>	<b>(4,931)</b>	<b>(9,580)</b>
<b>Net increase/(decrease) in cash flows</b>		<b>(3,747)</b>	<b>(4,934)</b>	<b>(7,276)</b>	<b>(4,785)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>14,018</b>	<b>18,952</b>	<b>10,884</b>	<b>15,669</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>10,271</b>	<b>14,018</b>	<b>3,608</b>	<b>10,884</b>

The accompanying notes are an integral part of these financial statements.

Tomas Jozonis  
Chief Executive Officer

Mindaugas Sologubas  
Chief Financial Officer



**NOTES TO THE FINANCIAL STATEMENTS**

All amounts are in EUR thousands unless otherwise stated

## 1. General information

Grigeo Group AB (hereinafter the “Company”) is a public limited liability company registered in the Republic of Lithuania on 23 May 1991. The Company is engaged in business and other management consultancy activities. In 2024 the Company transferred to subsidiary the production of toilet paper, paper towels and paper napkins, which as the paper mill in Grigiškės was established in 1923.

The address of the Company’s registered office is as follows: Vilnius g. 10, Grigiškės, Vilniaus sav., Lithuania.

The Company’s shares are listed on the Baltic Main List of Nasdaq AB Vilnius Stock Exchange (ISIN code of shares is LT0000102030). The ticker symbol on Nasdaq AB Vilnius stock exchange is GRG1L.

As at 31 December 2025, the Company’s authorised share capital consisted of 132,820,000 ordinary registered shares (31 December 2024 – 131,400,000 ordinary registered shares), each with a par value of EUR 0.29 each. All shares were fully paid.

Three major shareholders as at 31 December 2025 and 2024 are listed below:

	At 31 December 2025		At 31 December 2024	
	Number of shares	%	Number of shares	%
Ginvildos Investicija UAB*	62,895,755	47.35	62,628,027	47.66
Mišeikienė Irena Ona	17,883,064	13.46	17,625,064	13.41
Norimantas Stankevičius	5,869,756	4.42	5,869,756	4.47
<b>TOTAL</b>	<b>86,648,575</b>	<b>65.24</b>	<b>86,122,847</b>	<b>65.54</b>

\*67.00% of shares of Ginvildos investicija UAB are held by Gintautas Pangonis, who is the ultimate beneficial owner of the Company.

As at 31 December 2025, the number of the Group’s employees was 1,110 (31 December 2024: 1,042). As at 31 December 2025, the number of the Company’s employees was 53 (31 December 2024: 52).

The shareholders of the Company have a statutory right to approve these financial statements or not to approve them and to require preparation of a new set of the financial statements.

### Structure of the Group

As at 31 December 2025 and 2024, the Grigeo group consisted of Grigeo Group AB and the following subsidiaries (hereinafter the “Group”):

	At 31 December 2025		At 31 December 2024		Address	Principal activities Date of acquisition (establishment)
	Ownership interest held by the Group	Amount (cost) of investment	Ownership interest held by the Group	Amount (cost) of investment		
<b>Subsidiaries directly controlled by the Company:</b>						
Grigeo Baltwood UAB	100%	2,555	100%	2,555	Vilnius g. 10, Grigiškės, Vilniaus sav., Lithuania	Manufacturing of wood hardboards. 10 April 2003
Grigeo Recycling UAB	100%	3,706	100%	3,706	Vilnius g. 10, Grigiškės, Vilniaus sav., Lithuania	Collection of secondary raw materials and preparation for recycling. 16 July 2010
Naujieji Verkiai UAB	100%	-	100%	-	Popieriaus g. 15, Vilnius, Lithuania	Building and development of real estate. The company was dormant in 2025 and 2024. 6 April 2004
Grigeo Paper Packaging UAB	100%	19,427	100%	19,427	Vilnius g. 10, Grigiškės, Vilniaus sav., Lithuania	Investment activities and management of companies. 10 July 2009
Grigeo Hygiene UAB	100%	51,505	100%	51,505	Vilnius g. 10, Grigiškės, Vilniaus sav., Lithuania	Investment activities and management of companies. (former Grigiškių Energija UAB) 7 October 2011
<b>Investment in subsidiaries (stock options for company employees) (Note 12)</b>						
Company shares for employees of group companies		1,138		796		
<b>Total</b>		<b>78,331</b>		<b>77,989</b>		

All amounts are in EUR thousands unless otherwise stated

## 1. General information (continued)

	At 31 December 2025		At 31 December 2024		Address	Principal activities Date of acquisition (establishment)
	Ownership interest held by the Group	Amount (cost) of investment	Ownership interest held by the Group	Amount (cost) of investment		
<b>Subsidiaries indirectly controlled by the Company:</b>						
Grigeo Tissue UAB <sup>1</sup>	100%	-	100%	-	Vilniaus g. 10, Grigiškės, Vilniaus sav., Lithuania	Manufacturing of tissue paper. 1 December 2023
Huchtemeier Papier GmbH <sup>1</sup>	100%	-	100%	-	Gernotstraße 18, 44319 Dortmund, Germany	Sales of hygienic paper products. 1895
Grigeo Tissue sp. z o.o. <sup>1</sup>	100%	-	100%	-	33-132 Niedomice, ul. Niedomicka 45, Poland	Manufacturing of tissue paper. 28 March 2024
Energia Ciepła Niedomice sp. z o.o. <sup>2</sup>	100%	-	100%	-	33-132 Niedomice, ul. Niedomicka 45, Poland	Production of heat energy. 28 March 2024
Grigeo Klaipėda AB <sup>3</sup>	97.68%	-	97.68%	-	Nemuno g. 2, Klaipėda, Lithuania	Manufacturing of cardboard and cardboard paper honeycomb. 1 March 2010
Grigeo Packaging UAB <sup>3</sup>	100%	-	100%	-	Vilniaus g. 10, Grigiškės, Vilniaus sav., Lithuania	Manufacturing of corrugated cardboard and packaging. 10 April 2009
Mena Pak AT <sup>3</sup>	100%	-	100%	-	Koševovo g. 6, Černigovo raj., Mena, Ukraine	Manufacturing of corrugated cardboard and packaging. 1 March 2010
Grigeo Recycling SIA <sup>4</sup>	100%	-	100%	-	Ēdoles iela 5, Rīga, Latvia	Collection of secondary raw materials and preparation for recycling. 16 June 2016

Controlled by: <sup>1</sup>Grigeo Hygiene UAB; <sup>2</sup>Grigeo Tissue sp. z o.o.; <sup>3</sup>Grigeo Paper Packaging UAB; <sup>4</sup>Grigeo Recycling UAB.

The non-controlling interest consists of 2.32% of shares of Grigeo Klaipėda AB, which are not owned by the Company's shareholders.

The Group's subsidiary Grigeo Hygiene UAB, continuing the expansion of hygiene paper business in Western Europe, acquired the German company Huchtemeier Papier GmbH on 1 October 2025. More information about the German company Huchtemeier Papier GmbH acquisition is covered in Note 7.

In 2024, the Group's structure was changed by merging companies of similar activities under branch holdings, which resulted in changes in the shareholders of individual companies, but the ultimate ownership and control of all group companies remained unchanged within the Company. In 2024, the Group acquired two companies in Poland (see Note 7) and on 30 April 2024 transferred the tissue paper production business from Grigeo Group AB to Grigeo Tissue UAB which net assets' carrying amount was EUR 30,105 thousand. The transferred business was valued at EUR 76 million by independent appraisers, and accordingly, share capital of Grigeo Hygiene UAB was increased by the same amount. After the spin-off of the tissue paper business, Grigeo Group AB retained its role in consultancy and business management, overseeing all areas of the Group's operations.

All amounts are in EUR thousands unless otherwise stated

## 2. Summary of material accounting policy information

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies were applied consistently for the reported periods unless stated otherwise (adoption of new and/or amended standards).

### 2.1 Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU) effective at 31 December 2025. All references to IFRS used below are references to IFRS approved by the EU.

These financial statements of the Group and the Company have been prepared on a historical cost basis, except of financial instruments used for hedging that are accounted for at fair value.

These financial statements of the Group and the Company for the year ended 31 December 2025 have been prepared under the assumption that the Group and the Company will continue as a going concern.

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

The preparation of financial statements in conformity with IFRS requires the management to make judgements, assumptions and estimates that are related to the application of the Group's and the Company's accounting policies. 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.

### 2.2 Amendments to standards and their interpretations

Adoption of new and/or amended IFRS and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

#### a) The following IFRSs, amendments thereto were adopted by the Company for the first time in the financial year ended 31 December 2025:

**Lack of Exchangeability** – Amendments to IFRS 21.

The amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

#### b) Standards, interpretations and amendments thereto that are not yet effective and have not been early adopted by the Company

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7.
- Annual Improvements to IFRS Accounting Standards – IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the 'qualifying criteria', rather than 'conditions' for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1.
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

Based on the Company's estimate, these amendments will have no material impact on the Company's financial statements.

#### c) Standards, interpretations and amendments that have not been adopted by the European Union and that have not been early adopted by the Group and the Company:

- Presentation and Disclosure in Financial Statements – Amendments to IFRS 18.
- Subsidiaries without Public Accountability: Disclosures - Amendments to IFRS 19.
- Subsidiaries without public accountability: Disclosures – Amendments to IAS 21.

The Company is currently assessing the impact of these amendments on the Company's financial statements.

There are no other new standards, amendments to the existing standards or interpretations that are not yet effective and that could have a material impact on the Company.

All amounts are in EUR thousands unless otherwise stated

## 2. Summary of material accounting policy information (continued)

### 2.3 Principles of consolidation

The Group's consolidated financial statements include Grigeo Group AB and its subsidiaries.

#### Subsidiaries

Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The control of an entity is normally evidenced when the Company owns more than 50% of the shares granting voting rights. Subsidiaries are consolidated from the date on which effective control is transferred to the Company or the Group, and they are no longer consolidated from the date on which control is transferred out of the Group.

#### Inter-company transactions

The financial statements of the subsidiaries are prepared for the same reporting year using consistent accounting policies. All inter-company transactions, balances and unrealised gains or losses and dividends on transactions between the Group companies are fully eliminated.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance of the non-controlling interest. A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative foreign exchange differences, recorded in equity;
- Recognises the consideration received at fair value;
- Recognises any investment retained at fair value;
- Recognises any surplus or deficit in the statement of comprehensive income;
- Reclassifies the parent's share of components previously recognised in other comprehensive income to the statement of comprehensive income or retained earnings, as appropriate.

#### Business combinations and accounting for goodwill

Business acquisitions are accounted for using the acquisition method. The consideration paid by the Group for control of the acquired company consists of the fair values of the transferred assets, assumed or contingent liabilities, and the equity instruments issued by the Group. Directly related acquisition costs are recognized in profit or loss when incurred.

In certain cases, the consideration for the acquisition consists of assets and liabilities arising from contingent consideration arrangements, measured at fair value on the acquisition date. Subsequent changes in the fair value of contingent consideration are classified as assets or liabilities and accounted for in accordance with the relevant IFRS. Changes in the fair value of contingent consideration related to equity are not recognized.

If the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date in the statement of comprehensive income. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed.

If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the statement of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquired entity are assigned to those units.

All amounts are in EUR thousands unless otherwise stated

## 2. Summary of material accounting policy information (continued)

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

### Split of companies

When a company is split by way of a spin-off or split-off, its assets and liabilities are transferred to newly established or other operating companies, and a decrease in assets, liabilities and equity is registered in the accounting of the split company.

The difference in value of assets and liabilities of the spin-off or split-off companies provided in the conditions of the split determines the equity amount of the newly established or operating companies, and in their accounting equity is registered in the account of the authorised share capital and other equity accounts as at the date of reception and transfer according to the conditions of the split. If the conditions of the split do not provide in which equity accounts the difference in value of assets and liabilities should be registered, it is registered in the account of the formed share capital and share premium or the account of retained earnings (loss).

### 2.4 Presentation currency

#### Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). All amounts in the financial statements are presented in the euros, which is the Group's and the Company's functional and presentation currency.

The functional currency of the Company and its subsidiaries operating in Lithuania is the euro. The functional currencies of foreign subsidiaries are the respective currencies of the foreign countries in which their registered offices are based. The amounts in the financial statements of these subsidiaries are presented in their functional currencies.

Assets and liabilities of the foreign subsidiaries are translated into euros at the reporting date using the exchange rate prevailing at the date of the statement of financial position, whereas the statements of comprehensive income of the foreign subsidiaries are translated using the weighted average exchange rate for the year. Exchange differences arising on translation are recognised in other comprehensive income.

On disposal of a foreign subsidiary, the result of foreign currency translation accumulated in other comprehensive income is reclassified to the statement of comprehensive income.

#### Transactions and balances

Foreign currency transactions are initially measured using the functional currency at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the date of the statement of financial position using the exchange rate prevailing at the date of the statement of financial position. All non-monetary items that are measured at amortised cost are translated using the exchange rates at the date of the transactions.

### 2.5 Investments in subsidiaries (the Company)

Investments in subsidiaries in the Company's separate financial statements are carried at cost, less impairment.

### 2.6 Intangible assets (other than goodwill)

Intangible assets acquired separately are stated initially at cost. The cost of intangible assets acquired in a business combination is its fair value at acquisition date. Intangible assets are recognised when it is probable that economic benefits will flow to the enterprise in relation to these assets in the future and the value of these assets can be measured reliably.

The useful lives of intangible assets are assessed to be either finite or indefinite.

After initial recognition, intangible assets with finite lives are carried at cost, less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised using the straight-line method over the estimated useful lives:

Licences, patents, etc.	2–8 years
Software	2–8 years
Other intangible assets	2–10 years

All amounts are in EUR thousands unless otherwise stated

## 2. Summary of material accounting policy information (continued)

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The useful lives, residual values and amortisation method are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from intangible assets other than goodwill.

The Group and the Company do not have any intangible assets (excluding goodwill) with indefinite useful life. Accounting principles for goodwill are presented in section 2.3.

The Group and the Company have no capitalised internally created intangible assets.

### 2.7 Property, plant, and equipment

Property, plant and equipment is stated at cost (or deemed cost – see below) less accumulated depreciation and impairment losses.

Before 31 December 2010, buildings were accounted for as follows:

- The Company's buildings, acquired before 1 January 1996, were stated at the indexed value less indexed accumulated depreciation and estimated impairment losses.
- The Company's buildings, acquired after 1 January 1996, were stated at acquisition cost less accumulated depreciation and estimated impairment losses.

On 31 December 2010, according to the exception available under IFRS 1, a part of the buildings acquired before 1 January 1996 were measured at fair value which was determined at that date by the independent property valuers, and these values were used as deemed cost from that date.

After 31 December 2010, property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

The initial value of property, plant and equipment comprises the acquisition cost including not refundable acquisition taxes and all directly attributable costs associated with the preparation for use or transportation to the place of use of assets concerned. Repair and maintenance costs incurred after property, plant and equipment has been made available for intended use are normally charged to the statement of comprehensive income in the period when such costs are incurred. Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Buildings and structures of reinforced concrete	40-80 years
Lightweight buildings and structures	8-25 years
Machinery and equipment	5-33 years
Motor vehicles	4-7 years
Other fixtures and equipment	2-13 years

The useful lives, residual values and the depreciation method are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from property, plant and equipment. In the reporting and previous financial years, the useful life of the items of property, plant and equipment was reviewed and adjusted accordingly.

Property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year in which the asset is derecognised.

Construction in progress is stated at cost which comprises the value of building, constructions and facilities and other directly attributable costs. Construction in progress is not depreciated until the completion of construction and until the assets are ready for use.

Prepayments for non-current assets are classified as property, plant and equipment.

### 2.8 Investment property

Investment property, including part of buildings and structures, is held for earning rentals and/or for capital appreciation rather than for use in the production, provision of services, or for administration purposes or sale.

Investment property is stated at historical cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated on a straight-line basis over the following estimated useful lives: buildings – 62-91 years, structures (infrastructure objects) – 9-12 years.

Transfers to and from investment property are made only when there is an evidence of change in an asset's use. When the asset is transferred from investment property to owner-occupied property, plant and equipment, the cost of that asset is deemed to be the carrying amount of investment property at the date of transfer. If property, plant and

All amounts are in EUR thousands unless otherwise stated

## 2. Summary of material accounting policy information (continued)

equipment are transferred to investment property, the Company and the Group account for such assets in accordance with the accounting principles applicable to property, plant and equipment until the date of transfer. The deemed cost of the transferred investment property is considered to be the carrying amount of that asset at the date of transfer.

### 2.9 Impairment of non-financial assets

Non-financial assets, except for goodwill, inventories and deferred income tax, are assessed for impairment when events or circumstances indicate that the value of assets may not be recoverable. If such circumstances exist, the asset's recoverable amount is estimated. Where the carrying amount of an asset exceeds its recoverable amount, impairment loss is accounted for in the statement of comprehensive income. A reversal of an impairment loss recognised in prior periods is recorded when there is an indication that the impairment loss recognised for the asset no longer exists or has materially decreased. Reversal is accounted for in the statement of comprehensive income under the same item as impairment loss. Impairment of goodwill is recorded in the statement of comprehensive income.

The recoverable amount of other assets is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and impairment is recognised for a part of its value in excess of the recoverable amount.

### 2.10 Emission allowances

Based on Directive 2003/87/EC of the European Union, the greenhouse gas emissions trading (EU ETS) scheme was developed which came into force on 1 January 2005. The first operating phase of this system covered the period of 3 years which started in 2005 and ended in 2007; the second phase covered the period of 5 years which started in 2008 and ended in 2012, thus coinciding with the period detailed in the Kyoto Agreement. The third phase covered the period of 8 years which started in 2013 and ended in 2020. The fourth phase started on 1 January 2021 and it will end in 2030. The system works on the 'cap and trade' principle. The governments of the EU Member States are required to set caps for each emission unit in the scheme and for the period of implementation.

This cap is established in the National Allocation Plan (NAP), which is issued by the relevant authority in each Member State. The NAP determines the amount of yearly emissions (measured in tonnes of carbon dioxide equivalent) for each emission unit and for each operating phase and allocates allowances on an annual basis.

A Member State has an obligation to allocate emission allowances by 28 February of each year in accordance with the NAP (a part of emission allowances is set aside for new units).

A Member State is to assure that an operator of each emission unit submits data on actual amount of gas emitted to the environment by the unit during the current calendar year not later than by 30 April of the next year.

The Group and the Company apply the net liability approach in accounting for the emission allowances received. Under this method emission allowances are recorded at a nominal (nil) value. When actual emissions exceed allocated emission allowances, the obligation of purchasing additional allowances is recognised as a provision measured at the market value of the allowances as at the reporting date. The Group and the Company assess the shortage of emission allowances by comparing the annual quantity of emission allowances obtained with the actual annual emissions.

Disposals of emission allowances are recorded at the fair value of the disposal transaction. Any differences between the actual selling price and the carrying amount of emission allowances obtained are recognised as profit or loss, irrespective of whether such transaction results in the actual or possible shortage of emission allowances. Income from emission allowances is presented in the statement of cash flows as cash flows from operating activities. If the disposal of emission allowances results in an actual shortage of emission allowances, an additional provision is recognised in the statement of financial position.

### 2.11 Borrowing costs

Borrowing costs comprise interest and other expenses (currency exchange differences) that the Company and the Group incur when borrowing funds. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognised as expenses as incurred.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All amounts are in EUR thousands unless otherwise stated

## 2. Summary of material accounting policy information (continued)

### 2.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Recognition and initial measurement

The Group and the Company recognise a financial asset or a financial liability in their statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value which is equal to the fair value of consideration paid plus transaction costs for all financial assets not carried at fair value in the statement of comprehensive income.

#### Classification and subsequent measurement

The Group and the Company classify financial assets into the following categories:

- measured at amortised cost;
- measured at fair value through other comprehensive income;
- measured at fair value through profit or loss;
- hedging financial instruments.

The Group and the Company classify financial assets into the appropriate category depending on the business model for managing financial assets and on the characteristics of contractual cash flows for a respective financial asset.

The Group and the Company classify trade receivables, loans granted, other accounts receivable of financial assets and cash and cash equivalents as assets measured at amortised cost.

At the initial recognition the Group and the Company attribute equity instruments, i.e. shares of other entities, to financial instruments measured at fair value through other comprehensive income.

The Group and the Company attribute financial derivatives not used for hedge accounting and hedging instruments measured in accordance with the hedge accounting principles to assets measured at fair value in the statement of comprehensive income.

The Group and the Company classify financial liabilities into the following categories:

- measured at amortised cost;
- measured at fair value through profit or loss;
- hedging financial instruments.

The Group and the Company attribute trade liabilities, other accounts payable and borrowings to financial liabilities measured at amortised cost.

Liabilities of derivative financial instruments not designated for hedge accounting are measured by the Group and the Company at fair value in the statement of comprehensive income.

#### Measurement of financial assets at amortised cost

The Group and the Company apply the effective interest rate method to measure financial assets at amortised cost.

After initial recognition trade receivables are measured at amortised cost using the effective interest rate method, including impairment losses, while trade receivables with maturities less than 12 months from the date of recognition (i.e., not containing a financing element) and not classified as factoring, are not discounted and are measured at a nominal value.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expenses over the relevant period. The effective interest rate exactly discounts future cash payments over the expected life of the financial liability, or (where appropriate) a shorter period.

#### Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

All amounts are in EUR thousands unless otherwise stated

## 2. Summary of material accounting policy information (continued)

### Impairment of financial assets

IFRS 9 contains a new model for calculation of impairment of financial assets measured at amortised cost or at fair value through other comprehensive income (except for investments in equity instruments and contract assets). The impairment model is based on calculated expected losses.

In determining impairment losses, the Group and the Company apply the following models:

- general model (basic);
- simplified model.

The Group and the Company apply the general model for financial assets measured at amortised cost, except for trade receivables and assets measured at fair value through other comprehensive income.

By applying the general model, the Group and the Company monitor changes in the level of credit risk associated with a respective financial asset and classify financial assets to one of three stages for determining impairment losses based on changes in the credit risk level after the initial recognition of the instrument.

Depending on the categorisation to individual stages, impairment is measured at an amount equal to a 12-month period (stage 1) or the lifetime of the instrument (stage 2 and stage 3).

On each end day of the reporting period, the Group and the Company analyse indications, based on which financial assets are categorised to individual stages for measuring impairment losses. Indications may include changes in the debtor's creditworthiness, serious financial problems of the debtor, significant adverse changes in the debtor's economic, legal or market environment.

For the purpose of estimating expected credit losses, the Group and the Company apply default probability levels implicit in market quotes of credit derivatives, for entities with a granted credit rating and from a respective sector.

The Group and the Company include forward looking information in the parameters of the expected credit loss estimation model by calculating the probability of insolvency parameters based on current market quotes.

The simplified model is applied by the Group and the Company for trade receivables.

By applying the simplified model, the Group and the Company do not monitor changes in the credit risk level during the lifetime of the instrument and estimate expected credit losses for the period until the end of the use of the instrument.

For the purpose of estimating expected credit losses, the Group and the Company use the provision matrix calculated referring to historical levels of repayment and recovery of amounts receivable from clients.

The Group and the Company include information about the future periods in the parameters used in the expected loss estimation model by adjusting the key insolvency probability parameters.

For the purpose of calculating expected credit losses, the Group and the Company determine default probability parameters for liabilities of accounts receivable that are calculated based on historical analysis of the number of unpaid invoices, and default probability parameters that are calculated based on historical analysis of the value of unpaid invoices.

Expected credit losses are calculated when the amount receivable is recognised in the statement of financial position and is updated on each subsequent end day of the reporting period depending on the number of overdue days of the amount receivable.

### Impairment losses (reversal of impairment losses) on financial instruments

Impairment losses (reversal of impairment losses) on financial instruments include, in particular, losses (reversal of losses) due to impairment of trade receivables and losses (reversal of losses) due to impairment of loans granted.

#### 2.13 Inventories

Inventories are recognised at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion, marketing and distribution. The cost of inventories is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress includes the applicable allocation of fixed and variable overhead costs (cost of raw materials, electricity, heat (steam) energy production, depreciation, salaries and other costs) based on a normal operating capacity.

#### 2.14 Leases – where the Group is a lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. The contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group follows IFRS 16 Leases.

All amounts are in EUR thousands unless otherwise stated

## 2. Summary of material accounting policy information (continued)

At the commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

The lease contract, when the right to control the use of an identified asset for a period of time is acquired in exchange for consideration, is recognised by the lessee as right-of-use assets and is measured at a discounted cost at the commencement date.

The Group and the Company recognise right-of-use assets and lease liabilities at the lease inception date, i.e. the date when the Group or the Company can start to use the leased assets. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, less any lease incentives received.

The right-of-use asset is subsequently measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date until the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. In 2025 (as well as in 2024), the Group applied a discount rate of 4.0% to land and buildings (new leases for buildings – 6.0%) used under the lease rights and the discount rate of 4.0% was applied to machinery and equipment. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of a lease liability include:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or rate initially measured using an index or a rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease liabilities are subsequently measured at amortised cost using the effective interest rate method. The lease term is a non-cancellable term; the periods covered by an option to extend or terminate the lease (if any) are included in the lease term only if it is reasonably certain that the lease will be extended or terminated.

The lease liability is subsequently increased by the amount of interest on the lease liability and reduced by the amount of lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee (there were no guaranteed residual values as at 31 December 2025 and 31 December 2024), if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment (no extension options under the lease contracts were accounted for as at 31 December 2025 and 31 December 2024 due to uncertainty). When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

The cost of right-of-use assets comprises: the amount of the initial measurement of the lease liability; additional lease payments or concessions made before the commencement date of the contract; direct contract costs; additional costs associated with the asset's preparation for use. As at 31 December 2025 and 31 December 2024, the Group did not recognise any lease incentives, initial direct expenses, renewal expenses or other expenses in respect of the leased assets.

All amounts are in EUR thousands unless otherwise stated

## 2. Summary of material accounting policy information (continued)

The depreciation period of right-of-use assets is normally the shorter of the useful life of the assets or the lease term. Depreciation is calculated using the straight-line method. As at 31 December 2025 and 31 December 2024, the straight-line method was applied to the Company's leased right-of-use assets.

Interest expenses of lease liabilities and depreciation of right-of-use assets are accounted for separately in the statement of comprehensive income. Right-of-use assets and lease liabilities are disclosed separately in the statement of financial position.

Payments related to short-term lease of equipment and lease of all low-value assets are recognised as expenses in the statement of comprehensive income using the straight-line method.

### 2.15 Leases – where the Group is a lessor

#### Classification

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, i.e., the lessor retains substantially all risks and rewards, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

#### Initial recognition

The underlying assets leased under the operating lease contracts are accounted for in the lessor's balance sheet.

#### Subleases

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. A lease is classified as a finance lease if it transfers substantially all of the risks and rewards incidental to right-of-use assets; otherwise it is classified as an operating lease. The Group's subleases are classified as an operating lease. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease. The Group had sublease contracts in 2025. The Group and the Company had no sublease contracts in 2024 and 2023.

#### Accounting for non-lease components

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract and to account for a non-lease component.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the net investment in the lease.

#### Rental income

The Group recognises lease payments received under the operating leases as income on a straight-line basis over the lease term when it is earned as part of 'other income'. All contracts for the lease of real estate contain a fixed, periodic lease payment.

### 2.16 Long-term employee benefits

Each employee of retirement age who terminates his/her employment with the Group or the Company upon retirement is entitled to receive a one-off payment equal to 2 monthly salaries as stipulated in the Lithuanian Labour Code.

The past service costs are recognised as an expense in the statement of comprehensive income immediately after the assessment of such liability. Gain or loss resulting from changes in employee benefits (decrease or increase) is recognised immediately in the statement of comprehensive income.

Employee benefit obligation is calculated with reference to actuarial valuations using the projected unit credit method. Liability is recognised in the statement of financial position and it reflects the present value of these benefits at the date of the preparation of the statement of financial position.

The present value of employee benefit obligation is determined by discounting the estimated future cash flows using the interest rates set for government bonds denominated in the same currency as the benefits and with a maturity

All amounts are in EUR thousands unless otherwise stated

## 2. Summary of material accounting policy information (continued)

similar to the expected timing of benefits settlement. Actuarial gains and losses are recognised in other comprehensive income

### 2.17 Rules on granting of shares

By the decision of 29 April 2022 of the Ordinary General Meeting of Shareholders of Grigeo AB, the rules on granting of shares of Grigeo AB were approved. The rules establish the conditions and the procedure for the granting of shares for no consideration to employees of the Company and its subsidiaries.

According to the list approved by the Board, the option recipients are granted the right to use the possibility to acquire the Company's shares for no consideration. Share options only vest if the employee fulfils the condition of working at the Group for the period of three years and a respective company of the Group generates profit and the employee achieves the targets set according to a variable remuneration system. If the recipient does not fulfil at least one condition established by the Option Agreement, the option does not vest, and the employee does not have the right to exercise that option.

The rights granted to the option recipient employed at the Company to acquire shares are forfeit, if the bankruptcy proceedings are initiated against the Company or a decision on its liquidation is adopted, or the option recipient ceases to be employed by the Company, unless the option recipient and the Company agree otherwise.

These share-based payments to employees are made only in equity securities (shares). No amounts of social security contributions or income tax are payable by the Company on the exercise of the option (or at any other time before the exercise date) and accrued in liabilities. The option recipient is responsible for all fees relating to the fulfilment of the conditions stipulated in the Option Agreement.

Shares are granted by issuing a new share issue through the increase of the authorised share capital of the Company. For this purpose, the reserve for the granting of shares has already been formed at the Company. Each option transaction will be implemented by converting it to the agreed number of ordinary shares of the Company.

Option expenses incurred under the share option programme are reported in the Company's statement of comprehensive income and are offset against the equity line item in the balance sheet, referring to the number of days between the vest date of the option and the exercise date of the option. Each year the Company reviews the valid agreements on vested options in order to reflect, as far as possible, the most accurate number of equity instruments expected to be transferred to employees. All expenses related to share options are calculated on the basis of the share price at the grant date, the number of shares, the period until the exercise date of the option, the turnover of respective job positions and the probability that the option recipient will fulfil the option conditions.

### 2.18 Financial guarantees contracts

Financial guarantees provided for the liabilities of the Group companies (i.e., companies controlled by the same parent) during the initial recognition are accounted for at fair value as equity contribution and as financial liability in the balance sheet.

Subsequent to initial recognition this financial liability is amortised and recognised as income depending on the related amortisation/settlement of the Group company's financial liability to the bank. If there is a possibility that the Group company may fail to fulfil its obligations to the bank, a financial liability of the Group company is accounted for at the higher of the amortised value and the value estimated according to IAS 9 *Financial instruments*.

### 2.19 Grants and subsidies

Grants and subsidies (hereinafter "grants") allocated for the purchase, construction or any other acquisition of non-current assets are defined as grants related to assets. Grants related to assets are recognised in the statement of comprehensive income in the proportions in which depreciation expense on those assets is recognised, and a relevant line item of expenses is reduced in the statement of comprehensive income.

Grants received as a compensation for expenses or unearned income of the current or previous reporting period, also, all the grants, which are not grants related to assets, are defined as grants related to income. Grants related to income are recognised as used in parts to the extent of expenses incurred during the reporting period or unearned income to be compensated by that grant.

### 2.20 Income tax and deferred income tax

The Group companies are taxed individually, irrespective of the overall results of the Group. Income tax charge is based on profit for the year and considers deferred taxation. Corporate income tax is included in these financial statements based on the management's calculations prepared in accordance with the respective tax legislation applied in the Republic of Lithuania and Ukraine.

All amounts are in EUR thousands unless otherwise stated

## 2. Summary of material accounting policy information (continued)

In 2025, a 16% income tax rate was established and applied to the Group companies operating in the Republic of Lithuania. In 2024, a 15% income tax rate was established and applied to the Group companies operating in the Republic of Lithuania. A standard income tax rate applied to the Ukrainian companies for the year 2024 was 18% (2023: 18%). A standard income tax rate applied to the Poland companies for the year 2025 and 2024 was 19%. A standard income tax rate applied to the Germany companies for the year 2025 was 20.50%

Tax losses can be carried forward for an indefinite period, except for losses incurred as a result of disposal of securities and/or derivative financial instruments and for the losses accumulated in the Ukrainian company (losses can be carried forward for 4 years according to the Ukrainian regulatory legislation). Such carrying forward is disrupted if the Company changes its activities due to which these losses were incurred except when the Company does not continue its activities due to reasons which do not depend on the Company itself. The losses from disposal of securities and/or derivative financial instruments can be carried forward for 5 consecutive years and can only be used to reduce the taxable income earned from the transactions of the same nature.

With effect from 2014, according to the Lithuanian regulatory legislation deductible tax losses available for carry forward can be used to reduce taxable income of the current tax year by maximum 70%.

Deferred taxes are calculated using the balance sheet liability method. Deferred tax represents a net tax effect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts reported in the financial statements. Deferred tax assets and liabilities are measured using a tax rate that is expected to be used when deferred tax assets are utilised or deferred tax liability is settled taking account of tax rates adopted or actually effective at the date of the statement of financial position.

Deferred tax assets are recognised in the statement of financial position to the extent that the management expects to utilise such assets in the near future taking into consideration forecasts of taxable profit. When it is probable that a portion of deferred tax will not be utilised, this portion of deferred tax is not recognised in the financial statements.

### 2.21 Revenue recognition

The Group's and the Company's revenue is recognised in accordance with the provisions of IFRS 15, i.e. the Group and the Company recognise revenue at the time and to such an extent so that the transfer of goods or services to customers would show the amount which reflects to the consideration that the Company expects to receive in exchange for the goods or services. When applying this standard, the Company takes into consideration the terms of the contract and all significant facts and circumstances. Revenue is recognised in the Company using the five-step model.

#### Identification requirements for contracts with customers

A contract with a customer meets the definition if all of the following criteria are met: the contract has been approved by the parties to the contract and they committed to perform their obligations; the Group and the Company can identify each party's rights in relation to the goods and services to be transferred; the Group and the Company can identify the payment terms for the goods and services to be transferred; the contract has commercial substance and it is probable that the Group and the Company will collect the consideration to which they will be entitled to in exchange for the goods or services that will be transferred to the customer. Contracts with customers can be combined or separated into several contracts by maintaining the criteria of the previous contracts. Such combination or separation is treated as a contract modification.

#### Identification of performance obligations

At the inception of the contract, the Group and the Company assess the goods and services promised in the contract with the client and identify as an obligation to perform any promise to transfer to the client: a good or service (or bundle of goods or services)

that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

#### Determination of the transaction price

In order to determine the transaction price, the Group and the Company take into account the terms of the contract and the customary business practices. The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for the transfer of promised goods and services to the customer, except for the amounts collected on behalf of third parties. The consideration specified in the contract with the customer may include fixed amounts, variable amounts or both.

When calculating variable amounts, the Group and the Company decided to apply the most probable value method for contracts with one threshold or the expected value method for contracts with more value thresholds from which the customer receives a discount.

All amounts are in EUR thousands unless otherwise stated

## 2. Summary of material accounting policy information (continued)

### Allocation of the transaction price for each performance obligation

The Group and the Company allocate the transaction price to each performance obligation at an amount that reflects the amount of consideration to which the Group and the Company expect to be entitled in exchange for the transfer of the promised goods or services to the customer.

### Revenue recognition when performance obligations are satisfied

The Group and the Company recognise revenue when the Group and the Company satisfy a performance obligation by transferring to the customer a promised good or service (i.e., the customer obtains control of the asset). Revenue is recognised as amounts equal to the transaction price that was allocated to a given performance obligation.

The Group and the Company transfer the right to control goods or services over time and thus satisfy the performance obligation and recognise revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group and the Company as they perform;
- the Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

the Group's and the Company's performance does not create an asset with an alternative use to the Group and the Company and the Group and the Company have an enforceable right to payment for performance completed to date.

Type of goods sold and services rendered	Nature and timing of the fulfilment of performance obligations and payment terms	Revenue recognition under IFRS 15
Paper and paper products	The customer takes over the control of goods when goods are delivered. Invoices for goods are issued at the time when goods are delivered to the customer or when goods are removed from the warehouse. Invoices are usually paid within 30-45 calendar days.  Turnover discounts are applied to goods sold which are calculated the end of each month, quarter and year for the previous period.	Revenue is recognised when goods are delivered to the customer or when goods are removed from the warehouse.
Wood hardboards		Related expenses are recognised in the statement of comprehensive income when incurred.
Raw materials for corrugated cardboard (test liner and fluting), corrugated cardboard and its products		Marketing expenses that are directly related to earning of revenue are accounted for in the statement of comprehensive income as a reduction of revenue.
Other goods		Possible loss for the contract is recognised immediately in the statement of comprehensive income.
Sales of heat energy and other utility services	Invoices for the serviced rendered during the month are issued on the last day of the month. A standard established payment term is 10-30 calendar days.	Revenue is recognised over a period of time when the services are rendered.

### 2.22 Recognition of expenses

Expenses are recognised on an accrual basis and following the matching principle during the reporting period in which revenue associated with such expenses is earned, regardless of the timing of the cash payments. Expenses incurred during the reporting period, which cannot be attributed directly to specific revenue earned and will not generate any revenue in subsequent reporting periods, are recognised as expenses in the period in which they were incurred.

Expenses are usually measured at the amount paid or payable, net of VAT. When a long term of settlement is established and no interest is charged, expenses are determined by discounting the amount of settlement at the market interest rate.

### 2.23 Fair value measurement

Certain accounting policies and disclosures of the Group and the Company require the fair value measurement for financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group and the Company have access at that date. The fair value of a liability reflects its non-performance risk.

All amounts are in EUR thousands unless otherwise stated

## 2. Summary of material accounting policy information (continued)

In determining the fair value of assets or liabilities the Group and the Company use as much as possible inputs that are observable in the market. A fair value hierarchy categorises into three levels the inputs to valuation methods used to measure fair value:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2);
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The inputs used to measure the fair value of an asset or a liability might be categorised within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group and the Company recognise the amounts transferred within the fair value hierarchy levels at the end of the reporting period in which the change occurred.

When applicable, further information on assumptions used in determining fair values is disclosed in the note related to specific assets or liabilities:

Note 8 – Investment property

Note 3 – Financial risk management – Interest rate risk

### 2.24 Contingencies

Contingent liabilities are not recognised in the financial statements, except for contingent liabilities related to business combinations. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in the financial statements but disclosed when an inflow of income or economic benefits is probable.

### 2.25 Events after the end of the reporting period

Events after the reporting period that provide additional information about the Group's/Company's position at the date of the statement of financial position (adjusting events) are reflected in the financial statements. Events after the reporting period other than adjusting events are disclosed in explanatory notes to the financial statements when such events are significant.

### 2.26 Comparative figures

New accounting estimates do not affect reliability of information disclosed in the financial statements, therefore they are corrected in the accounting records and presented in the financial statements prospectively.

### 2.27 Inter-company offsetting

For the purpose of preparing the financial statements, assets and liabilities, income and expenses are not offset, unless such offsetting is required by a specific standard.

All amounts are in EUR thousands unless otherwise stated

### 3. Financial risk management

The Group and the Company are exposed to financial risks in their operations, i.e., credit risk, liquidity risk and market risk (foreign exchange risk, interest rate risk). In managing these risks, the Group and the Company seek to mitigate the effect of factors which could make a negative effect on the financial performance of the Group and the Company.

#### Credit risk

The largest exposure to credit risk is represented by the carrying amount of each financial asset. Consequently, the Company's management considers that its maximum exposure is reflected by the amount of current and non-current trade and other receivables, net of recognised impairment losses and cash and cash equivalents at the date of the statement of financial position. Credit risk or the risk of counterparties defaulting, is controlled by the application of credit terms and monitoring procedures using services of external credit insurance and debt recovery agencies. The Company's objective is to maximise the number of insured clients and with regard to the clients who are not insured by a credit insurance company the advance payment basis is usually applied.

#### **Maximum exposure to credit risk**

The table below summarises all credit risk exposures relating to on-balance sheet items of the Group and the Company.

	Group		Company	
	At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
Trade receivables	24,442	27,556	113	141
Trade receivables from related parties	-	-	493	345
Loans granted to related parties	-	-	8,429	2,105
Other amounts receivable	1,133	1,702	14	85
Other financial assets at amortised cost	300	-	-	-
Cash and cash equivalents	10,271	14,018	3,609	10,885
<b>Total</b>	<b>36,146</b>	<b>43,276</b>	<b>12,658</b>	<b>13,561</b>

#### **Trade receivables**

As at 31 December 2025 and 2024, the Company and the Group carried out the assessment of a loss allowance for expected credit losses according to IFRS 9. For trade receivables, the Company and the Group apply a simplified approach to measure the amount of lifetime expected credit losses. The amount of the allowance for expected losses for trade receivables is calculated on the basis of the profile of payments for sales in 2022-2025. Historical loss rates are adjusted with reference to the present and forward-looking information on the macroeconomic factors affecting the customers' ability to settle the amounts due. The Company has established that Lithuania's GDP growth rate is the major factor and adjusts historical loss rates accordingly referring to expected changes in these factors.

Based on the impairment tests performed with respect to trade receivables, an individually assessed loss allowance of EUR 547 thousand was recognized for the Group in 2025 (EUR 4 thousand in 2024). Movements in the loss allowance for amounts receivable were as follows:

	Group				Company			
	Individually assessed impairment	Individually assessed impairment	Collectively assessed impairment	Collectively assessed impairment	Individually assessed impairment	Individually assessed impairment	Collectively assessed impairment	Collectively assessed impairment
	2025	2024	2025	2024	2025	2024	2025	2024
<b>At 1 January</b>	<b>39</b>	<b>37</b>	-	-	<b>2</b>	<b>4</b>	-	-
Business acquisition	175	-	-	-	-	-	-	-
Increase in allowance	547	4	-	-	-	-	-	-
Receivables written off	-	(2)	-	-	-	(2)	-	-
<b>At 31 December</b>	<b>761</b>	<b>39</b>	-	-	<b>2</b>	<b>2</b>	-	-

Change in the loss allowance for trade receivables in 2025 and 2024 is included in administrative expenses.

All amounts are in EUR thousands unless otherwise stated

### 3. Financial risk management (continued)

Expected credit losses:

Group	Not past due	Trade receivables past due					Total
		< 30 days	30–60 days	60–90 days	90–360 days	> 360 days	
<b>Trade receivables – net (2025)</b>	<b>22,384</b>	<b>1,563</b>	<b>369</b>	<b>50</b>	<b>76</b>	-	<b>24,442</b>
Trade receivables – gross	22,384	2,058	392	50	107	212	<b>25,203</b>
Recognised loss allowance	-	(495)	(23)	-	(31)	(212)	(761)
Expected loss coefficient	-	24%	6%	-	29%	100%	3%
<b>Trade receivables – net (2024)</b>	<b>25,333</b>	<b>1,533</b>	<b>614</b>	<b>58</b>	<b>18</b>	-	<b>27,556</b>
Trade receivables – gross	25,333	1,533	614	58	20	37	<b>27,595</b>
Recognised loss allowance	-	-	-	-	(2)	(37)	(39)
Expected loss coefficient	-	-	-	-	10%	100%	-

Company	Not past due	Trade receivables past due					Total
		< 30 days	30–60 days	60–90 days	90–360 days	> 360 days	
<b>Trade receivables – net (2025)</b>	<b>37</b>	<b>76</b>	-	-	-	-	<b>113</b>
Trade receivables – gross	37	76	-	-	2	-	115
Recognised loss allowance	-	-	-	-	(2)	-	(2)
Expected loss coefficient	-	-	-	-	100%	-	-
<b>Trade receivables – net (2024)</b>	<b>68</b>	<b>59</b>	<b>14</b>	-	-	-	<b>141</b>
Trade receivables – gross	68	59	14	-	2	-	143
Recognised loss allowance	-	-	-	-	(2)	-	(2)
Expected loss coefficient	-	-	-	-	100%	-	-

The concentration of trade partners of the Group and the Company is not high. As at 31 December 2025, the Group's trade receivables from two major customers accounted for respectively 9.03% and 4.67% of the total trade receivables (31 December 2024: 8.47% and 5.33%, respectively). As at 31 December 2025, the Company's amounts receivable from two major customers accounted for respectively 32,74% and 20,35% of the total trade receivables (31 December 2024: 29.07% and 12.77%, respectively).

#### Amounts receivable from related parties and other amounts receivable

The Group's and the Company's other amounts receivable are not analysed due to their immateriality. The risk of recovery of the Company's amounts receivable from the related parties is not significant because the operations of the subsidiaries are profitable and amounts receivable from the related parties are not material.

#### Cash, cash equivalents and other short-term financial instruments

The maximum exposure to credit risk of the Group's and the Company's cash, cash equivalents and other current financial assets measured at amortised cost is equal to the fair value of the corresponding financial assets at the date of the preparation of the statements of financial position. The Group's and the Company's management considers that the risk arising from financial instruments held in bank accounts is not significant as all these instruments are held only in those commercial banks that have high credit ratings.

All amounts are in EUR thousands unless otherwise stated

### 3. Financial risk management (continued)

The credit quality of cash and other short-term financial instruments held in bank accounts is evaluated based on the long-term borrowing ratings assigned by *Standard & Poor's* (or an equivalent rating assigned by *Moody's*):

	Group		Company	
	At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
AA-	48	188	-	-
A+	5,154	10,962	3,609	10,885
A-	4,475	790	-	-
Baa1	268	1,965	-	-
Other	327	113	-	-
<b>Total</b>	<b>10,271</b>	<b>14,018</b>	<b>3,609</b>	<b>10,885</b>

#### Liquidity risk

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2025 and 2024 based on contractual undiscounted payments.

Group	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total	Carrying amount
Borrowings	2,837	1,167	9,355	-	13,359	12,448
Lease liabilities	411	1,091	3,293	7,151	11,946	7,143
Trade payables	27,550	-	-	-	27,550	27,550
Other amounts payable	3,665	-	1,165	-	4,830	4,830
<b>At 31 December 2025</b>	<b>34,463</b>	<b>2,258</b>	<b>13,813</b>	<b>7,151</b>	<b>57,685</b>	<b>51,971</b>
Borrowings	530	1,362	688	-	2,580	2,497
Lease liabilities	201	599	2,536	6,683	10,019	5,373
Trade payables	25,462	-	-	-	25,462	25,462
Other amounts payable	2,499	-	2,034	-	4,533	4,533
<b>At 31 December 2024</b>	<b>28,692</b>	<b>1,961</b>	<b>5,258</b>	<b>6,683</b>	<b>42,594</b>	<b>37,865</b>

The table below summarises the maturity profile of the Company's financial liabilities as at 31 December 2025 and 2024 based on contractual undiscounted payments.

Company	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total	Carrying amount
Borrowings	-	-	-	-	-	-
Lease liabilities	6	18	98	1,582	1,704	573
Amounts payable to related parties	12,822	-	-	-	12,822	12,822
Trade payables	242	-	-	-	242	242
Other amounts payable	940	-	-	-	940	940
<b>At 31 December 2025</b>	<b>14,010</b>	<b>18</b>	<b>98</b>	<b>1,582</b>	<b>15,708</b>	<b>14,577</b>
Borrowings	-	-	-	-	-	-
Lease liabilities	6	18	98	1,582	1,704	575
Amounts payable to related parties	12,822	-	-	-	12,822	12,822
Trade payables	242	-	-	-	242	242
Other amounts payable	940	-	-	-	940	940
<b>At 31 December 2024</b>	<b>14,010</b>	<b>18</b>	<b>98</b>	<b>1,582</b>	<b>15,708</b>	<b>14,579</b>

Interest payments on borrowings bearing variable interest rates in the table above indicate average market interest rates at the period end, and these amounts may change as market interest rates change. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

As disclosed in Note 13, the Group and the Company have secured bank borrowings that are subject to loan covenants. In case of breach of covenants, the Group may be required to repay the borrowing earlier than it is indicated in the above table. The finance team regularly monitors compliance with the loan covenants. To ensure the fulfilment of contractual obligations, reports on compliance with the loan covenants are regularly provided to management.

All amounts are in EUR thousands unless otherwise stated

### 3. Financial risk management (continued)

The net debt comprises cash and cash equivalents, loans, and lease liabilities. The analysis of changes in cash is presented in Note 11, the analysis of changes in loans in Note 13, and the analysis of lease liabilities is presented in Note 14.

#### Market risk

##### *Interest rate risk*

A major part of the Group's and the Company's borrowings comprises borrowings and lease liabilities that bear a variable interest rate linked with EURIBOR and expose them to the interest rate risk (Note 13).

The following table demonstrates the sensitivity of the Group's and the Company's profit before tax to possible changes in interest rates with all other variables held constant (through the impact of borrowings with variable interest rate):

	Increase/decrease in basis points	Group Effect on profit before tax	Company Effect on profit before tax
<b>2025</b>			
EUR	+100	(124)	-
EUR	-100	124	-
<b>2024</b>			
EUR	+100	(25)	-
EUR	-100	25	-

##### *Foreign exchange risk*

The Company's financial assets and liabilities as at 31 December 2024 and 2025 are denominated in the euros. The Group's financial assets and liabilities as at 31 December 2024 and 2025 are denominated in the euros, in the Polish zloty (PLN) and the Ukrainian hryvnias (UAH). The table below shows the sensitivity of the Group's profit before tax to possible changes in the exchange rate of the Ukrainian hryvnia and Polish zloty:

	2025	2024
Reasonably possible change in the EUR/UAH exchange rate, %	+/-20%	+/-20%
Financial assets denominated in the Ukrainian hryvnias	1,419	470
Financial liabilities denominated in the Ukrainian hryvnias	261	201
Estimated negative effect on profit before tax	(196)	(45)
Estimated positive effect on profit before tax	294	67
Reasonably possible change in the EUR/PLN exchange rate, %	+/-20%	+/-20%
Financial assets denominated in the Polish zloty	2,895	4,022
Financial liabilities denominated in the Polish zloty	2,225	2,121
Estimated negative effect on profit before tax	(111)	(317)
Estimated positive effect on profit before tax	167	475

##### **Fair value of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group and the Company have access at that date. The fair value of a liability reflects its non-performance risk.

The carrying amount of the Group's and the Company's trade and other receivables, cash and cash equivalents, borrowings, lease liabilities, trade and other payables approximates their fair value. The fair value of financial instruments is measured at the Group and the Company using the following hierarchy levels:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities. The Group's and the Company's financial assets attributed to this level comprise cash and cash equivalents.

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Group's and the Company's assets and liabilities attributed to this level comprise:

- Trade and other amounts receivable, trade and other amounts payable. The average payment term of these financial instruments is less than 3 months (7-90 days for trade receivables, 10-120 days for trade payables), therefore their fair value approximates the carrying amount.

All amounts are in EUR thousands unless otherwise stated

### 3. Financial risk management (continued)

Borrowings and lease liabilities. The fair value of these financial instruments approximates the carrying amount as they are stated at the amortised cost and interest rates applicable to them are similar to the market interest rates at the statement of financial position preparation date.

#### Capital risk management

The main objective of the Group's and the Company's capital management is to ensure that the Group and the Company comply with externally imposed capital requirements and that the Group and the Company maintain healthy capital ratios in order to support their business and to maximise shareholders' value (capital in the meaning of IAS 1 corresponds to equity presented in the financial statements and attributable to the Company's owners).

The Group and the Company manage the capital structure and make adjustments to it in the light of changes in economic conditions and the operating risks. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares. No changes were made concerning risk management objectives, policies or processes during the year ended 31 December 2025.

Pursuant to the Lithuanian Law on Companies, the Group's and the Company's equity must be not less than 50% of their authorised share capital. As at 31 December 2025 and 2024, the Company complied with this requirement.

The Group and the Company use the debt-to-equity ratio to evaluate their capital. Capital includes ordinary shares, reserves, retained earnings attributable to the equity holders of the parent. It is aimed that the debt-to-equity ratio should not be higher than 50%-60%. As at 31 December 2025 and 2024, neither the Group nor the Company exceeded the maximum debt-to-equity ratio.

	Group		Company	
	At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
Non-current liabilities (excluding subsidies, grants and deferred income tax liability)	16,333	8,064	596	602
Current liabilities	42,004	36,501	14,588	14,722
<b>Total liabilities</b>	<b>58,337</b>	<b>44,565</b>	<b>15,184</b>	<b>15,324</b>
<b>Equity attributable to shareholders of the Company</b>	<b>137,287</b>	<b>128,373</b>	<b>87,619</b>	<b>83,730</b>
<b>Debt-to-equity ratio</b>	<b>42%</b>	<b>35%</b>	<b>17%</b>	<b>18%</b>

### 4. Significant accounting estimates and assumptions

Set out below are the areas significant to the Group's and the Company's financial statements that involve complex judgements, assumptions and accounting estimates.

#### **Useful lives of property, plant and equipment**

The estimation of the useful lives of items of property, plant and equipment is 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 takes into account 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 (Note 7). Following the acquisition of Huchtemeier Papier GmbH in October 2025, goodwill of EUR 5,055 thousand was recognized and will be tested for impairment in subsequent reporting periods (Note 7).

#### **Litigations**

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 (Note 33).

All amounts are in EUR thousands unless otherwise stated

## 5. Property, plant and equipment

Group	Buildings and structures	Machinery and equipment	Motor vehicles	Other assets	Construction work in progress and prepayments	Total
<b>At 1 January 2024</b>						
<b>Cost</b>	<b>49,245</b>	<b>131,451</b>	<b>2,510</b>	<b>3,055</b>	<b>5,351</b>	<b>191,612</b>
<b>Accumulated depreciation</b>	<b>(25,421)</b>	<b>(94,090)</b>	<b>(1,689)</b>	<b>(1,816)</b>	<b>-</b>	<b>(123,016)</b>
<b>Net book amount</b>	<b>23,824</b>	<b>37,361</b>	<b>821</b>	<b>1,239</b>	<b>5,351</b>	<b>68,596</b>
<b>Opening net book amount at 1 January 2024</b>	<b>23,824</b>	<b>37,361</b>	<b>821</b>	<b>1,239</b>	<b>5,351</b>	<b>68,596</b>
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 between groups	-	5,102	-	(5,102)	-	-
Reclassification to intangible assets	-	-	-	-	(69)	(69)
Foreign exchange effect	25	-	-	60	1	86
Depreciation charge	(1,799)	(6,439)	(340)	(1,411)	-	(9,989)
<b>Closing net book amount at 31 December 2024</b>	<b>27,207</b>	<b>50,807</b>	<b>1,612</b>	<b>1,162</b>	<b>16,646</b>	<b>97,434</b>
<b>At 31 December 2024</b>						
<b>Cost</b>	<b>54,181</b>	<b>152,192</b>	<b>3,195</b>	<b>3,351</b>	<b>16,646</b>	<b>229,565</b>
<b>Accumulated depreciation</b>	<b>(26,974)</b>	<b>(101,385)</b>	<b>(1,583)</b>	<b>(2,189)</b>	<b>-</b>	<b>(132,131)</b>
<b>Net book amount</b>	<b>27,207</b>	<b>50,807</b>	<b>1,612</b>	<b>1,162</b>	<b>16,646</b>	<b>97,434</b>
<b>Opening net book amount at 1 January 2025</b>	<b>27,207</b>	<b>50,807</b>	<b>1,612</b>	<b>1,162</b>	<b>16,646</b>	<b>97,434</b>
Additions	48	625	420	137	25,960	27,190
Business acquisition	-	77	54	64	-	195
Disposals and write-offs	-	(84)	(51)	(1)	-	(136)
Reclassification to intangible assets	-	-	-	-	(90)	(90)
Transfer from construction work in progress to property, plant and equipment	8,099	6,618	111	58	(14,886)	-
Transfer from/to inventory	(4)	-	-	-	-	(4)
Foreign exchange effect	9	20	(5)	(2)	3	25
Depreciation charge	(1,960)	(8,128)	(417)	(425)	-	(10,930)
<b>Closing net book amount at 31 December 2025</b>	<b>33,399</b>	<b>49,935</b>	<b>1,724</b>	<b>993</b>	<b>27,633</b>	<b>113,684</b>
<b>At 31 December 2025</b>						
<b>Cost</b>	<b>62,277</b>	<b>159,373</b>	<b>3,337</b>	<b>3,452</b>	<b>27,633</b>	<b>256,072</b>
<b>Accumulated depreciation</b>	<b>(28,878)</b>	<b>(109,438)</b>	<b>(1,613)</b>	<b>(2,459)</b>	<b>-</b>	<b>(142,388)</b>
<b>Net book amount</b>	<b>33,399</b>	<b>49,935</b>	<b>1,724</b>	<b>993</b>	<b>27,633</b>	<b>113,684</b>

Prepayments amounted EUR 9,513 thousand as at 31 December 2025 (31 December 2024: EUR 1,647 thousand).

All amounts are in EUR thousands unless otherwise stated

## 5. Property, plant and equipment (continued)

Company	Buildings and structures	Machinery and equipment	Motor vehicles	Other assets	Construction work in progress and prepayments	Total
<b>At 1 January 2024</b>						
<b>Cost</b>	<b>16,843</b>	<b>62,726</b>	<b>374</b>	<b>1,419</b>	<b>2,052</b>	<b>83,414</b>
<b>Accumulated depreciation</b>	<b>(8,220)</b>	<b>(48,390)</b>	<b>(194)</b>	<b>(719)</b>	<b>-</b>	<b>(57,523)</b>
<b>Net book amount</b>	<b>8,623</b>	<b>14,336</b>	<b>180</b>	<b>700</b>	<b>2,052</b>	<b>25,891</b>
<b>Opening net book amount at 1 January 2024</b>						
Additions	17	3	223	46	594	883
Transferred assets upon separation of a business unit	(6,977)	(13,458)	(121)	(469)	(2,491)	(23,516)
Disposals and write-offs	(42)	-	-	(1)	-	(43)
Transfer from construction work in progress to property, plant and equipment	-	-	29	56	(85)	-
Depreciation charge	(275)	(881)	(54)	(124)	-	(1,334)
<b>Closing net book amount at 31 December 2024</b>	<b>1,346</b>	<b>-</b>	<b>257</b>	<b>208</b>	<b>70</b>	<b>1,881</b>
<b>At 31 December 2024</b>						
<b>Cost</b>	<b>1,830</b>	<b>-</b>	<b>392</b>	<b>447</b>	<b>70</b>	<b>2,739</b>
<b>Accumulated depreciation</b>	<b>(484)</b>	<b>-</b>	<b>(135)</b>	<b>(239)</b>	<b>-</b>	<b>(858)</b>
<b>Net book amount</b>	<b>1,346</b>	<b>-</b>	<b>257</b>	<b>208</b>	<b>70</b>	<b>1 881</b>
<b>Opening net book amount at 1 January 2025</b>						
Additions	-	-	-	12	3,902	3,914
Depreciation charge	(56)	-	(54)	(60)	-	(170)
<b>Closing net book amount at 31 December 2025</b>	<b>1,290</b>	<b>-</b>	<b>203</b>	<b>160</b>	<b>3,972</b>	<b>5,625</b>
<b>At 31 December 2025</b>						
<b>Cost</b>	<b>1,819</b>	<b>-</b>	<b>344</b>	<b>419</b>	<b>3,972</b>	<b>6,554</b>
<b>Accumulated depreciation</b>	<b>(529)</b>	<b>-</b>	<b>(141)</b>	<b>(259)</b>	<b>-</b>	<b>(929)</b>
<b>Net book amount</b>	<b>1,290</b>	<b>-</b>	<b>203</b>	<b>160</b>	<b>3,972</b>	<b>5,625</b>

Prepayments amounted EUR 75 thousand as at 31 December 2025 (31 December 2024: EUR 42 thousand).

All amounts are in EUR thousands unless otherwise stated

## 5. Property, plant and equipment (continued)

The depreciation charge of the Group's and the Company's property, plant and equipment is included in the following line items of the statement of comprehensive income and the statement of financial position:

	Group		Company	
	At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
Cost of sales	10,512	9,581	102	1,213
Administrative expenses	274	298	68	94
Selling and distribution expenses	144	110	-	27
<b>Statement of comprehensive income – total</b>	<b>10,930</b>	<b>9,989</b>	<b>170</b>	<b>1,334</b>

As at 31 December 2025, the Group's property, plant and equipment with the carrying amount of EUR 27,562 thousand was pledged to the banks as security for borrowings, the Company had no pledged property, plant and equipment (31 December 2024: the Group's property, plant and equipment with the carrying amount of EUR 5,433 thousand, respectively, was pledged to the banks as security for borrowings), (Note 13).

A part of the Group's and the Company's property, plant and equipment was fully depreciated but still in use. Information by category of assets is presented below:

	Group		Company	
	At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
Buildings and structures	1,112	1,032	14	25
Machinery and equipment	4,067	3,766	-	-
Motor vehicles	418	334	-	52
Other assets	437	383	7	27
<b>Total</b>	<b>6,034</b>	<b>5,515</b>	<b>21</b>	<b>104</b>

The Group's and the Company's commitments for the acquisition of property, plant and equipment under the signed agreements amounted to EUR 42,987 thousand and EUR 7,055 thousand, respectively, as at 31 December 2025 (31 December 2024: EUR 3,414 thousand and EUR 148 thousand, respectively).

All amounts are in EUR thousands unless otherwise stated

## 6. Right-of-use assets

Group	Land	Buildings and structures	Machinery and equipment	Motor vehicles	Total
<b>At 1 January 2024</b>					
<b>Cost</b>	<b>3,902</b>	<b>625</b>	<b>569</b>	<b>-</b>	<b>5,096</b>
<b>Accumulated depreciation</b>	<b>(424)</b>	<b>(246)</b>	<b>(111)</b>	<b>-</b>	<b>(781)</b>
<b>Net book amount</b>	<b>3,478</b>	<b>379</b>	<b>458</b>	<b>-</b>	<b>4,315</b>
<b>Opening net book amount at 1 January 2024</b>	<b>3,478</b>	<b>379</b>	<b>458</b>	<b>-</b>	<b>4,315</b>
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)
Depreciation charge	(72)	(168)	(351)	-	(591)
<b>Closing net book amount at 31 December 2024</b>	<b>3,424</b>	<b>425</b>	<b>1,762</b>	<b>-</b>	<b>5,611</b>
<b>At 31 December 2024</b>					
<b>Cost</b>	<b>4,122</b>	<b>650</b>	<b>1,864</b>	<b>-</b>	<b>6,636</b>
<b>Accumulated depreciation</b>	<b>(698)</b>	<b>(225)</b>	<b>(102)</b>	<b>-</b>	<b>(1,025)</b>
<b>Net book amount</b>	<b>3,424</b>	<b>425</b>	<b>1,762</b>	<b>-</b>	<b>5,611</b>
<b>Opening net book amount at 1 January 2025</b>	<b>3,424</b>	<b>425</b>	<b>1,762</b>	<b>-</b>	<b>5,611</b>
Change in value-in-use	234	39	477	-	750
Business acquisition	-	1,464	-	100	1,564
Disposals and write-offs	-	-	(26)	-	(26)
Foreign exchange effect	1	-	-	-	1
Depreciation charge	(124)	(266)	(453)	(13)	(856)
<b>Closing net book amount at 31 December 2025</b>	<b>3,535</b>	<b>1,662</b>	<b>1,760</b>	<b>87</b>	<b>7,044</b>
<b>At 31 December 2025</b>					
<b>Cost</b>	<b>4,354</b>	<b>2,117</b>	<b>2,216</b>	<b>100</b>	<b>8,787</b>
<b>Accumulated depreciation</b>	<b>(819)</b>	<b>(455)</b>	<b>(456)</b>	<b>(13)</b>	<b>(1,743)</b>
<b>Net book amount</b>	<b>3,535</b>	<b>1,662</b>	<b>1,760</b>	<b>87</b>	<b>7,044</b>

All amounts are in EUR thousands unless otherwise stated

## 6. Right-of-use assets (continued)

Company	Land lease rights	Buildings and structures	Machinery and equipment	Total
<b>At 1 January 2024</b>				
<b>Cost</b>	<b>1,017</b>	<b>1,613</b>	<b>242</b>	<b>2,872</b>
<b>Accumulated depreciation</b>	<b>(60)</b>	<b>(1,154)</b>	<b>(73)</b>	<b>(1,287)</b>
<b>Net book amount</b>	<b>957</b>	<b>459</b>	<b>169</b>	<b>1,585</b>
<b>Opening net book amount at 1 January 2024</b>				
Change in value-in-use	41	-	-	41
Disposals, write-offs	(135)	(382)	-	(517)
Transfer related to the transfer of part of a business	(312)	-	(129)	(441)
Depreciation charge	(10)	(77)	(40)	(127)
<b>Closing net book amount at 31 December 2024</b>	<b>541</b>	<b>-</b>	<b>-</b>	<b>541</b>
<b>At 31 December 2024</b>				
<b>Cost</b>	<b>582</b>	<b>-</b>	<b>-</b>	<b>582</b>
<b>Accumulated depreciation</b>	<b>(41)</b>	<b>-</b>	<b>-</b>	<b>(41)</b>
<b>Net book amount</b>	<b>541</b>	<b>-</b>	<b>-</b>	<b>541</b>
<b>Opening net book amount at 1 January 2025</b>				
Depreciation charge	(7)	-	-	(7)
<b>Closing net book amount at 31 December 2025</b>	<b>534</b>	<b>-</b>	<b>-</b>	<b>534</b>
<b>At 31 December 2025</b>				
<b>Cost</b>	<b>582</b>	<b>-</b>	<b>-</b>	<b>582</b>
<b>Accumulated depreciation</b>	<b>(48)</b>	<b>-</b>	<b>-</b>	<b>(48)</b>
<b>Net book amount</b>	<b>534</b>	<b>-</b>	<b>-</b>	<b>534</b>

The depreciation charge of the Group's and the Company's right-of-use assets is included in the following line items of the statement of comprehensive income:

	Group		Company	
	At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
Cost of sales	507	406	-	24
Administrative expenses	151	75	7	10
Selling and distribution expenses	198	110	-	93
<b>Total</b>	<b>856</b>	<b>591</b>	<b>7</b>	<b>127</b>

As at 31 December 2025, the Group's and the Company's land lease rights with the carrying amount of EUR 866 thousand and EUR 40 thousand were pledged to the banks as security for borrowings (31 December 2024: the Group's land lease rights with the carrying amount of: EUR 644 thousand and EUR 41 thousand, respectively, were pledged to the banks as security for borrowings), (Note 13).

All amounts are in EUR thousands unless otherwise stated

## 7. Intangible assets

Group	Goodwill	Licences, patents, brand	Software	Development work in progress	Total
<b>At 1 January 2024</b>					
<b>Cost</b>	<b>3,001</b>	<b>84</b>	<b>2,527</b>	<b>1,176</b>	<b>6,788</b>
<b>Accumulated amortization</b>	<b>-</b>	<b>(56)</b>	<b>(2,091)</b>	<b>(370)</b>	<b>(2,517)</b>
<b>Net book amount</b>	<b>3,001</b>	<b>28</b>	<b>436</b>	<b>806</b>	<b>4,271</b>
<b>Opening net book amount at 1 January 2024</b>	<b>3,001</b>	<b>28</b>	<b>436</b>	<b>806</b>	<b>4,271</b>
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
Amortization charge	-	(13)	(210)	(26)	(249)
<b>Closing net book amount at 31 December 2024</b>	<b>3,001</b>	<b>22</b>	<b>601</b>	<b>1,862</b>	<b>5,486</b>
<b>At 31 December 2024</b>					
<b>Cost</b>	<b>3,001</b>	<b>91</b>	<b>2,901</b>	<b>2,352</b>	<b>8,345</b>
<b>Accumulated amortization</b>	<b>-</b>	<b>(69)</b>	<b>(2,300)</b>	<b>(490)</b>	<b>(2,859)</b>
<b>Net book amount</b>	<b>3,001</b>	<b>22</b>	<b>601</b>	<b>1,862</b>	<b>5,486</b>
<b>Opening net book amount at 1 January 2025</b>	<b>3,001</b>	<b>22</b>	<b>601</b>	<b>1,862</b>	<b>5,486</b>
Additions	-	5	13	2,155	2,173
Business acquisition	5,055	2,068	1	-	7,124
Transfer from development work in progress to intangible assets	-	-	2,636	(2,636)	-
Foreign exchange effect	-	(2)	-	1	(1)
Reclassification from property, plant and equipment	-	-	-	90	90
Amortization charge	-	(60)	(273)	(48)	(381)
<b>Closing net book amount at 31 December 2025</b>	<b>8,056</b>	<b>2,033</b>	<b>2,978</b>	<b>1,424</b>	<b>14,491</b>
<b>At 31 December 2025</b>					
<b>Cost</b>	<b>8,056</b>	<b>2,131</b>	<b>5,464</b>	<b>2,027</b>	<b>17,678</b>
<b>Accumulated amortization</b>	<b>-</b>	<b>(98)</b>	<b>(2,486)</b>	<b>(603)</b>	<b>(3,187)</b>
<b>Net book amount</b>	<b>8,056</b>	<b>2,033</b>	<b>2,978</b>	<b>1,424</b>	<b>14,591</b>

### Goodwill

On 1 March 2010, the Company acquired the Grigeo Investicijų Valdymas UAB group consisting of Grigeo Investicijų Valdymas UAB, Avesko UAB (in 2010, Avesko UAB was reorganised by merging it with Grigeo Klaipėda AB), Grigeo Klaipėda AB and Mena Pak AT.

A goodwill of EUR 3,001 thousand was recognised on the acquisition of these subsidiaries. The goodwill arose on expected synergies of the activities of the Group companies. Goodwill is not amortised but is tested annually for possible impairment.

For the purpose of impairment testing as at 31 December 2025 and 2024, goodwill was allocated to the Grigeo Klaipėda AB cash-generating unit. As at 31 December 2025 and 2024, the recoverable amount of the cash-generating unit was determined based on projected future discounted cash inflows according to the five-year financial forecasts approved by the management.

All amounts are in EUR thousands unless otherwise stated

## 7. Intangible assets (continued)

### Forecasts as at 31 December 2024:

Revenue	Projected annual revenue growth (decrease), %				
2024	2025	2026	2027	2028	2029
49,700	0.2	6.6	0.1	0.1	0.1
Gross profit margin, %					
2024	2025	2026	2027	2028	2029
12.1	14.8	21.9	24.6	24.5	24.0

In 2024 and 2025, Grigeo Klaipėda AB achieved its planned revenue targets; however, profitability targets were not met due to structural changes and trends in the market. For the period 2026–2030, a slight increase in revenue is projected, driven by the expected natural recovery of the market and the related growth in sales prices.

Consequently, gross profitability is expected to return to the historical multi-year average over the longer term.

### Forecasts as at 31 December 2025:

Revenue	Projected annual revenue growth (decrease), %				
2025	2026	2027	2028	2029	2030
49,500	7.5	2.3	3.8	2.8	0.7
Gross profit margin, %					
2025	2026	2027	2028	2029	2030
8.1	15.5	16.7	18.2	19.5	19.4

Revenue was projected based on the management's assumptions as at 31 December 2025 and 31 December 2024, respectively, which forecast that future revenue will increase due to investments in the enhancement of operational efficiency of the production facilities and intensification of sales actions. As at 31 December 2025, projected investments for the upcoming period of 5 years amounted to EUR 1,258 thousand on average annually (31 December 2024: EUR 1,776 thousand; over EUR 7 million was invested in 2024–2025). Expenses were projected in view of actual expenses taking into consideration the projected level of inflation. In 2025 and 2024, cash flows beyond the five-year period were extrapolated using a 1% annual growth rate that reflects the management's best estimate in view of the current situation in this industry. The discount rate used by the management for a specific cash-generating unit was calculated as a weighted average cost of capital which is equal to 8.6% after tax for the cash generating units located in Lithuania as at 31 December 2025 (31 December 2024: 9.3%).

The calculation of the recoverable amount of the cash-generating unit as at 31 December 2025 and 2024 did not indicate any impairment of goodwill. The assessment was performed without taking into consideration the legal process described in Note 33 of the financial statements. Regarding the assessment of the recoverable amount of the above-mentioned cash-generating unit as at 31 December 2025 and 2024, the management believes that no possible change in any of the above key assumptions would cause the carrying amount of the cash-generating unit to materially exceed its recoverable amount.

The sensitivity analysis of the recoverable value calculation of the investment in Grigeo Klaipėda AB did not identify any additional indications of goodwill impairment.

### Business combinations during 2024

In 2024, Grigeo Hygiene UAB acquired 100% of tissue paper manufacturing company Grigeo Tissue sp. z o.o (at the time of acquisition, the company was named Niedomickie Zakłady Papiernicze sp. z o.o), which also holds 100% of the shares in Energia Ciepła Niedomice sp. z o.o., an entity supplying energy for the factory's needs. Upon acquisition of 100% of the shares, the Group obtained full control of the company and, in accordance with IFRS 10, has consolidated it from the acquisition date. As 100% of the shares were acquired, no non-controlling interest arises.

In accordance with IFRS 3, the fair value of the acquired assets was determined as follows:

Description	Carrying value at acquisition	Change in fair value	Fair value at acquisition
Property, plant and equipment	9,822	9,755	19,577
Intangible assets	676	(671)	5
Current assets	8,040	-	8,040
<b>Total assets</b>	<b>18,538</b>	<b>9,084</b>	<b>27,622</b>
Equity	14,395	7,230	21,625
Goodwill	-	-	-
Non-current liabilities	754	70	823
Current liabilities	3,391	1,784	5,174
<b>Total equity and liability</b>	<b>18,538</b>	<b>9,084</b>	<b>27,622</b>

All amounts are in EUR thousands unless otherwise stated

## 7. Intangible assets (continued)

The exchange rate of 4.3121 PLN/EUR, as specified in the transaction agreements, was applied for the calculations, fixing the acquisition date on 31 March 2024. The transaction amount, including discounted payments due over three years, totaled EUR 21,629 thousand and the EUR 4 thousand difference between the fair value and the transaction amount was recognized in the current year's statement of comprehensive income. The total consideration for the acquisition consists of deferred payments of EUR 2,373 thousand and a cash payment of EUR 19,416 thousand.

From 28 March 2024 to 31 December 2024, the acquired company contributed EUR 26,389 thousand to the Group's revenue and EUR 1 thousand to its net profit.

### Business combinations during 2025

In 2025, Grigeo Hygiene UAB acquired 100% of Huchtemeier Papier GmbH, a company engaged in the trading of tissue paper and paper raw materials. Based in Dortmund, Germany, the company supplies tissue paper, napkins and paper raw materials to wholesalers, specialized retailers and industrial customers. Its products are used in the cleaning services, hospitality, catering and healthcare sectors.

Upon acquiring 100% of the shares of Huchtemeier Papier GmbH, the Group obtained full control of the company and, in accordance with IFRS 10, has consolidated it from the acquisition date. As 100% of the shares were acquired, no non-controlling interest arises.

At the acquisition date, an independent expert assessed the fair value of the acquired assets and assumed liabilities, and also determined the goodwill and trademark recognized on acquisition. At the acquisition date, the net identifiable assets comprised:

Description	Carrying value at acquisition	Change in fair value	Fair value at acquisition
Property, plant and equipment	195	-	195
Intangible assets	653	2,068	2,721
Right-of-use assets	1,564	-	1,564
Current assets	7,675	-	7,675
Cash and cash equivalents	4,582	-	4,582
Non-current liabilities	(2,342)	(1,064)	(3,406)
Current liabilities	(6,563)	-	(6,563)
<b>Total net identifiable assets acquired</b>			<b>6,768</b>
Goodwill			5,055
<b>Total net assets acquired</b>			<b>11,823</b>

The total consideration for the acquisition consists of a deferred payment of EUR 95 thousand and a cash payment of EUR 11,728 thousand. In the cash flow statement, the payment for the investment is presented at a net amount of EUR 7,146 thousand, calculated as the cash payment less cash and cash equivalents acquired.

As a result of the acquisition of this subsidiary, goodwill of EUR 5,055 thousand was recognised in the Group's financial statements. Goodwill is not amortized, but its value is tested for impairment annually.

From 1 October 2025 to 31 December 2025, the acquired company contributed EUR 20,012 thousand to the Group's revenue and reduced the Group's net profit by EUR 578 thousand.

All amounts are in EUR thousands unless otherwise stated

## 7. Intangible assets (continued)

Company	Licences, patents	Software	Development work in progress	Total
<b>At 1 January 2024</b>				
<b>Cost</b>	<b>85</b>	<b>1,062</b>	<b>493</b>	<b>1,640</b>
<b>Accumulated amortisation</b>	<b>(57)</b>	<b>(865)</b>	<b>(13)</b>	<b>(935)</b>
<b>Net book amount</b>	<b>28</b>	<b>197</b>	<b>480</b>	<b>705</b>
<b>Opening net book amount at 1 January 2024</b>	<b>28</b>	<b>197</b>	<b>480</b>	<b>705</b>
Additions	6	-	281	287
Transfer from development work in progress to intangible assets	-	99	(99)	-
Transferring assets, separating part of the business	(4)	-	(465)	(469)
Amortisation charge	(11)	(81)	(2)	(94)
<b>Closing net book amount at 31 December 2024</b>	<b>19</b>	<b>215</b>	<b>195</b>	<b>429</b>
<b>At 31 December 2024</b>				
<b>Cost</b>	<b>86</b>	<b>1,153</b>	<b>209</b>	<b>1,448</b>
<b>Accumulated amortisation</b>	<b>(67)</b>	<b>(938)</b>	<b>(14)</b>	<b>(1,019)</b>
<b>Net book amount</b>	<b>19</b>	<b>215</b>	<b>195</b>	<b>429</b>
<b>Opening net book amount at 1 January 2025</b>	<b>19</b>	<b>215</b>	<b>195</b>	<b>429</b>
Additions	4	13	793	810
Transfer from development work in progress to intangible assets	-	295	(295)	-
Amortisation charge	(7)	(128)	(1)	(136)
<b>Closing net book amount at 31 December 2025</b>	<b>16</b>	<b>395</b>	<b>692</b>	<b>1,103</b>
<b>At 31 December 2025</b>				
<b>Cost</b>	<b>58</b>	<b>1,383</b>	<b>708</b>	<b>2,149</b>
<b>Accumulated amortisation</b>	<b>(42)</b>	<b>(989)</b>	<b>(15)</b>	<b>(1,046)</b>
<b>Net book amount</b>	<b>16</b>	<b>395</b>	<b>692</b>	<b>1,103</b>

Amortisation expenses of intangible assets are included in the following line items of the statement of comprehensive income:

	Group		Company	
	At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
Cost of sales	172	152	136	89
Administrative expenses	157	95	-	4
Selling and distribution expenses	1	2	-	1
<b>Total</b>	<b>330</b>	<b>249</b>	<b>136</b>	<b>94</b>

All amounts are in EUR thousands unless otherwise stated

## 7. Intangible assets (continued)

A part of the Group's and the Company's intangible assets was fully amortised but still in use. Information by category of assets is presented below:

	Group		Company	
	At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
Licences, patents	535	9	8	9
Software	236	221	40	97
Other assets	-	520	-	-
<b>Total</b>	<b>771</b>	<b>750</b>	<b>48</b>	<b>106</b>

## 8. Investment property

Group	Buildings and structures	Other assets	Construction work in progress	Total
<b>At 1 January 2024</b>				
Cost	5,063	19	690	5,772
Accumulated depreciation	(1,148)	(3)	-	(1,151)
Net book amount	3,915	16	690	4,621
<b>Opening net book amount at 1 January 2024</b>				
Additions	(32)	-	245	213
Disposals, write-offs	(1)	-	-	(1)
Reclassification from construction work in progress	429	-	(429)	-
Transfer from/to inventory	(126)	-	-	(126)
Depreciation charge	(261)	(5)	-	(266)
<b>Closing net book amount at 31 December 2024</b>	<b>3,924</b>	<b>11</b>	<b>506</b>	<b>4,441</b>
<b>At 31 December 2024</b>				
Cost	5,250	19	506	5,775
Accumulated depreciation	(1,326)	(8)	-	(1,334)
Net book amount	3,924	11	506	4,441
<b>Opening net book amount at 1 January 2025</b>				
Additions	-	-	165	165
Depreciation charge	(278)	(5)	-	(283)
<b>Closing net book amount at 31 December 2025</b>	<b>3,646</b>	<b>6</b>	<b>671</b>	<b>4,323</b>
<b>At 31 December 2025</b>				
Cost	5,250	19	671	5,940
Accumulated depreciation	(1,604)	(13)	-	(1,617)
Net book amount	3,646	6	671	4,323

All amounts are in EUR thousands unless otherwise stated

## 8. Investment property (continued)

Company	Buildings and structures	Other assets	Construction work in progress	Total
<b>At 1 January 2024</b>				
<b>Cost</b>	<b>5,554</b>	<b>19</b>	<b>690</b>	<b>6,263</b>
<b>Accumulated depreciation</b>	<b>(1,622)</b>	<b>(3)</b>	<b>-</b>	<b>(1,625)</b>
<b>Net book amount</b>	<b>3,932</b>	<b>16</b>	<b>690</b>	<b>4,638</b>
<b>Opening net book amount at 1 January 2024</b>	<b>3,932</b>	<b>16</b>	<b>690</b>	<b>4,638</b>
Additions	(32)	-	245	213
Transferring assets, separating part of the business	(16)	-	-	(16)
Reclassification from construction work in progress	429	-	(429)	-
Disposals, write-offs	(2)	-	-	(2)
Transfer from/to inventory	(126)	-	-	(126)
Depreciation charge	(261)	(5)	-	(266)
<b>Closing net book amount at 31 December 2024</b>	<b>3,924</b>	<b>11</b>	<b>506</b>	<b>4,441</b>
<b>At 31 December 2024</b>				
<b>Cost</b>	<b>5,250</b>	<b>19</b>	<b>506</b>	<b>5,775</b>
<b>Accumulated depreciation</b>	<b>(1,326)</b>	<b>(8)</b>	<b>-</b>	<b>(1,334)</b>
<b>Net book amount</b>	<b>3,924</b>	<b>11</b>	<b>506</b>	<b>4,441</b>
<b>Opening net book amount at 1 January 2025</b>	<b>3,924</b>	<b>11</b>	<b>506</b>	<b>4,441</b>
Additions	-	-	165	165
Depreciation charge	(278)	(5)	-	(283)
<b>Closing net book amount at 31 December 2025</b>	<b>3,646</b>	<b>6</b>	<b>671</b>	<b>4,323</b>
<b>At 31 December 2025</b>				
<b>Cost</b>	<b>5,250</b>	<b>19</b>	<b>671</b>	<b>5,940</b>
<b>Accumulated depreciation</b>	<b>(1,604)</b>	<b>(13)</b>	<b>-</b>	<b>(1,617)</b>
<b>Net book amount</b>	<b>3,646</b>	<b>6</b>	<b>671</b>	<b>4,323</b>

As at 31 December 2025, the Group's and the Company's investment property (buildings and structures) with the acquisition cost of respectively EUR 4 thousand and EUR 4 thousand (31 December 2024: EUR 4 thousand and EUR 4 thousand, respectively) was fully depreciated but still in use.

As at 31 December 2025, the Group's and the Company's commitments for the acquisition of investment property under signed contracts EUR 99 thousand and EUR 99 thousand, respectively. As at 31 December 2024, the Group's and the Company's commitments for the acquisition of investment property under signed contracts EUR 105 thousand and EUR 105 thousand, respectively.

Investment property comprises the buildings, structures and other assets located at Popieriaus street in Naujieji Verkiai. As at 31 December 2025, all investment property are leased to third parties. As at 31 December 2025, 84% of the investment property at carrying amount was leased to third parties. The lease term under the contracts is between 1 to 10 years. As at 31 December 2025, future annual revenue amounted to EUR 691 thousand (31 December 2024: EUR 674 thousand) in the period from 2026 to 2035. Depreciation expenses are included in administrative expenses.

### Fair value measurement

The fair value of the investment property was measured based on the cash flows from the investment property for a 10-year period with reference to forecast revenue and expenses. Cash flows were calculated using a discount rate of 11% (in 2024 – 11%), a rental yield at the end of the assessed period was equal to 9% (in 2024 – 9%). According to the calculation, the fair value of the investment property is equal to EUR 5,175 thousand (31 December 2024: EUR 4,725 thousand).

All amounts are in EUR thousands unless otherwise stated

## 8. Investment property (continued)

The fair value measurement of investment property does not include construction work in progress and prepayments. Based on the estimate of the management of the Group, the carrying amount of construction work in progress and prepayments approximates their fair value.

The sensitivity of the value measurement considering reasonably possible changes in the discount rate and the rental yield is presented below:

	At 31 December 2025	At 31 December 2024
Change in the discount rate (+100 basis points)	4,739	4,462
Change in the discount rate (-100 basis points)	5,652	5,016
Change in the rental yield (+100 basis points)	5,550	4,418
Change in the rental yield (-100 basis points)	4,822	5,109

## 9. Inventories

	Group		Company	
	At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
Materials	9,761	9,242	7	1
Work in progress	3,040	2,613	-	-
Finished products	9,868	7,492	-	-
Inventories in transit	313	863	-	-
Prepayments	595	380	4	-
<b>Total</b>	<b>23,577</b>	<b>20,590</b>	<b>11</b>	<b>1</b>

As at 31 December 2025, the acquisition value (cost) of the Group's inventories was written down by respectively EUR 1,142 thousand (31 December 2024: EUR 1,186 thousand) to net realizable value. The net realizable value adjustment was accounted for under cost of sales.

In 2025, inventories of EUR 108 million (2024: EUR 88 million) for the Group. In 2024 and inventories of EUR 19 million for the Company were included in cost of sales. In 2025, the Company were not included the value in cost of sales.

As disclosed in the Note 13, as at 31 December 2025, inventories of the Group in the amount of EUR 6,293 thousand were pledged as security for bank borrowings. At 31 December 2024, the inventories of the Group and the Company were not pledged to secure repayment of bank borrowings.

## 10. Trade and other amounts receivable

	Group		Company	
	At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
Trade receivables – gross	25,203	27,595	115	143
Loss allowance	(761)	(39)	(2)	(2)
<b>Trade receivables – net</b>	<b>24,442</b>	<b>27,556</b>	<b>113</b>	<b>141</b>
Amounts receivable from related parties (Note 0)	-	-	493	345
Amounts receivable to group companies under cash pool agreement	-	-	8,429	2,105
VAT receivable	2,185	2,419	2	-
Subsidies receivable	-	1,367	-	-
Other amounts receivable – gross	1,133	335	14	85
Other finance amounts receivable	300	-	-	-
<b>Total trade and other amounts receivable – net</b>	<b>28,060</b>	<b>31,677</b>	<b>9,051</b>	<b>2,676</b>
Of which:				
<b>Non-current amounts receivable</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current amounts receivable</b>	<b>27,760</b>	<b>31,677</b>	<b>9,051</b>	<b>2,676</b>

As disclosed in Note 13, as at 31 December 2025 and at 31 December 2024, subsidiaries Grigeo Tissue UAB, Grigeo Packaging UAB and Grigeo Baltwood UAB had pledged future inflows to secure the repayment of bank borrowings.

All amounts are in EUR thousands unless otherwise stated

## 11. Cash and cash equivalents

	Group		Company	
	At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
Cash at bank	6,674	3,142	12	9
Cashpool	3,597	10,876	3,597	10,876
<b>TOTAL</b>	<b>10,271</b>	<b>14,018</b>	<b>3,609</b>	<b>10,885</b>

As at 31 December 2025, cash held in bank accounts amounting to EUR 8,719 thousand (2024: EUR 5,173 thousand) for the Group was pledged as collateral against borrowings as further described in Note 13. As at 31 December 2025 and 2024, there were no restrictions on the use of cash balances held in the pledged bank accounts.

A cashpool agreement was signed with the bank in 2023. All Group companies operating in Lithuania have been included in the cashpool agreement.

## 12. Authorised share capital and reserves

### Authorised share capital

Type of shares	Securities' ISIN code	Number of shares, units	Par value, EUR	Total par value, EUR
Ordinary registered shares	LT0000102030	132,820,000	0.29	38,517,800

In implementing the resolution adopted by the General Meeting of Shareholders on 28 April 2025 regarding the increase of the Company's share capital, 1,420,000 Company shares were issued on 16–18 July 2025 and granted to employees under the approved option program. More information can be found in [Nasdaq notification at 29 August 2025](#).

All the shares of the Company have been fully paid up. The Company does not have any other categories of shares than ordinary shares mentioned above. The Company's Articles of Association do not establish any restrictions on rights to shares or special control rights for the shareholders. The Company and its subsidiaries do not hold the Company's own shares. The Company has not issued any convertible securities, exchangeable securities or guarantee securities, neither has unpaid acquisition rights or commitments to increase share capital as at 31 December 2025 and 2024.

### Share premium

Share premium represents the excess of the issue price over the nominal value of shares, net of costs directly attributable to the share issue. On 16–18 July 2025, the Company's share capital was increased through the issue of 1,420,000 shares in accordance with the resolution of the Company's Annual General Meeting of Shareholders held on 28 April 2025. The share premium recognised represents the difference between the issue price and the nominal value of the shares (EUR 0.29 per share).

### Reserves

A legal reserve is a compulsory reserve under the Lithuanian legislation. Annual transfers of at least 5% of profit to be appropriated calculated in accordance with the accounting principles established by laws are required until the reserve reaches 10% of the authorised share capital. In accordance with the procedure prescribed by the laws, the reserve can be used to cover the company's losses.

There were no changes in the Company's legal reserve in 2025 (the Company increased the legal reserve by EUR 925 thousand in 2024). The Company's legal reserve represents 9.9% of the authorised share capital as at 31 December 2025 (31 December 2024: 10%).

The foreign currency translation reserve arises from exchange differences that occur on consolidation of the financial statements of the foreign subsidiary (Note 2.4).

On 29 April 2022, the General Meeting of Shareholders adopted the decision on the appropriation of the profit of the Company and the allocation of EUR 500 thousand to the reserve for share-based payments. On 17-22 June 2022, the Company concluded the option agreements with the senior management employees of the Group and the Company for the possibility to acquire 1,660,000 units of the Company's own shares for no consideration upon a full implementation of all conditions specified in the agreements on the share option programme.

During 16-18 July 2025 1,420,000 shares of the Company have been granted to employees of the Company and its subsidiaries free of charge through the issuance of new shares. The newly issued shares were fully paid for out of the reserve established by the Company for the purpose of granting shares. More information can be found in [Nasdaq notification at 29 August 2025](#).

All amounts are in EUR thousands unless otherwise stated

## 12. Authorised share capital and reserves (continued)

### Dividends

During the Ordinary General Meeting of Shareholders of the Company held in 2025, a decision was made to allocate dividends equal to EUR 0.06 per share (Note 27) (in 2024 dividends equal to EUR 0.07 per share were allocated).

## 13. Borrowings

	Group		Company	
	At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
<b>Non-current borrowings:</b>				
Bank borrowings	8,773	677	-	-
	<b>8,773</b>	<b>677</b>	-	-
<b>Current borrowings:</b>				
Bank borrowings	3,675	1,820	-	-
	<b>3,675</b>	<b>1,820</b>	-	-
<b>TOTAL</b>	<b>12,448</b>	<b>2,497</b>	-	-

Movements in bank borrowings during the year are presented in the table below:

	Group		Company	
	2025	2024	2025	2024
<b>Opening balance</b>	<b>2,497</b>	<b>4,644</b>	-	<b>1,868</b>
Proceeds from borrowings	12,114	-	-	-
Transferred	-	-	-	(1,456)
Repayments	(2,163)	(2,147)	-	(412)
Interest charged	179	176	-	30
Interest paid	(179)	(176)	-	(30)
<b>Closing balance</b>	<b>12,448</b>	<b>2,497</b>	-	-

Borrowings outstanding at the year-end by currency:

	Group		Company	
	At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
EUR	12,448	2,497	-	-
<b>TOTAL</b>	<b>12,448</b>	<b>2,497</b>	-	-

The unwithdrawn balance under the credit agreements amounted to EUR 62,045 thousand for the Group and EUR 20 thousand for the Company as at 31 December 2025 (31 December 2024: EUR 34 thousand and EUR 20 thousand, respectively).

All amounts are in EUR thousands unless otherwise stated

### 13. Borrowings (continued)

#### Compliance with loan covenants

##### *The Group's borrowings*

Under the loan and overdraft agreements, the Group must comply with certain financial and non-financial covenants, such as: debt service coverage ratio, debt to EBITDA ratio, equity to liability ratio, free cash flow indicator. Group's certain subsidiaries are also required to conduct a certain number of settlements through the bank that provided the loan.

Indicators of the Group's borrowings:

Indicator	Established ratio	Indicators of the Group		Indicators of the Company	
		At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
Debt/EBITDA	< 4.0	0.07	(1.02)	-	(351)
Debt service coverage ratio (DSCR)	> 1.2	12.7	15.4	-	-

As at 31 December 2025 and 31 December 2024, the Group and the subsidiaries complied with all financial and non-financial requirements established in the bank agreements.

#### Interest rates

As at 31 December 2025 and 31 December 2024, the Company's and the Group's borrowings were subject to variable interest rates. They are linked with the EURIBOR interest rate base and with the margin agreed with the bank. In 2025 and 2024, the period of re-pricing variable interest rates on borrowings ranged from 3 to 6 months.

The weighted average interest rate applicable to the Group's and the Company's bank borrowings is presented in the table below:

	Group		Company	
	At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
Weighted average interest rate	3.41%	4.46%	-	-

#### Pledged assets

The Group have pledged to the banks property, plant and equipment (Note 5), right-of-use assets (Note 6), cash balances in bank accounts (Note 11) and future inflows (Note 10) as security for borrowings.

### 14. Lease liabilities

	Group		Company	
	2025	2024	2025	2024
Non-current	5,882	4,807	571	573
Current	1,261	566	2	2
<b>TOTAL</b>	<b>7,143</b>	<b>5,373</b>	<b>573</b>	<b>575</b>

The assets leased by the Group and the Company under lease contracts comprised motor vehicles, equipment, and lease of premises and land. The lease terms of the lease contracts: between 8 and 79 years for the lease of land; between 2 and 10 years for the lease of buildings; and between 1 and 5 years for the lease of machinery and equipment, and between 2 and 4 years for the lease of Motor vehicles The lease contracts are denominated in the euros.

Movements in liabilities related to lease over the year are provided in the table below:

	Group		Company	
	2025	2024	2025	2024
<b>Balance at 1 January</b>	5,373	4,222	575	1,634
New lease liabilities	749	1,929	-	41
Business acquisition	1,874	-	-	-
Interest charged	245	168	24	39
Lease payments	(1,072)	(841)	(26)	(153)
Lease terminations	(27)	(106)	-	(986)
<b>Balance at 31 December</b>	<b>7,143</b>	<b>5,373</b>	<b>573</b>	<b>575</b>

The Group's and the Company's lease liabilities are secured by right-of-use assets (Note 6).

All amounts are in EUR thousands unless otherwise stated

## 15. Grants

	Group	Company
<b>Balance at 31 December 2023</b>	<b>1,293</b>	<b>1,199</b>
Obtained grants	722	-
Transferred after separation of part of the business	-	(1,163)
Amortisation charge	(81)	(36)
<b>Balance at 31 December 2024</b>	<b>1,934</b>	<b>-</b>
Grant adjustment	(212)	-
Amortisation charge	(153)	-
<b>Balance at 31 December 2025</b>	<b>1,569</b>	<b>-</b>

The grants consist of the support received from the EU funds for the construction of structures, acquisition of machinery and equipment (non-current assets).

In 2025 and in 2024, one new contract was signed each year with the Environmental Project Management Agency of the Ministry of the Environment of the Republic of Lithuania regarding the acquisition of solar power plants.

Amortisation of grants is recognised in the statement of comprehensive income within the cost of sales and reduces depreciation expenses of the related assets.

## 16. Long-term employee benefits

As at 31 December 2024 and 2023, the Group and the Company accounted for long-term employee benefits for employees leaving the Group or the Company after reaching the retirement age. Expenses related to the accounting for these liabilities are included in the statement of comprehensive income.

	Group	Company
<b>At 1 January 2024</b>	<b>296</b>	<b>112</b>
Change during the year 2024	250	(83)
<b>At 31 December 2024</b>	<b>546</b>	<b>29</b>
Change during the year 2025	(33)	(4)
<b>At 31 December 2025</b>	<b>513</b>	<b>25</b>

Actuarial gains and losses during 2025 and 2024 were insignificant, therefore they were not separately disclosed in other comprehensive income.

The key assumptions applied in evaluating the Group's and the Company's long-term employee benefits are as follows:

	At 31 December 2025	At 31 December 2024
Discount rate	2.88%	2.88%
Expected annual salary growth rate	5%	5%

## 17. Trade and other amounts payable

	Group		Company	
	At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
Trade payables	27,550	25,462	774	4,007
Wages and salaries and social security contributions	5,506	4,744	843	715
Advance amounts received	347	189	5	-
Accrued expenses	1,021	435	34	19
Amounts payable to group companies under cash pool agreement	-	-	11,885	9,058
Other amounts payable	3,809	4,098	1,027	921
<b>TOTAL</b>	<b>38,233</b>	<b>34,928</b>	<b>14,568</b>	<b>14,720</b>
Of which:				
Attributable to financial liabilities (Note 3)	32,380	29,995	13,720	14,005
Not attributable to financial liabilities	<b>5,853</b>	<b>4,933</b>	<b>848</b>	<b>715</b>

Other payables comprise non-current amounts payable for business acquisitions, dividends payable, and taxes payable, excluding income tax.

All amounts are in EUR thousands unless otherwise stated

## 18. Segment information

### Segment reporting

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 hardboards 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 costs and finance income and costs are not attributed to any segment. Assets and liabilities of the Group are not attributed to segments for decision-making purposes. However, information about property, plant and equipment and intangible assets, investment property and right-of-use assets is disclosed according to the segments.

Segment information about these three operating segments is presented below:

Group 2025	Paper and paper products	Wood hardboards	Raw materials for corrugated cardboard and related products	Total reportable segments	Unallocated <sup>(1/2)</sup>	Elimination	TOTAL
Unconsolidated segment sales	152,817	29,233	105,595	287,645	18,972	(60,193)	246,424
Inter-segment sales	(12,679)	(1,866)	(30,387)	(44,932)	(15,261)	60,193	-
Sales to third parties	140,138	27,367	75,208	242,713	3,711	-	246,424
Cost of sales	(109,336)	(21,749)	(62,472)	(193,557)	(2,911)	-	(196,468)
<b>Gross profit</b>	<b>30,802</b>	<b>5,618</b>	<b>12,736</b>	<b>49,156</b>	<b>800</b>	<b>-</b>	<b>49,956</b>

Group 2024	Paper and paper products	Wood hardboards	Raw materials for corrugated cardboard and related products	Total reportable segments	Unallocated <sup>(1/2)</sup>	Elimination	TOTAL
Unconsolidated segment sales	117,305	27,090	104,778	249,173	15,278	(51,459)	212,992
Inter-segment sales	(8,326)	(1,341)	(30,465)	(40,132)	(11,327)	51,459	-
Sales to third parties	108,979	25,749	74,313	209,041	3,951	-	212,992
Cost of sales	(82,203)	(20,253)	(59,506)	(161,962)	(5,645)	-	(167,607)
<b>Gross profit</b>	<b>26,776</b>	<b>5,496</b>	<b>14,807</b>	<b>47,079</b>	<b>(1,694)</b>	<b>-</b>	<b>45,385</b>

<sup>1</sup> Unallocated sales comprise sales not attributable to either of the listed segments, mainly, sales of heating energy (steam), rent and sales of other utilities.

<sup>2</sup> Unallocated cost of sales comprises cost related to unallocated sales, mainly, the cost of wood and gas necessary for the energy generation, depreciation of the rented premises and cost of services provided to related parties.

### Breakdown by region

The following table shows a breakdown of revenue by region for the year ended 31 December:

	Group		Company	
	2025	2024	2025	2024
Domestic market (Lithuania)	55,304	57,240	6,539	14,761
European Union	166,722	135,437	745	20,803
Other countries	24,397	20,315	-	1,105
<b>TOTAL</b>	<b>246,423</b>	<b>212,992</b>	<b>7,284</b>	<b>36,669</b>

Breakdown of property, plant and equipment, intangible assets, right-of-use assets and investment property by geographical location:

	Group		Company	
	2025	2024	2025	2024
Lithuania	111,246	101,876	11,585	7,292
Latvia	1,399	1,259	-	-
Poland	17,861	9,525	-	-
Germany	8,741	-	-	-
Ukraine	346	312	-	-
<b>TOTAL</b>	<b>139,593</b>	<b>112,972</b>	<b>11,585</b>	<b>7,292</b>

In 2025, no single client's revenue exceeded 10% of the Group's consolidated revenue.

All amounts are in EUR thousands unless otherwise stated

## 19. Cost of sales

	Group		Company	
	2025	2024	2025	2024
Raw materials and consumables	108,424	87,794	-	15,879
Wages and salaries and social security contributions	31,244	26,853	3,772	4,969
Energy	28,399	26,767	-	3,214
Other expenses	17,177	16,441	1,393	2,162
Depreciation and amortisation of non-current assets, including grants	11,038	9,316	238	1,290
Remuneration in share options	186	436	14	166
<b>TOTAL</b>	<b>196,468</b>	<b>167,607</b>	<b>5,417</b>	<b>27,680</b>

## 20. Selling and distribution expenses

	Group		Company	
	2025	2024	2025	2024
Fuel and transport services	14,827	11,969	-	1,152
Wages and salaries and social security contributions	4,254	2,989	-	471
Other selling expenses	898	582	-	72
Property maintenance and servicing	605	494	-	49
Intermediation, marketing, advertising and representation	506	441	-	46
Depreciation and amortisation of non-current assets	344	222	-	121
Remuneration in share options	49	75	-	-
<b>TOTAL</b>	<b>21,483</b>	<b>16,772</b>	<b>-</b>	<b>1,911</b>

## 21. Administrative expenses

	Group		Company	
	2025	2024	2025	2024
Wages and salaries and social security contributions	4,668	3,921	8	610
Legal services	1,235	1,364	1	48
Taxes (other than income tax)	1,055	954	67	158
Other administrative expenses	1,051	830	115	188
Depreciation and amortization of non-current assets	918	734	359	374
Social expenses	899	781	78	153
Insurance services	847	746	34	92
Property maintenance and servicing	646	801	264	396
Impairment of doubtful amounts receivable/(reversal of impairment)	547	4	-	-
Audit services	436	285	27	38
Security services	374	388	-	15
Bonuses and other similar payments	274	249	131	130
Consultation services	194	156	-	9
Personnel training and recruitment expenses Support	165	165	3	39
Support	157	314	19	86
Remuneration in share options Fuel and transport services	147	305	-	23
Fuel and transport services	45	45	-	5
Expenses for the listing of securities and related expenses	45	39	45	39
Advertising and representation	33	87	8	22
Costs of services provided by related companies and service units	-	-	14	298
<b>TOTAL</b>	<b>13,736</b>	<b>12,168</b>	<b>1,173</b>	<b>2,723</b>

Under the agreements with the audit firms, audit services for the year 2025 were provided to the Group and the Company by member firms of the PricewaterhouseCoopers network, Audalis Kohler Punge & Partner mbB and SIA Taxlink Audit for the amount of EUR 229 thousand and EUR 21 thousand, respectively (2024: EUR 173 thousand and EUR 41 thousand, respectively). In 2025 non-audit services provided amounted to respectively EUR 1,5 thousand and EUR 1,5 thousand (2024: EUR 3,5 thousand; non-audit services were not provided to the Company).

All amounts are in EUR thousands unless otherwise stated

## 22. Other income

	Group		Company	
	2025	2024	2025	2024
Rental income	924	901	853	892
Dividend income	-	-	9,950	1,300
<b>TOTAL</b>	<b>924</b>	<b>901</b>	<b>10,803</b>	<b>2,192</b>

In 2025, the Company received dividends of EUR 1,500 thousand from Grigeo Recycling UAB, dividends of EUR 1,500 thousand from Grigeo Baltwood UAB, dividends of EUR 3,650 thousand from Grigeo Hygiene UAB, dividends of EUR 3,300 thousand from Grigeo Paper Packaging UAB. In 2024, the Company received dividends of EUR 3,00 thousand from Grigeo Recycling UAB, dividends of EUR 1,000 thousand from Grigeo Baltwood UAB.

## 23. Other gains/(losses) – net

	Group		Company	
	2025	2024	2025	2024
Net gain from turnover of emission allowances	2,334	4,604	-	7
Result of disposal of assets	188	989	19	928
Other gain/(losses)	828	823	69	77
<b>TOTAL</b>	<b>3,350</b>	<b>6,416</b>	<b>88</b>	<b>1,012</b>

## 24. Finance income and costs

	Group		Company	
	2025	2024	2025	2024
Interest income	208	619	144	278
Foreign exchange gain – net	25	60	-	-
Other finance income	168	119	-	1
<b>Total finance income</b>	<b>401</b>	<b>798</b>	<b>144</b>	<b>279</b>
Interest on loans and lease	(301)	(462)	(23)	(69)
Foreign exchange loss – net	-	-	(1)	(2)
Default charges and other finance costs	(595)	(229)	(21)	(31)
<b>Total finance costs</b>	<b>(896)</b>	<b>(691)</b>	<b>(45)</b>	<b>(102)</b>
<b>Finance income/(costs) – net</b>	<b>(495)</b>	<b>107</b>	<b>99</b>	<b>177</b>

### Capitalisation of interest on borrowing and lease

In 2025, interest of EUR 60 thousand for the Group and interest of EUR 0 thousand for the Company were capitalised. (2024: EUR 4 thousand and EUR 2 thousand, respectively).

## 25. Income tax and deferred income tax

Income tax expense components:	Group		Company	
	2025	2024	2025	2024
Current year income tax	1,758	2,925	275	912
Adjustments to previous year income tax	105	16	1	19
Deferred income tax (benefit)	112	69	(7)	56
<b>Income tax expenses recognised in the statement of comprehensive income</b>	<b>1,975</b>	<b>3,010</b>	<b>269</b>	<b>987</b>

All amounts are in EUR thousands unless otherwise stated

## 25. Income tax and deferred income tax (continued)

The amount of income tax expenses attributable to the operating result for the year can be reconciled against the amount of income tax expenses that would result from applying the statutory income tax rate to profit before income tax:

	Group		Company	
	2025	2024	2025	2024
<b>Profit before income tax</b>	<b>18,515</b>	<b>23,869</b>	<b>11,685</b>	<b>7,736</b>
Income tax expenses calculated at the tax rate of 16% (in 2024 15%)	2,962	3,580	1,870	1,160
Effect of a higher income tax rate applied in Ukraine	8	13	-	-
Effect of a tax rate due to taxation in Latvia	(42)	(29)	-	-
Effect of a tax rate due to taxation in Poland	39	(158)	-	-
Effect of a tax rate due to taxation in Germany	(31)	-	-	-
Effect of investment relief	(1,409)	(1,527)	(10)	(40)
Sponsorship	(55)	(9)	(6)	(26)
Adjustments of income tax in respect of prior periods	105	6	1	19
Transfer of tax losses between group companies	-	-	(3)	16
Non-allowable deductions	2,998	1,362	25	78
Income not subject to tax	(2,600)	(228)	(1,608)	(220)
<b>Income tax expenses recognised in the statement of comprehensive income</b>	<b>1,975</b>	<b>3,010</b>	<b>269</b>	<b>987</b>

	Group		Company	
	At 31 December 2025	At 31 December 2024	At 31 December 2025	At 31 December 2024
<b>Deferred income tax assets</b>				
Decrease in net realisable value of amounts receivable	5	5	-	-
Investment relief	1,437	1,050	-	-
Write-downs of inventories to net realisable value	193	171	-	-
Long-term employee benefits	90	93	4	5
Vacation reserve	232	200	51	40
Right-of-use assets and liabilities	45	32	7	5
Tax losses carried forward	-	-	-	-
Other accruals	4	4	-	-
Grants	76	59	-	-
<b>Deferred income tax assets</b>	<b>2,082</b>	<b>1,614</b>	<b>62</b>	<b>50</b>
Less: unrecognised part	-	-	-	-
<b>Deferred income tax assets – net</b>	<b>2,082</b>	<b>1,614</b>	<b>62</b>	<b>50</b>
<b>Deferred income tax liability</b>				
Property, plant and equipment	(6,257)	(5,865)	(26)	(21)
Intangible assets	(682)	-	-	-
<b>Deferred income tax liability</b>	<b>(6,939)</b>	<b>(5,865)</b>	<b>(26)</b>	<b>(21)</b>
<b>Deferred income tax – net</b>	<b>(4,857)</b>	<b>(4,251)</b>	<b>36</b>	<b>29</b>

The Group's deferred income tax assets and liabilities were offset at the amount which is related to the same tax administration authority and the same taxable entity.

All amounts are in EUR thousands unless otherwise stated

## 25. Income tax and deferred income tax (continued)

Movements in the Group's deferred income tax differences before and after tax were as follows:

Group	At 31 December 2023	Change due to acquisition of investment	Recognised in the statement of comprehensive income	At 31 December 2024	Change due to acquisition of investment	Recognised in the statement of comprehensive income	At 31 December 2025
Non-current assets	(2,474)	(2,530)	(861)	(5,865)	(682)	(392)	(6,939)
Investment relief	235	-	815	1,050	-	387	1,437
Long-term employee benefits	45	-	48	93	-	(3)	90
Decrease in net realisable value of amounts receivable	5	-	-	5	-	-	5
Write-downs of inventories to net realisable value	168	-	3	171	-	22	193
Vacation reserve	237	-	(37)	200	-	32	232
Right-of-use assets and liabilities	14	-	18	32	-	13	45
Tax losses carried forward	10	-	(10)	-	-	-	-
Grants	60	-	(1)	59	-	17	76
Other	48	-	(44)	4	188	(188)	4
<b>Total deferred income tax</b>	<b>(1,652)</b>	<b>(2,530)</b>	<b>(69)</b>	<b>(4,251)</b>	<b>(494)</b>	<b>(112)</b>	<b>(4,857)</b>
Unrecognised part	-	-	-	-	-	-	-
<b>Deferred income tax – net</b>	<b>(1,652)</b>	<b>(2,530)</b>	<b>(69)</b>	<b>(4,251)</b>	<b>(494)</b>	<b>(112)</b>	<b>(4,857)</b>

Movements in the Company's deferred income tax differences before and after tax were as follows:

Company	At 31 December 2023	Recognised in the statement of comprehensive income	Business relocation	At 31 December 2024	Recognised in the statement of comprehensive income	At 31 December 2025
Property, plant and equipment	(924)	934	(31)	(21)	(5)	(26)
Long-term employee benefits	17	(16)	4	5	(1)	4
Decrease in net realisable value of amounts receivable	-	-	-	-	-	-
Write-downs of inventories to net realisable value	77	(68)	(9)	-	-	-
Vacation reserve	120	(97)	17	40	11	51
Grants	60	(56)	(4)	-	-	-
Right-of-use assets and liabilities	8	-	(3)	5	2	7
Other	30	-	(30)	-	-	-
<b>Total deferred income tax</b>	<b>(612)</b>	<b>697</b>	<b>(56)</b>	<b>29</b>	<b>7</b>	<b>36</b>
Unrecognised part	-	-	-	-	-	-
<b>Deferred income tax – net</b>	<b>(612)</b>	<b>697</b>	<b>(56)</b>	<b>29</b>	<b>7</b>	<b>36</b>

All amounts are in EUR thousands unless otherwise stated

## 25. Income tax and deferred income tax (continued)

Deferred income tax assets and liabilities related to the companies operating in Lithuania were accounted for at a rate of 17% in 2025 and 16% in 2024. Deferred taxes related to the company operating in Ukraine were calculated at a rate of 18% in 2025 and 2024. Deferred taxes related to the company operating in Poland were calculated at a rate of 19% in 2025 and 2024. Deferred taxes related to the company operating in Germany were calculated at a rate of 15% in 2025. Deferred income tax assets arising from the investment relief can be realised by the companies operating in Lithuania over the current and subsequent four years.

## 26. Basic and diluted earnings per share

Earnings per share are calculated by dividing the net profit attributable to the shareholders by the annual number of ordinary shares issued and paid. Diluted earnings per share are calculated by dividing the net profit attributable to the shareholders by the weighted average of ordinary shares and share options.

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

	Group		Company	
	2025	2024	2025	2024
Net profit for the year attributable to the Company's shareholders	16,597	20,818	11,416	6,749
Number of ordinary shares (at January 1 <sup>st</sup> )	131,400,000	131,400,000	131,400,000	131,400,000
Shares issued (July 16-18 d.)	1,420,000	-	1,420,000	-
Number of ordinary shares (at December 31 <sup>st</sup> )	132,820,000	131,400,000	132,820,000	131,400,000
Share options	-	1,660,000	-	1,660,000
Weighted average number of ordinary shares	132,053,589	133,060,000	132,053,589	133,060,000
<b>Earnings per share (in EUR)</b>	<b>0.126</b>	<b>0.158</b>	<b>0.086</b>	<b>0.051</b>
<b>Diluted earnings per share (in EUR)</b>	<b>0.126</b>	<b>0.156</b>	<b>0.086</b>	<b>0.051</b>

## 27. Dividends per share

	2025	2024
Allocated dividends	7,884	9,198
Number of shares	131,400,000	131,400,000
<b>Allocated dividends per share (in EUR)</b>	<b>0.06</b>	<b>0.07</b>

## 28. Adjusted EBITDA

The management of the Group and the Company calculate the adjusted EBITDA – they monitor this performance indicator both at the consolidated level and at the individual company level. The management believes that this indicator is important for understanding the Group's and the Company'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.

	Group		Company	
	2025	2024	2025	2024*
<b>Profit for the period</b>	<b>16,541</b>	<b>20,859</b>	<b>11,416</b>	<b>6,749</b>
Income tax	1,975	3,010	269	987
<b>Profit before income tax</b>	<b>18,516</b>	<b>23,869</b>	<b>11,685</b>	<b>7,736</b>
Adjustment:				
Finance costs (income) – net (Note 24)	495	(107)	(99)	(177)
Dividends received (Note 22)	-	-	(9,950)	(1,300)
Depreciation (Notes 5 and 8)	11,215	10,253	454	1,599
Amortisation (Notes 6 and 7)	1,238	840	142	220
Amortisation of grants (Note 15)	(153)	(81)	-	(36)
<b>Adjusted EBITDA</b>	<b>31,311</b>	<b>34,774</b>	<b>2,232</b>	<b>8,042</b>

\*On 1 May 2024 the Company transferred the tissue business to its subsidiary Grigeo Tissue UAB (more information can be found in [Nasdaq notification on material events at 30 April 2024](#)).

All amounts are in EUR thousands unless otherwise stated

## 29. Financial instruments by category

Group	Notes	At 31 December 2025	At 31 December 2024
<b>Financial assets at amortised cost</b>			
Trade receivables	10	24,442	27,556
Other amounts receivable	10	1,133	335
Cash and cash equivalents	11	10,271	14,018
<b>Total financial assets at amortised cost</b>		<b>35,846</b>	<b>41,909</b>
<b>Financial liabilities at amortised cost</b>			
Borrowings	13	12,448	2,497
Lease liabilities	14	7,143	5,373
Trade payables	17	27,550	25,462
Other amounts payable	17	3,815	2,499
<b>Total financial liabilities at amortised cost</b>		<b>50,956</b>	<b>35,831</b>

Company	Notes	At 31 December 2025	At 31 December 2024
<b>Financial assets at amortised cost</b>			
Trade receivables	10	113	141
Amounts receivable from related parties	10	8,922	2,450
Other amounts receivable	10	14	85
Cash and cash equivalents	11	3,609	10,885
<b>Total financial assets at amortised cost</b>		<b>12,658</b>	<b>13,561</b>
<b>Financial liabilities at amortised cost</b>			
Borrowings	13	-	-
Lease liabilities	14	573	575
Trade payables	17	743	242
Trade payables to related parties	17	11,915	12,822
Other amounts payable	17	1,061	940
<b>Total financial liabilities at amortised cost</b>		<b>14,292</b>	<b>14,579</b>

Risks associated with the financial instruments relevant to the Company and the Group are disclosed in Note 3.

## 30. Related-party transactions

The Group's related parties are as follows:

- Companies having significant influence – Ginvildos Investicija UAB – the main shareholder of Grigeo Group AB;

The Company's related parties are as follows:

- Companies having significant influence – Ginvildos Investicija UAB – the main shareholder of the Company;
- Subsidiaries – subsidiaries of Grigeo Group AB (the list of the subsidiaries is presented in Note 1);

Transactions with the related parties comprise regular sales and purchases of goods and services related to the Company's activity.

As at 31 December 2025 and 2024, there were no guarantees or pledges given or received in respect of the related-party payables and receivables at the Group.

Related-party payables and receivables are expected to be settled in cash or by set-off against payables/receivables to/from a respective related party.

Related-party payables and receivables are subject to the same terms and conditions that are applicable to payables/receivables to/from the external customers/suppliers.

All amounts are in EUR thousands unless otherwise stated

### 30. Related-party transactions (continued)

Company (the year 2025)	Sales of goods and services	Purchases of goods and services	Amounts receivable*	Amounts payable**
Companies having significant influence	-	-	-	-
Subsidiaries	7,631	254	8,922	11,915
Other related parties	-	-	-	-
<b>TOTAL</b>	<b>7,631</b>	<b>254</b>	<b>8,922</b>	<b>11,915</b>

Company (the year 2024)	Sales of goods and services	Purchases of goods and services	Amounts receivable*	Amounts payable**
Companies having significant influence	-	-	-	-
Subsidiaries	6,167	3,297	2,450	10,022
Other related parties	-	-	-	-
<b>TOTAL</b>	<b>6,167</b>	<b>3,297</b>	<b>2,450</b>	<b>10,022</b>

\* Amounts receivable comprise prepayments for goods, services and loans granted.

\*\* Amounts payable also comprise borrowings from the subsidiaries.

In 2025 and 2024, the Group had no purchases of goods and services, sales to companies having significant influence, or other related companies.

### 31. Key management personnel compensation

Compensation calculated to the key management personnel for the year ended 31 December:

	Group		Company	
	2025	2024	2025	2024
Key management personnel compensation	2,080	1,676	700	573
Average annual number of management personnel	14	10	3	3

In 2025, shares of the Company were transferred free of charge to the key management personnel of the Group and the Company in the amounts of EUR 738 thousand and EUR 86 thousand, respectively. In 2025 and 2024, no loans, guarantees or any other benefits were paid or calculated, nor any assets were transferred to the Company's key management personnel. Amounts paid to the Board Members in 2025 for provision of services were EUR 206 thousand at the Group and EUR 71 thousand at the Company. Amounts paid to the Board Members in 2024 were EUR 305 thousand at the Group, EUR 69 thousand at the Company. Bonuses paid to the Supervisory Board by the Company totalled EUR 15 thousand in 2025 (2024: EUR 15 thousand).

Shares (directly and indirectly held ownership interest) and job positions held by the Group's and the Company's key management personnel at the Company are disclosed below:

Full name	Job position	Percentage of share capital and voting rights held at the Company, %
Gintautas Pangonis	Chairman of the Board	Indirectly*
Vigmantas Kažukauskas	Member of the Board	0.93
Saulius Martinkevičius	Chief Procurement and Logistics Officer	0.34
Tomas Jozonis	Chief Executive Officer	Indirectly*
Robertas Krutikovas	Member of the Board	0.08

\*Ginvildos investicija UAB holds 47.35% of the Company's shares. 67.00% of shares of Ginvildos investicija UAB are owned by Gintautas Pangonis and 10.00% by Tomas Jozonis.

### 32. Contingent liabilities

#### Taxes

The Tax Authorities have not carried out a full-scope tax audit at the Group companies. The Tax Authorities may inspect accounting, transaction and other documents, accounting records and tax returns for the current and previous 3 calendar years at any time, and in certain cases, for the current and previous 5 or 10 calendar years and impose additional taxes and penalties. The Group's management is not aware of any circumstances which may give rise to a potential material liability in respect of taxes not paid.

All amounts are in EUR thousands unless otherwise stated

## 32. Contingent liabilities (continued)

### Litigations

A claim has been filed against Grigeo Klaipėda AB, subsidiary of Grigeo Group AB, regarding compensation for damage caused to the environment. In the management's opinion, numerous uncertainties exist in relation to the outcome of the claim (Note 33).

## 33. Litigations

### Background information

In 2021, the pre-trial investigation regarding wastewater management by Grigeo Klaipėda AB, subsidiary of Grigeo Group AB (hereinafter the "Subsidiary"), was completed by the Klaipėda District Prosecutor's Office of the Klaipėda Regional Prosecutor's Office (hereinafter the "Prosecutor's Office") and the criminal case was referred to the Šiauliai Regional Court. The Subsidiary is charged in the criminal case under Articles 270(2), 228(2) and 300(3) of the Criminal Code of the Republic of Lithuania. The Subsidiary is suspected of its actions related to improper operation of its wastewater treatment plant (hereinafter the "WWTP") during the period from 1 January 2012 to 13 February 2020 when partially biologically treated wastewater would be discharged through the treated wastewater collector of municipal company Klaipėdos Vanduo AB to the Curonian Lagoon. The trial of the case began in September 2022.

According to the Prosecutor's Office's indictment act of 31 December 2021 in the criminal case No 04-2-00154-19, (hereinafter the "Indictment Act"), the Subsidiary abused the office, forged documents and violated the legal acts in order to seek material gain (to avoid a pollution tax in the amount of at least EUR 37,863,706) and caused significant damage to the environment. No claim has been brought against the Subsidiary for unpaid related taxes.

The Environmental Protection Department (hereinafter the "EPD") filed a civil claim against the Subsidiary regarding the compensation for material damage caused to the environment in the criminal case in the amount of EUR 48,257,676.57. In establishing the fact of the damage and calculating the amount of the damage, the EPD referred to the Methodology for estimation of the amounts of compensation for damage caused to the environment approved by Order No 471 of the Minister of Environment of the Republic of Lithuania of 9 September 2002 (hereinafter the "Methodology"). The fact and amount of significant damage to the environment referred to in the civil action is not based on a significant adverse change (deterioration of the water status and/or ecological potential of the Curonian Lagoon) but on the Methodology, which derives the fact of damage to the environment from the fact and amount of the pollutants allegedly released by the Subsidiary into the natural environment.

The Subsidiary is not denying its legal liability and it expressed its standpoint in writing to the Prosecutor's Office that it was and still is prepared to compensate for the objectively calculated damage if such damage is to be determined on the basis of unbiased expert calculations.

The Subsidiary is ready to implement the plan of environmental remedial measures as soon as possible with the aim of restoring the original condition of the environment and compensating for the damage that it has caused, objectively determined and proceeding from unbiased expert calculations.

### Scientific research

In order to expedite the determination of the fact and scope of damage caused to the environment (the water of the Curonian Lagoon) the Subsidiary has organised on its own initiative a tender process in order to select international experts to assess potential environmental damage caused by the Subsidiary. As a result, a group of the expert organisations of the USA and Italian companies providing consultative expert services in the environmental area (i.e. TIG Environmental (leading expert Dr. Carlo Monti (the Italian scientist and the Executive Director of TIG Environmental Forensic Examination), Veritas Economic Consulting and Hydrodata S.p.A (hereinafter "TIG") was engaged to determine and calculate the damage to the water status of the Curonian Lagoon inflicted by the incriminated illicit activities of the Subsidiary.

The TIG's environmental assessment has been performed according to Directive 2004/35/EC of the European Parliament and of the Council of 21 April 2004 on environmental liability regarding the prevention and remedying of environmental damage (hereinafter "Directive 2004/35/EC") and according to the guideline published by the European Commission (European Commission, Eftec and Stratus Consulting, 2013) which provides specific guidelines for damage assessment. The guideline is in line with the principles of Directive 2004/35/EC which stipulate that compensatory remediation is carried out by compensating for the temporary loss of natural resources and / or functions until such resources and functions are restored. Such compensation is to consist of additional improvements to protected natural habitats and species or water, either in the damaged area or in an alternative area. Directive 2004/35/EC does not provide for punitive damages.

On 28 October 2020, TIG delivered the final report on the environmental damage assessment for the Curonian Lagoon which analysed the composition of the combined wastewaters of Grigeo Klaipėda AB and municipal company Klaipėdos Vanduo AB (because they get mixed before entering the Lagoon), their impact on the local environment, the biodiversity, the ecological condition of the Curonian Lagoon, and the landscape. During the assessment the above-mentioned monitoring data from the Environmental Protection Agency (hereinafter the "EPA"), municipal company Klaipėdos Vanduo AB, the Klaipėda Seaport Authority were used, a survey of the Curonian Lagoon's condition performed by the University of Klaipėda, analysis results from the State Food and Veterinary Service as well as Grigeo Klaipėda AB's wastewater test results rendered by the independent laboratories were taken into consideration.

All amounts are in EUR thousands unless otherwise stated

### 33. Litigations (continued)

TIG did not identify any significant damage to the water status of the Curonian Lagoon by the discharge of biologically partially untreated wastewater. In the worst-case scenario (if only 15% of the wastewaters were treated biologically in the Subsidiary's WWTP) a very low ecological impact (i.e., not damage) from the releases of untreated wastewater could have been caused.

#### The plan of environmental restoration measures

On 26 June 2020, the EPD submitted to the Subsidiary the assessment of the ecological status or ecological potential and deterioration of chemical status of the surface water body – the Curonian Lagoon – performed by the EPA, dated 11 May 2020, and requested the Subsidiary to submit a plan of environmental restoration measures (hereinafter the “PERM”). On 25 April 2023, the experts engaged by the Subsidiary prepared a report entitled 'Potential impact of the discharge of partially untreated wastewater by AB Grigeo Klaipėda on the deterioration of the ecological potential of the Klaipėda Strait within one class (at State monitoring stations 2 and 3B)', which denied the deterioration of the water status of the Curonian Lagoon due to the Subsidiary's partially biologically treated wastewater, allegedly identified by the EPA in its assessment report dated 11 May 2020.

The Subsidiary has submitted the PERM several times, but on 6 December 2021, the EPD refused to approve the PERM submitted by the Subsidiary. On 18 October 2022, the Vilnius Regional Administrative Court upheld the Subsidiary's claim against the decision of the EPD whereby the EPD refused to approve the PERM submitted by the Subsidiary, the purpose of which is to remove the amount of incriminated pollutants from the Curonian Lagoon, finding that the decision taken by the EPD could not be regarded as reasoned, substantiated and in compliance with the requirements of the Law on Public Administration.

On 3 February 2023, the Subsidiary submitted a new PERM to the EPD, the aim of which, should the EPD approve the plan, is to remove the negative impact of the incriminated pollutants from the natural environment of the Curonian Lagoon. By the decision of 26 April 2023, the EPD did not approve this PERM. On 28 October 2023, the Subsidiary submitted an updated PERM to the EPD, which was not accepted by the EPD on 14 February 2024. On 18 June 2024 the Subsidiary has submitted a request to the EPD for an assessment of the updated Plan of Environmental Restoration Measures. At the time of preparing these reports, the EPD has not yet taken a decision on the PERM.

#### Civil claim

On 3 March 2020, the EPD filed a civil claim against the Subsidiary for compensation of a EUR 3,982,184 damage caused to the environment in the pre-trial investigation case (the civil claim was received by the Subsidiary on 17 July 2020). On 26 January 2021, the Subsidiary received from the Prosecutor's Office a revised civil claim of the EPD regarding the compensation of a material damage caused to the environment in the criminal case in the amount of EUR 48,257,676.57. The amount of damage caused to the environment specified in the civil claim corresponds to the amount indicated in the Indictment Act delivered against the Subsidiary.

The damage caused to the water body (the Curonian Lagoon) was estimated in the civil claim according to the general mathematical formula specified in the Methodology using the following information and documentation:

- the quantities of sewage discharged to the collector of municipal company Klaipėdos Vanduo AB;
- the biochemical composition of sewage discharged to the collector of municipal company Klaipėdos Vanduo AB which is supported by the documents evidencing the data for exceedingly limited period (November 2019 to 7 January 2020), which could not be construed as sufficient and representative time-basis to substantiate findings for the entire incriminated period (from 1 January 2012 to 7 January 2020);
- the statement that a substantial amount of wastewater was not treated, whereas the said conclusion casts doubt caused by substantively contradicting findings of experts of both parties (the Prosecutor's Office and the Company) in relation to technical capabilities of the Company's waste treatment facilities as regards quantities and composition of pollution (partially untreated wastewater) reportedly released to the environment (the Curonian Lagoon);
- the unsupported statement that the damage done to the environment occurs by diminution or loss of certain values without indication which specific environmental element was negatively affected and what values and to what extent were lost due to the Subsidiary's actions.

No claim has been brought against the Subsidiary for unpaid related taxes. According to the Subsidiary's management, such a claim seeking the award of unpaid taxes, in all likelihood, could not be brought against the Subsidiary, as the purpose of the environmental pollution tax and the compensation (remedy) of environmental damage differs. In case of environmental pollution, the environment is polluted in a place agreed with responsible authorities by measuring the quantity of pollutants and paying a respective environmental tax, whereas the amount of environmental damage is calculated on the basis environmental pollution with pollutants prohibited by the legal acts and (or) environmental pollution in a prohibited manner or in a prohibited location. If there is a claim lodged for compensation of environmental damage made, as result of release of the specified pollutants in violation of the requirements of the legal acts, in the view of the Subsidiary's management, it is not possible at the same time (concurrently) to claim the payment of an applicable pollution tax for the same pollutants released.

All amounts are in EUR thousands unless otherwise stated

### 33. Litigations (continued)

#### Key considerations of the civil claim of the EPD

The following was not considered and/or indicated in the civil claim:

- the requirements of Article 32 of the Environment Protection Law whose provisions are implemented by the Methodology. Article 32 of the Environment Protection Law indicates that the damage to the environment is assessed and the amount of compensation is calculated in accordance with the methodology approved by the Minister of the Environment, assessing the initial condition of the environment, significance of negative impact on the environment, natural recovery possibilities and time, as well as adopted remediation measures;
- identification of specific environmental element(s) which was(were) affected and assessment of the significance of the negative impact of Subsidiary's actions on the environment (Curonian Lagoon);
- data on the fact and extent of the damage caused by the Subsidiary's actions;
- the causal link between the identified significant negative impact on the environment and the Subsidiary's actions.

The Subsidiary's management considers the above list to remain conclusive notwithstanding the pre-trial investigation files that the Subsidiary became acquainted with in September 2021. Different expert reports within the pre-trial investigation of the case deliver inconsistent findings and conclusions which further substantiate the fact of numerous uncertainties in relation to the outcome of court proceedings and the amount of expenditure required to settle related outstanding obligations of the Subsidiary.

#### Summary of uncertainties

At the date of approval of these consolidated financial statements the management faces the following uncertainties in relation to the amount of the civil claim or determination of the timing of any possible outcome of the civil claim:

- The Subsidiary does not currently possess any objective, complete and comprehensive factual data in relation to the period, extent, frequency and biochemical composition of its sewage discharged to the collector of municipal company Klaipėdos Vanduo AB.
- The damage caused to the environment was determined in the civil claim according to the general mathematical formula specified in the Methodology without identifying initial condition of the environment, significance of negative impact on the environment and not taking into account that a plan of measures for the environment restoration is not prepared and applied as required by legal acts.
- The fact and scope of damage caused to the environment were not determined in the civil claim by special scientific and other valid studies aimed at individual approach to a particular case in line with methods entrenched in Directive 2004/35/EC and Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (hereinafter the "Directives"), instead, a general mathematical formula specified in the Methodology was used.
- The fact of pollution by the Subsidiary is mistakenly equated with the fact of environmental damage. The fact and extent of the actual environmental damage made by the Subsidiary is not established and determined.
- Uncertainties of the damage calculated in the civil claim are also related to the fact that it is not clear why the EPD did not apply the mandatory legal act *Description of the procedure for selecting environmental remediation measures and obtaining prior approval* (hereinafter the "Legal Act on ERM") approved by the Minister of Environment by Order No D1-228 of 16 May 2006 to implement the principles and legal requirements of Directive 2004/35/EC. Clause 10 of the Legal Act on ERM states that environmental damage related to water (the Curonian Lagoon) is to be remedied by restoring the baseline condition of environment by choosing the following methods of environmental restoration: primary, supplementary and compensatory.

#### Conclusion

The Subsidiary is not denying its legal liability and is prepared to compensate for objectively calculated damage. The Subsidiary's management, following the scientific research performed by the independent TIG Environmental experts, estimates that the potential costs of offsetting ecological impact from the releases of biologically untreated wastewater are limited. On the upper limit of the range the assessment of the EPD, the claim filed amounts to EUR 48,257,676.57 which is uncertain in the following areas:

- The claim amount is based on the mathematical formula specified in the Methodology with the key components of the formula – quantities and biochemical composition of sewage – being uncertain. The management thus far does not possess objective information to reliably estimate quantity of the pollutants (BOD<sub>7</sub>, nitrogen, phosphorus or any other elements) in the biologically partially untreated wastewater released.
- The management considers that the claim is not in line with the methods entrenched in the above-mentioned local legal acts and the Directives.

All amounts are in EUR thousands unless otherwise stated

### 33. Litigations (continued)

International Accounting Standard 37 requires measuring the provision in the amount of the best estimate of the expenditure required to settle the present obligation. As there is a wide range of estimates depending on the source of information and significant uncertainties relating to them, as described above, it is difficult to estimate probability of any outcome as well as to assess the amount of expenditure required to settle this obligation. Having no objective information on the quantities and biochemical composition of the sewage discharged to the collector of municipal company Klaipėdos Vanduo AB, the management could not reliably estimate the amount of provision and the provision was not recognised in the financial statements, but instead is disclosed as a contingent liability. At the date of this report, the trial that started in 2022 did not change the management's estimations over the general situation and the outcome of the case. The management remains to hold an opinion that any compensation for the potential damage should be scientifically based and estimated following the legal acts and in accordance with the legal framework of the Republic of Lithuania and the European Union.

### 34. Material uncertainties

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

#### 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	At 31 December 2025	At 31 December 2024
Non-current assets	500	490
Current assets	1,977	2,222
<b>TOTAL ASSETS</b>	<b>2,477</b>	<b>2,712</b>
Shareholders' equity	2,237	2,479
Non-current liabilities	-	2
Current liabilities	240	231
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,477</b>	<b>2,712</b>

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

Mena Pak AT	2025
Revenue	4,564
Profit before tax	419
Net profit	346
EBITDA	487

Mena Pak AT did not incur any 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 2.5 million and liabilities of EUR 0.2 million due to the ongoing war and high uncertainty of future events.

### 35. Events after the end of the reporting period

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



**STATEMENT OF COMPLIANCE WITH THE CORPORATE  
GOVERNANCE CODE FOR THE YEAR 2025**

## STATEMENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Grigeo Group AB (hereinafter the “**Company**”), acting in compliance with Article 12(3) of the Republic of Lithuania Law on Securities and paragraph 24.4 of the Listing Rules of Nasdaq Vilnius AB, hereby discloses how it complies with the Corporate Governance Code for the Companies listed on Nasdaq Vilnius as well as its specific provisions or recommendations. In case of non-compliance with this Code or some of its provisions or recommendations, the specific provisions or recommendations that are not complied with are indicated and the reasons for such non-compliance are specified. In addition, other explanatory information indicated in this form is provided.

PRINCIPLES/ RECOMMENDATIONS	YES /NO /NOT APPLICABLE	COMMENTARY
<p><b>Principle 1: General meeting of shareholders, equitable treatment of shareholders, and shareholders’ rights</b></p> <p>The corporate governance framework should ensure the equitable treatment of all shareholders. The corporate governance framework should protect the rights of shareholders.</p>		
1.1. All shareholders should be provided with access to the information and/or documents established in the legal acts on equal terms. All shareholders should be furnished with equal opportunity to participate in the decision-making process where significant corporate matters are discussed.	Yes	The Company fully complies with this recommendation and provides the information and/or documents established in the legal acts to the shareholders in accordance with the requirements established by the Republic of Lithuania Law on Securities and other legal acts.
1.2. It is recommended that the company’s capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all of their holders.	Yes	The authorised share capital of the Company consists of 132,820,000 ordinary registered shares, each with a nominal value of EUR 0.29. All shareholders of the Company are granted equal rights.
1.3. It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares.	Yes	The Company fully complies with this recommendation.
1.4. Exclusive transactions that are particularly important to the company, such as transfer of all or almost all assets of the company which in principle would mean the transfer of the company, should be subject to approval of the general meeting of shareholders.	Yes	The Company will comply with this recommendation.
1.5. Procedures for convening and conducting a general meeting of shareholders should provide shareholders with equal opportunities to participate in the general meeting of shareholders and should not prejudice the rights and interests of shareholders. The chosen venue, date and time of the general meeting of shareholders should not prevent active participation of shareholders at the general meeting. In the notice of the general meeting of shareholders being convened, the company should specify the last day on which the proposed draft decisions should be submitted at the latest.	Yes	The procedures for convening and attending general meetings of shareholders of the Company provide equal opportunities for shareholders to attend a meeting and do not prejudice their rights and interests. The notice of the general meeting of shareholders is published in the central database of regulated information managed by Nasdaq Vilnius AB and on the Company’s website in accordance with the procedure prescribed by the Law on Securities. General meetings of shareholders of the Company are convened at the registered office and business address of the Company at Vilniaus str. 10 Grigiškės, Vilnius city municipality. The chosen location of the general meeting of shareholders does not prevent active participation of the shareholders in the meeting. In the notice of the general meeting of shareholders being convened, the Company specifies that the shareholders may submit the proposed draft resolutions at any time prior to the general meeting.

<p>1.6. With a view to ensure the right of shareholders living abroad to access the information, it is recommended, where possible, that documents prepared for the general meeting of shareholders in advance should be announced publicly not only in Lithuanian language but also in English and/or other foreign languages in advance. It is recommended that the minutes of the general meeting of shareholders after the signing thereof and/or adopted decisions should be made available publicly not only in Lithuanian language but also in English and/or other foreign languages. It is recommended that this information should be placed on the website of the company. Such documents may be published to the extent that their public disclosure is not detrimental to the company or the company's commercial secrets are not revealed.</p>	<p>Yes</p>	<p>The Company complies with this recommendation. The Company publishes documents prepared for the general meeting of shareholders in advance in the Lithuanian and English languages. The Company also publicly announces information about the resolutions adopted by the general meeting of shareholders in the Lithuanian and English languages. The Company also announces the aforementioned information on the Company's website.</p>
<p>1.7. Shareholders who are entitled to vote should be furnished with the opportunity to vote at the general meeting of shareholders both in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.</p>	<p>Yes</p>	<p>The Company complies with this recommendation. The notice of the general meeting of shareholders being convened always indicates the possibility for the shareholders to vote in writing by filling in the attached voting ballot form.</p>
<p>1.8. With a view to increasing the shareholders' opportunities to participate effectively at general meetings of shareholders, it is recommended that companies should apply modern technologies on a wider scale and thus provide shareholders with the conditions to participate and vote in general meetings of shareholders via electronic means of communication. In such cases the security of transmitted information must be ensured and it must be possible to identify the participating and voting person.</p>	<p>No</p>	<p>The Company does not comply with this recommendation due to legal uncertainties and obstacles regarding the participation and voting of shareholders in general meetings of shareholders via electronic means of communication. The notice of the general meeting of shareholders being convened always states that the Company does not provide the shareholders with the conditions to participate and vote in the general meeting of shareholders via electronic means of communication.</p>
<p>1.9. It is recommended that the notice on the draft decisions of the general meeting of shareholders being convened should specify new candidatures of members of the collegial body, their proposed remuneration and the proposed audit company if these issues are included into the agenda of the general meeting of shareholders. Where it is proposed to elect a new member of the collegial body, it is recommended that the information about his/her educational background, work experience and other managerial positions held (or proposed) should be provided.</p>	<p>Yes</p>	<p>The Company complies with this recommendation. The Company discloses information about the candidates for the collegial body of the Company to the shareholders immediately upon the receipt of the proposals for the candidates for the collegial body. The Company has only paid to the members of the collegial body annual bonuses for their work that were granted by the general meeting of shareholders, and therefore, the proposed remuneration was not indicated in the information about the candidates for the collegial body. The Company also provides information on the proposed audit firm and the proposed remuneration for the services when this issue is included in the agenda of the general meeting of shareholders.</p>
<p>1.10. Members of the company's collegial management body, heads of the administration or other competent persons related to the company who can provide information related to the agenda of the general meeting of shareholders should take part in the general meeting of shareholders. Proposed candidates to member of the collegial body should also participate in the general meeting of shareholders in case the election of new members is included into the agenda of the general meeting of shareholders.</p>	<p>Yes</p>	<p>The Company complies with this recommendation. Relevant competent persons who can provide information relating to the agenda of the general meeting of shareholders always attend the general meeting of shareholders. Proposed candidates for the members of the collegial body attend the general meetings of shareholders as far as possible.</p>

## Principle 2: Supervisory board

### 2.1. Functions and liability of the supervisory board

The supervisory board of the company should ensure representation of the interests of the company and its shareholders, accountability of this body to the shareholders and objective monitoring of the company's operations and its management bodies as well as constantly provide recommendations to the management bodies of the company.

The supervisory board should ensure the integrity and transparency of the company's financial accounting and control system.

2.1.1. Members of the supervisory board should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders and represent their interests, having regard to the interests of employees and public welfare.	Yes	According to the knowledge of the Company, all members of the supervisory board act in good faith for the benefit of the Company and its shareholders.
2.1.2. Where decisions of the supervisory board may have a different effect on the interests of the company's shareholders, the supervisory board should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed about the company's strategy, risk management and control, and resolution of conflicts of interest.	Yes	The supervisory board treats all shareholders fairly and impartially.
2.1.3. The supervisory board should be impartial in passing decisions that are significant for the company's operations and strategy. Members of the supervisory board should act and pass decisions without an external influence from the persons who elected them.	Yes	The supervisory board is independent in passing decisions that are significant for the Company's operations and strategy.
2.1.4. Members of the supervisory board should clearly voice their objections in case they believe that a decision of the supervisory board is against the interests of the company. Independent <sup>1</sup> members of the supervisory board should: a) maintain independence of their analysis and decision-making; b) not seek or accept any unjustified privileges that might compromise their independence.	Yes	The supervisory board members are impartial in passing decisions and clearly voice their will regarding the decisions passed.
2.1.5. The supervisory board should oversee that the company's tax planning strategies are designed and implemented in accordance with the legal acts in order to avoid faulty practice that is not related to the long-term interests of the company and its shareholders, which may give rise to reputational, legal or other risks.	Yes	The supervisory board oversees that the Company's tax planning strategies are designed and implemented in accordance with the legal acts.
2.1.6. The company should ensure that the supervisory board is provided with sufficient resources (including financial ones) to discharge their duties, including the right to obtain all the necessary information or to seek independent professional advice from external legal, accounting or other experts on matters pertaining to the competence of the supervisory board and its committees.	Yes	Meetings of the supervisory board are provided with premises and all necessary information and the supervisory board has the right to seek independent professional advice from external legal, accounting, or other experts on matters falling within their competence.

<sup>1</sup> For the purposes of this Code, the criteria of independence of members of the supervisory board are interpreted as the criteria of unrelated parties defined in Article 31(7) and (8) of the Law on Companies of the Republic of Lithuania.

## 2.2. Formation of the supervisory board

The procedure of the formation of the supervisory board should ensure proper resolution of conflicts of interest and effective and fair corporate governance.

<p>2.2.1. The members of the supervisory board elected by the general meeting of shareholders should collectively ensure the diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance between the qualifications of the members of the supervisory board, it should be ensured that members of the supervisory board, as a whole, should have diverse knowledge, opinions and experience to duly perform their tasks.</p>	<p>Yes</p>	<p>The members of the supervisory board elected by the general meeting of shareholders of the Company ensure the diversity of qualifications, professional experience and competences, and the supervisory board has members of both genders.</p>
<p>2.2.2. Members of the supervisory board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience.</p>	<p>Yes</p>	<p>According to the Articles of Association of the Company, the supervisory board is elected by the general meeting of shareholders for a period of 4 years, i.e. the maximum period permitted by the legislation of the Republic of Lithuania.</p>
<p>2.2.3. Chair of the supervisory board should be a person whose current or past positions constituted no obstacles to carry out impartial activities. A former manager or management board member of the company should not be immediately appointed as chair of the supervisory board either. When a company decides to depart from these recommendations, it should furnish information on the measures it has taken to ensure the impartiality of supervision.</p>	<p>Yes</p>	<p>Chair of the supervisory board is a person whose current or past positions constitute no obstacles to carry out impartial activities. Former managers or management board members of the Company were not appointed as chairs of the supervisory board.</p>
<p>2.2.4. Each member should devote sufficient time and attention to perform his duties as a member of the supervisory board. Each member of the supervisory board should undertake to limit his other professional obligations (particularly the managing positions in other companies) so that they would not interfere with the proper performance of the duties of a member of the supervisory board. Should a member of the supervisory board attend less than a half of the meetings of the supervisory board throughout the financial year of the company, the shareholders of the company should be notified thereof.</p>	<p>Yes</p>	<p>Each member devotes sufficient time and attention to perform his/her duties as a member of the supervisory board and his/her other professional obligations do not interfere with the proper performance of the duties of a member of the supervisory board.</p>
<p>2.2.5. When it is proposed to appoint a member of the supervisory board, it should be announced which members of the supervisory board are deemed to be independent. The supervisory board may decide that, despite the fact that a particular member meets all the criteria of independence, he/she cannot be considered independent due to special personal or company-related circumstances.</p>	<p>No</p>	<p>The Company submits to the shareholders received proposals concerning the candidates for the members of the supervisory board.</p>
<p>2.2.6. The amount of remuneration to members of the supervisory board for their activity and participation in meetings of the supervisory board should be approved by the general meeting of shareholders.</p>	<p>Yes</p>	<p>The amount of remuneration to members of the supervisory board for their activity and participation in meetings of the supervisory board is approved by the general meeting of shareholders. Guidelines for the determination of remuneration of the members of the supervisory board of the Company and the procedure for payment of remuneration is established by the Company's remuneration policy approved by the Resolution of the Ordinary General Meeting of Shareholders on 28 April 2025.</p>
<p>2.2.7. Every year the supervisory board should carry out an assessment of its activities. It should include evaluation of the structure of the supervisory board, its work organization and ability to act as a group, evaluation of the competence and work efficiency of each member of the supervisory board, and evaluation whether the supervisory board has achieved its objectives. The supervisory board should, at least once a year, make public respective information about its internal structure and working procedures.</p>	<p>No</p>	<p>The supervisory board has not carried out an assessment of its activities.</p>

### Principle 3: Management board

#### 3.1. Functions and liability of the management board

The management board should ensure the implementation of the company's strategy and good corporate governance with due regard to the interests of its shareholders, employees and other interest groups.

3.1.1. The management board should ensure the implementation of the company's strategy approved by the supervisory board if the latter has been formed at the company. In such cases where the supervisory board is not formed, the management board is also responsible for the approval of the company's strategy.	No	The supervisory board has not approved the Company's strategy.
3.1.2. As a collegial management body of the company, the management board performs the functions assigned to it by the Law and in the Articles of Association of the company, and in such cases where the supervisory board is not formed in the company, it performs inter alia the supervisory functions established in the Law. By performing the functions assigned to it, the management board should take into account the needs of the company's shareholders, employees and other interest groups by respectively striving to achieve sustainable business development.	Yes	The management board, as a collegial management body of the Company, performs the functions assigned to it by the Law on Companies and in the Articles of Association of the Company. By performing the functions assigned to it, the management board takes into account the needs of the Company's shareholders, employees and other interest groups and, respectively, strives to achieve sustainable business development.
3.1.3. The management board should ensure compliance with the laws and the internal policy of the company applicable to the company or a group of companies to which this company belongs. It should also establish the respective risk management and control measures aimed at ensuring regular and direct liability of managers.	Yes	The management board, within the limits of its competence and functions assigned to it, aims to ensure the compliance with the provisions of the laws and the internal policy of the Company.
3.1.4. Moreover, the management board should ensure that the measures included into the <a href="#">OECD Good Practice Guidance<sup>2</sup></a> on Internal Controls, Ethics and Compliance are applied at the company in order to ensure adherence to the applicable laws, rules and standards.	Yes	The Company applies a variety of documents ensuring the highest level of internal control, ethics and measures of compliance management.
3.1.5. When appointing the Head of the company, the management board should take into account the appropriate balance between the candidate's qualifications, experience and competence.	Yes	When appointing the Head of the Company, the management board considers the appropriate balance between the candidate's qualifications, experience and competence.

#### 3.2. Formation of the management board

3.2.1. The members of the management board elected by the supervisory board or, if the supervisory board is not formed, by the general meeting of shareholders should collectively ensure the required diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance in terms of the current qualifications possessed by the members of the management board, it should be ensured that the members of the management board would have, as a whole, diverse knowledge, opinions and experience to duly perform their tasks.	Yes	The management board members elected by the supervisory board of the Company ensure the diversity of qualifications, professional experience and competences. During the election of the members of the management board, the Company aims to ensure gender equality and the management board has had members of both genders for a number of years.
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<sup>2</sup> Link to the OECD Good Practice Guidance on Internal Controls, Ethics and Compliance: <https://www.oecd.org/daf/anti-bribery/44884389.pdf>

<p>3.2.2. Names and surnames of the candidates to become members of the management board, information on their educational background, qualifications, professional experience, current positions, other important professional obligations and potential conflicts of interest should be disclosed without violating the requirements of the legal acts regulating the handling of personal data at the meeting of the supervisory board in which the management board or individual members of the management board are elected. In the event that the supervisory board is not formed, the information specified in this paragraph should be submitted to the general meeting of shareholders. The management board should, on yearly basis, collect data provided in this paragraph on its members and disclose it in the company's annual report.</p>	Yes	Names and surnames of the candidates to become members of the management board, information on their educational background, qualifications, professional experience, current positions, other important professional obligations and potential conflicts of interest are disclosed at the meeting of the supervisory board in which the management board or individual members of the management board are elected. The data on the members of the management board referred to in this paragraph is also disclosed in the Company's annual report.
<p>3.2.3. All new members of the management board should be familiarized with their duties and the structure and operations of the company.</p>	Yes	Members of the management board are familiarised with their duties and the structure and operations of the Company, and the main corporate documents of the Company are shared.
<p>3.2.4. Members of the management board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience and sufficiently frequent reconfirmation of their status.</p>	Yes	Members of the management board are appointed for a term of four years, subject to re-election for a new term in office. The number of terms in office of a member of the management board is unlimited.
<p>3.2.5. Chair of the management board should be a person whose current or past positions constitute no obstacles to carry out impartial activity. Where the supervisory board is not formed, the former Head of the company should not be immediately appointed as chair of the management board. When a company decides to depart from these recommendations, it should furnish information on the measures it has taken to ensure the impartiality of supervision.</p>	Yes	A person whose current or past positions constitute no obstacles to impartially carry out the functions of the chair of the management board is appointed as the chair of the management board.
<p>3.2.6. Each member should devote sufficient time and attention to perform his duties as a member of the management board. Should a member of the management board attend less than a half of the meetings of the management board throughout the financial year of the company, the supervisory board of the company or, if the supervisory board is not formed at the company, the general meeting of shareholders should be notified thereof.</p>	Yes	Each member devotes sufficient time and attention to perform their duties as a member of the management board.
<p>3.2.7. In the event that the management board is elected in the cases established by the Law where the supervisory board is not formed at the company, and some of its members will be independent<sup>3</sup>, it should be announced which members of the management board are deemed as independent. The management board may decide that, despite the fact that a particular member meets all the criteria of independence established by the Law, he/she cannot be considered independent due to special personal or company-related circumstances.</p>	Not applicable	The supervisory board has been formed at the Company.

<sup>3</sup> For the purposes of this Code, the criteria of independence of the members of the board are interpreted as the criteria of unrelated persons defined in Article 33(7) of the Law on Companies of the Republic of Lithuania.

<p>3.2.8. The general meeting of shareholders of the company should approve the amount of remuneration to the members of the management board for their activity and participation in the meetings of the management board.</p>	<p>Yes</p>	<p>The general meeting of shareholders of the Company approves the amount of remuneration to the members of the management board for their activity and participation in the meetings of the management board. Guidelines for the determination of remuneration of the members of the management board of the Company and the procedure for payment of remuneration is established by the Company's remuneration policy approved by the Resolution of the Ordinary General Meeting of Shareholders of 28 April 2025.</p>
<p>3.2.9. The members of the management board should act in good faith, with care and responsibility for the benefit and the interests of the company and its shareholders with due regard to other stakeholders. When adopting decisions, they should not act in their personal interest; they should be subject to no-compete agreements and they should not use the business information or opportunities related to the company's operations in violation of the company's interests.</p>	<p>Yes</p>	<p>According to the information available to the Company, all members of the management board act in good faith, with care and responsibility for the benefit and the interests of the Company and its shareholders and put an effort to maintain their independence in decision-making. In accordance with the provisions of the Republic of Lithuania Law on Companies, all members of the management board must protect the Company's commercial (industrial) secrets and confidential information that they got acquainted with when they were members of the management board.</p>
<p>3.2.10. Every year the management board should carry out an assessment of its activities. It should include evaluation of the structure of the management board, its work organisation and ability to act as a group, evaluation of the competence and work efficiency of each member of the management board, and evaluation whether the management board has achieved its objectives. The management board should, at least once a year, make public the respective information about its internal structure and working procedures in observance of the legal acts regulating the processing of personal data.</p>	<p>No</p>	<p>The management board has not carried out an assessment of its activities.</p>

#### Principle 4: Rules of procedure of the supervisory board and the management board of the company

The rules of procedure of the supervisory board, if it is formed at the company, and of the management board should ensure efficient operation and decision-making of these bodies and promote active cooperation between the company's management bodies.

<p>4.1. The management board and the supervisory board, if the latter is formed at the company, should act in close cooperation in order to attain benefit for the company and its shareholders. Good corporate governance requires an open discussion between the management board and the supervisory board. The management board should regularly and, where necessary, immediately inform the supervisory board about any matters significant for the company that are related to planning, business development, risk management and control, and compliance with the obligations at the company. The management board should inform the supervisory board about any derogations in its business development from the previously formulated plans and objectives by specifying the reasons for this.</p>	<p>Yes</p>	<p>The management board and the supervisory board act in close cooperation.</p>
<p>4.2. It is recommended that meetings of the company's collegial bodies should be held at the respective intervals, according to the pre-approved schedule. Each company is free to decide how often meetings of the collegial bodies should be convened but it is recommended that these meetings should be convened at such intervals that uninterrupted resolution of essential corporate governance issues would be ensured. Meetings of the company's collegial bodies should be convened at least once per quarter.</p>	<p>Yes</p>	<p>Meetings of the Company's collegial bodies are convened at such intervals that uninterrupted resolution of essential Company's management and supervision issues is ensured.</p>

<p><b>4.3.</b> Members of a collegial body should be notified of the meeting being convened in advance so that they would have sufficient time for proper preparation for the issues to be considered at the meeting and a fruitful discussion could be held and appropriate decisions could be adopted. Along with the notice of the meeting being convened all materials relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body present at the meeting agree with such change or supplement to the agenda, or certain issues that are important to the company require immediate resolution.</p>	Yes	Members of a collegial body are notified of the meeting being convened and all materials relevant to the issues on the agenda of the meeting are submitted to them in advance, so that members of a collegial body would have sufficient time for proper preparation for the issues to be considered at the meeting and a fruitful discussion could be held and appropriate decisions could be adopted.
<p><b>4.4.</b> In order to coordinate the activities of the company's collegial bodies and ensure effective decision-making process, the chairs of the company's collegial supervision and management bodies should mutually agree on the dates and agendas of the meetings and closely cooperate in resolving other matters related to corporate governance. Meetings of the company's supervisory board should be open to members of the management board, particularly in such cases where issues concerning the removal of the management board members, their responsibility or remuneration are discussed.</p>	Yes	In order to coordinate the activities of the Company's collegial bodies and ensure effective decision-making process, the chairs of the Company's collegial supervision and management bodies mutually agree on the dates and agendas of the meetings and cooperate closely in resolving other matters related to the Company's management.
<b>Principle 5: Nomination, remuneration and audit committees</b>		
<b>5.1. Purpose and formation of committees</b>		
<p>The committees formed at the company should increase the work efficiency of the supervisory board or, where the supervisory board is not formed, of the management board which performs the supervisory functions by ensuring that decisions are based on due consideration and help organise its work in such a way that the decisions it takes would be free of material conflicts of interest.</p>		
<p>Committees should exercise independent judgment and integrity when performing their functions and provide the collegial body with recommendations concerning the decisions of the collegial body. However, the final decision should be adopted by the collegial body.</p>		
<p>5.1.1. Taking due account of the company-related circumstances and the chosen corporate governance structure, the supervisory board of the company or, in cases where the supervisory board is not formed, the management board which performs the supervisory functions, establishes committees. The collegial body is recommended to form the nomination, remuneration and audit committees<sup>4</sup>.</p>	Yes	The Audit Committee has been formed at the Company.
<p>5.1.2. Companies may decide to set up less than three committees. In such case companies should explain in detail why they have chosen the alternative approach, and how the chosen approach corresponds with the objectives set for the three different committees.</p>	Yes	The nomination and remuneration committees have not been formed at the Company. Candidates proposed for the members of a collegial body in accordance with the procedure established by the legal acts are submitted for consideration to the electing general meeting of shareholders or collegial body.

<sup>4</sup> The legal acts may provide for the obligation to form a respective committee. For example, the Law on the Audit of Financial Statements of the Republic of Lithuania provides that public-interest entities (including but not limited to public limited liability companies whose securities are traded on a regulated market of the Republic of Lithuania and/or of any other Member State) are under the obligation to set up an audit committee (the legal acts provide for the exemptions where the functions of the audit committee may be carried out by the collegial body performing the supervisory functions).

<p>5.1.3. In the cases established by the legal acts, the functions assigned to the internal committees of the companies may be performed by the collegial body itself. In such case the provisions of this Code pertaining to the committees (particularly those related to their role, operation and transparency) should apply, where relevant, to the collegial body as a whole.</p>	Yes	Provisions of the Code pertaining to the committees (particularly those related to their role, operation and transparency) apply to the collegial body performing the functions of the committees.
<p>5.1.4. Committees established by the collegial body should normally be composed of at least three members. Subject to the requirements of the legal acts, committees could be comprised only of two members as well. Members of each committee should be selected on the basis of their competences by giving priority to independent members of the collegial body. The chair of the management board should not serve as the chair of committees.</p>	Yes	The Company has formed the Audit Committee consisting of three members of the supervisory board of the Company. The chair of the management board is not a member of the Audit Committee.
<p>5.1.5. The authority of each committee formed should be determined by the collegial body itself. Committees should perform their duties according to the authority delegated to them and regularly inform the collegial body about their activities and performance on a regular basis. The authority of each committee defining its role and specifying its rights and duties should be made public at least once a year (as part of the information disclosed by the company on its governance structure and practice on an annual basis). In compliance with the legal acts regulating the processing of personal data, companies should also include in their annual reports the statements of the existing committees on their composition, the number of meetings and attendance over the year as well as the main directions of their activities and performance.</p>	Yes	The supervisory board of the Company has established the authority of the Audit Committee in the internal rules of the Audit Committee approved by the supervisory board itself.
<p>5.1.6. With a view to ensure the independence and impartiality of the committees, the members of the collegial body who are not members of the committees should normally have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or request that certain employees of the company or experts would participate in the meeting. Chair of each committee should have the possibility to maintain direct communication with the shareholders. Cases where such practice is to be applied should be specified in the rules regulating the activities of the committee.</p>	Yes	In accordance with the internal rules of the Audit Committee, it has the right to invite the chair of the supervisory board and certain employees of the Company, as well as external auditors, to its meetings.
<b>5.2. Nomination committee</b>		
<p>5.2.1. The key functions of the nomination committee should be the following:</p> <ol style="list-style-type: none"> <li>1) to select candidates to fill vacancies in the membership of supervisory and management bodies and the administration and recommend the collegial body to approve them. The nomination committee should evaluate the balance of skills, knowledge and experience in the management body, prepare a description of the functions and capabilities required to assume a particular position and assess the time commitment expected;</li> <li>2) to assess, on a regular basis, the structure, size and composition of the supervisory and management bodies as well as the skills, knowledge and activity of its members, and provide the collegial body with recommendations on how the required changes should be sought;</li> <li>3) to devote the attention necessary to ensure succession planning.</li> </ol>	No	To date, the nomination committee has not been formed at the Company.

5.2.2. When dealing with issues related to members of the collegial body who have employment relationships with the company and the heads of the administration, the Head of the company should be consulted by granting him/her the right to submit proposals to the nomination committee.	No	To date, the nomination committee has not been formed at the Company.
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### 5.3. Remuneration committee

<p>The main functions of the remuneration committee should be as follows:</p> <p>1) to submit to the collegial body proposals on the remuneration policy applied to members of the supervisory and management bodies and the heads of the administration for approval. Such policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as conditions which would allow the company to recover the amounts or suspend the payments by specifying the circumstances under which it would be expedient to do so;</p> <p>2) to submit to the collegial body proposals regarding individual remuneration for members of the collegial bodies and the heads of the administration in order to ensure that they would be consistent with the company's remuneration policy and the evaluation of the performance of the persons concerned;</p> <p>3) to review, on a regular basis, the remuneration policy and its implementation.</p>	No	To date, the remuneration committee has not been formed at the Company.
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### 5.4. Audit committee

<p>5.4.1. The key functions of the audit committee are defined in the legal acts regulating the activities of the audit committee<sup>5</sup>.</p> <p>5.4.2. All members of the committee should be provided with detailed information on specific issues of the company's accounting system, finances and operations. The heads of the company's administration should inform the audit committee about the methods of accounting for significant and unusual transactions where the accounting may be subject to different approaches.</p> <p>5.4.3. The audit committee should decide whether the participation of the chair of the management board, the Head of the company, the chief finance officer (or senior employees responsible for finance and accounting), the internal and external auditors in its meetings is required (and, if required, when). The committee should be entitled, when needed, to meet the relevant persons without members of the management bodies present.</p> <p>5.4.4. The audit committee should be informed about the internal auditor's work program and should be furnished with internal audit reports or periodic summaries. The audit committee should also be informed about the work program of external auditors and should receive from the audit firm a report describing all relationships between the independent audit firm and the company and its group.</p> <p>5.4.5. The audit committee should examine whether the company complies with the applicable provisions regulating the possibility of lodging a complaint or reporting anonymously his/her suspicions of potential violations committed at the company and should also ensure that there is a procedure in place for proportionate and independent investigation of such issues and appropriate follow-up actions.</p> <p>5.4.6. The audit committee should submit to the supervisory board or, where the supervisory board is not formed, to the management board its activity report at least once in every six months, at the time that annual and half-yearly reports are approved.</p>	Yes	The Company has the Audit Committee the main functions of which comply with these recommendations.
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<sup>5</sup> Issues related to the activities of audit committees are regulated by Regulation No. 537/2014 of the European Parliament and the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, the Law on the Audit of Financial Statements of the Republic of Lithuania, and the Rules Regulating the Activities of Audit Committees approved by the Bank of Lithuania.

### Principle 6: Prevention and disclosure of conflicts of interest

The corporate governance framework should encourage members of the company's supervisory and management bodies to avoid conflicts of interest and ensure a transparent and effective mechanism of disclosure of conflicts of interest related to members of the supervisory and management bodies.

The corporate governance framework should recognize the rights of stakeholders entrenched in the laws and encourage active cooperation between companies and stakeholders in creating the company value, jobs and financial sustainability. In the context of this principle the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interests in the company concerned.

Any member of the company's supervisory and management body should avoid a situation where his/her personal interests are or may be in conflict with the company's interests. In case such a situation did occur, a member of the company's supervisory or management body should, within a reasonable period of time, notify other members of the same body or the body of the company which elected him/her or the company's shareholders of such situation of a conflict of interest, indicate the nature of interests and, where possible, their value.	Yes	The Company fully complies with these recommendations.
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### Principle 7: Remuneration policy of the company

The remuneration policy and the procedure for review and disclosure of such policy established at the company should prevent potential conflicts of interest and abuse in determining remuneration of members of the collegial bodies and heads of the administration, in addition it should ensure the publicity and transparency of the company's remuneration policy and its long-term strategy.

7.1. The company should approve and post the remuneration policy on the website of the company; such policy should be reviewed on a regular basis and be consistent with the company's long-term strategy.	Yes	The Company has approved its remuneration policy and published it on the Company's website. The remuneration policy is reviewed on a regular basis.
7.2. The remuneration policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as the conditions specifying the cases where the company can recover the disbursed amounts or suspend the payments.	Yes	The remuneration policy of the Company includes all forms of remuneration.
7.3. With a view to avoid potential conflicts of interest, the remuneration policy should provide that members of the collegial bodies which perform the supervisory functions should not receive remuneration based on the company's performance.	Yes	The remuneration policy of the Company provides that the remuneration of the members of its supervisory board is not based on the Company's performance.
7.4. The remuneration policy should provide sufficient information on the policy regarding termination payments. Termination payments should not exceed a fixed amount or a fixed number of annual wages and in general should not be higher than the non-variable component of remuneration for two years or the equivalent thereof. Termination payments should not be paid if the contract is terminated due to inadequate performance.	Yes	The Company fully complies with this recommendation.
7.5. In the event that the financial incentive scheme is applied at the company, the remuneration policy should contain sufficient information about the retention of shares after the award thereof. Where remuneration is based on the award of shares, shares should not be vested at least for three years after the award thereof. After vesting, members of the collegial bodies and heads of the administration should retain a certain number of shares until the end of their term in office, subject to the need to compensate for any costs related to the acquisition of shares.	Yes	The Company applies a share award scheme. The remuneration policy states that according to the rules for granting shares, the granting of shares is postponed for a period of 3 years - the Company's shares are granted (the share option can be exercised) no earlier than 3 years after the conclusion of the option agreement.

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7.6. The company should publish information about the implementation of the remuneration policy on its website, with a key focus on the remuneration policy in respect of the collegial bodies and managers in the next and, where relevant, subsequent financial years. It should also contain a review of how the remuneration policy was implemented during the previous financial year. The information of such nature should not include any details having a commercial value. Particular attention should be paid on the major changes in the company's remuneration policy, compared to the previous financial year.	Yes	The Company complies with this recommendation.
7.7. It is recommended that the remuneration policy or any major change of the policy should be included on the agenda of the general meeting of shareholders. The schemes under which members and employees of a collegial body receive remuneration in shares or share options should be approved by the general meeting of shareholders.	Yes	The Company complies with this recommendation.

**Principle 8: Role of stakeholders in corporate governance**

The corporate governance framework should recognize the rights of stakeholders entrenched in the laws or mutual agreements and encourage active cooperation between companies and stakeholders in creating the company value, jobs and financial sustainability. In the context of this principle the concept "stakeholders" includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interests in the company concerned.

8.1. The corporate governance framework should ensure that the rights and lawful interests of stakeholders are protected.	Yes	The Company complies with all statutory requirements ensuring the rights of stakeholders.
8.2. The corporate governance framework should create conditions for stakeholders to participate in corporate governance in the manner prescribed by law. Examples of participation by stakeholders in corporate governance include the participation of employees or their representatives in the adoption of decisions that are important for the company, consultations with employees or their representatives on corporate governance and other important matters, participation of employees in the company's authorized capital, involvement of creditors in corporate governance in the cases of the company's insolvency, etc.	Yes	The Company complies with all statutory requirements ensuring the rights of stakeholders.
8.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.	Yes	The Company complies with all statutory requirements ensuring the rights of stakeholders.
8.4. Stakeholders should be provided with the possibility of reporting confidentially any illegal or unethical practices to the collegial body performing the supervisory function.	No	Pursuant to the legislation of the Republic of Lithuania, the Company has established an internal whistleblowing channel and individuals have also been informed about this on the Company's website.

**Principle 9: Disclosure of information**

The corporate governance framework should ensure the timely and accurate disclosure of all material corporate issues, including the financial situation, operations and governance of the company.

9.1. In accordance with the company's procedure on confidential information and commercial secrets and the legal acts regulating the processing of personal data, the information publicly disclosed by the company should include but not be limited to the following:		
9.1.1. operating and financial results of the company;	Yes	The Company complies with this recommendation.
9.1.2. objectives and non-financial information of the company;	Yes	The Company complies with this recommendation.
9.1.3. persons holding a stake in the company or controlling it directly and/or indirectly and/or together with related persons as well as the structure of the group of companies and their relationships by specifying the final beneficiary;	Yes	The Company complies with this recommendation.

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9.1.4. members of the company's supervisory and management bodies who are deemed independent, the Head of the company, the shares or votes held by them at the company, participation in corporate governance of other companies, their competence and remuneration;	Yes	The Company complies with this recommendation.
9.1.5. reports of the existing committees on their composition, number of meetings and attendance of members during the last year as well as the main directions and results of their activities;	No	To date, the Company has not published this information.
9.1.6. potential key risk factors, the company's risk management and supervision policy;	Yes	The Company complies with this recommendation.
9.1.7. the company's transactions with related parties;	Yes	The Company complies with this recommendation by disclosing information about transactions with related parties that are not a part of the Company's normal economic activities and/or exert a significant influence on the Company.
9.1.8. main issues related to employees and other stakeholders (for instance, human resource policy, participation of employees in corporate governance, award of the company's shares or share options as incentives, relationships with creditors, suppliers, local community, etc.);	Yes	The Company complies with this recommendation.
9.1.9. structure and strategy of corporate governance;	No	The Company has not published its structure and strategy of corporate governance.
9.1.10. initiatives and measures of social responsibility policy and anti-corruption fight, significant current or planned investment projects.  This list is deemed minimum and companies are encouraged not to restrict themselves to the disclosure of information included into this list. This principle of the Code does not exempt companies from their obligation to disclose information as provided for in the applicable legal acts.	Yes	The Company complies with this recommendation.
9.2. When disclosing the information specified in paragraph 9.1.1 of recommendation 9.1, it is recommended that the company which is a parent company in respect of other companies should disclose information about the consolidated results of the whole group of companies.	Yes	The Company complies with this recommendation.
9.3. When disclosing the information specified in paragraph 9.1.4 of recommendation 9.1, it is recommended that the information on the professional experience and qualifications of members of the company's supervisory and management bodies and the Head of the company as well as potential conflicts of interest which could affect their decisions should be provided. It is further recommended that the remuneration or other income of members of the company's supervisory and management bodies and the Head of the company should be disclosed, as provided for in greater detail in Principle 7.	Yes	The Company complies with this recommendation.

<p>9.4. Information should be disclosed in such manner that no shareholders or investors are discriminated in terms of the method of receipt and scope of information. Information should be disclosed to all parties concerned at the same time.</p>	<p>Yes</p>	<p>The Company discloses the information in the Lithuanian and English languages simultaneously through the information disclosure system used by Nasdaq Vilnius AB Stock Exchange. The Company usually publishes information before or after the trading session of Nasdaq Vilnius AB Stock Exchange and presents it simultaneously to all markets where the Company's securities are traded. The Company does not disclose any information that may affect the price of its issued securities in comments, interviews or otherwise until such information is made public through the information disclosure system of the Stock Exchange. This information is also disclosed on the Company's website <a href="http://www.grigeo.lt">www.grigeo.lt</a>.</p>
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#### Principle 10: Selection of the company's audit firm

The company's audit firm selection mechanism should ensure the independence of the report and opinion of the audit firm.

<p>10.1. With a view to obtain an objective opinion on the company's financial condition and financial results, the company's annual financial statements and the financial information provided in its annual report should be audited by an independent audit firm.</p>	<p>Yes</p>	<p>The Company complies with this recommendation.</p>
<p>10.2. It is recommended that the audit firm would be proposed to the general meeting of shareholders by the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company.</p>	<p>Yes</p>	<p>The Company complies with this recommendation.</p>
<p>10.3. In the event that the audit firm has received remuneration from the company for the non-audit services provided, the company should disclose this publicly. This information should also be available to the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company when considering which audit firm should be proposed to the general meeting of shareholders.</p>	<p>Yes</p>	<p>When considering which audit firm should be proposed to the general meeting of shareholders, the Company's supervisory board had information on whether the audit firm has received remuneration from the Company for the non-audit services provided.</p>

In accordance with the Law on Securities of the Republic of Lithuania, and the Rules on the Disclosure of Information of the Bank of Lithuania, we, Chief Executive Officer of Grigeo Group AB Tomas Jozonis and Chief Finance Officer of Grigeo Group AB Mindaugas Sologubas, hereby confirm that, to the best of our knowledge, the consolidated financial statements of Grigeo Group AB for the year ended 31 December 2025, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the issuer's and of the consolidated companies' assets, liabilities, financial position, profit or loss and cash flows, and also that the consolidated annual report includes a fair overview of the business development and operations.

Chief Executive Officer of Grigeo Group AB

Tomas Jozonis

Chief Finance Officer of Grigeo Group AB

Mindaugas Sologubas