



# Independent auditor's report

To the shareholders of Grigeo Group AB

## Report on the audit of the separate and consolidated financial statements

### Our opinion

In our opinion, the separate and consolidated financial statements, contained in the file *abgrigeogroup-2025-12-31-en.zip* (SHA-256-checksum:

CoB3AB9BC3193F0683208EF43586C921291ED48495ACFA94F18A8E20DoB5AAA3), (the “financial statements”) give a true and fair view of the separate and consolidated financial position of Grigeo Group AB (the “Company”) and its subsidiaries (together - the “Group”) as at 31 December 2025, and of the Company’s and of the Group’s separate and consolidated financial performance and separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee dated 2 April 2026.

### What we have audited

The Company’s and the Group’s financial statements comprise:

- the separate and consolidated statements of financial position as at 31 December 2025;
- the separate and consolidated statements of comprehensive income for the year then ended;
- the separate and consolidated statements of changes in equity for the year then ended;
- the separate and consolidated statements of cash flows for the year then ended; and
- the notes to financial statements, comprising material accounting policy information and other explanatory information.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

## **Independence**

We are independent of the Company and the Group in accordance with the ethical requirements of Regulation (EU) No 537/2014 of 16 April 2014 on specific requirements regarding the statutory audit of public interest entities that are relevant to audits of financial statements of public interest entities, the Law of the Republic of Lithuania on the Audit of Financial Statements and Other Assurance Services that is relevant to audits of financial statements in the Republic of Lithuania and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of the Regulation (EU) No 537/2014, the Law of the Republic of Lithuania on the Audit of Financial Statements and Other Assurance Services and the IESBA Code.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Company and its controlled entities within the European Union are in accordance with the applicable law and regulations in the Republic of Lithuania and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014 considering the exemptions of Regulation (EU) No 537/2014 endorsed in the Law of the Republic of Lithuania on the Audit of Financial Statements and Other Assurance Services.

The non-audit services that we have provided to the Company and its controlled entities, in the period from 1 January 2025 to 2 April 2026 are disclosed in Note 21 of the financial statements.

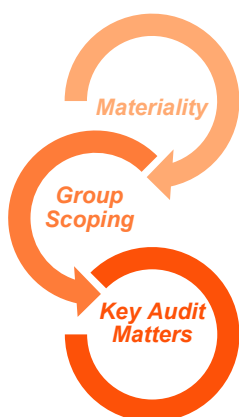
## **Emphasis of matter**

We draw attention to Note 33 of the financial statements, which describes the uncertainties related to the outcome of violation of the environmental requirements causing damage to the environment and the civil claim filed by the Environmental Protection Department against the subsidiary of the Company. As a result of the uncertainties, the management of the Group was unable to make a reliable estimate of the liability, and accordingly, it was disclosed as a contingent liability. Our opinion has not been modified in respect of this matter.

## Our audit approach

### Overview

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- Overall Group and Company materiality: EUR 944 thousand and EUR 307 thousand, respectively

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  - Audit was conducted at five Group entities in Lithuania, Poland and Germany. Our audit covered 94% of the Group's revenue and 97% of the Group's total assets.

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  - Contingent liability related to the civil claim of the Environmental Protection Department.
  - Impairment testing of goodwill.
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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Company and Group materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the financial statements as a whole.

<b>Overall Company materiality</b>	EUR 307 thousand (2024: EUR 390 thousand)
<b>Overall Group materiality</b>	EUR 944 thousand (2024: EUR 1,113 thousand)
<b>How we determined it</b>	For the Company: 0,5% of the Company's equity. For the Group: 5% of the Group's profit before tax.
<b>Rationale for the materiality benchmark applied</b>	We chose equity and profit before tax as the benchmarks for the Company and the Group, respectively, because, in our view, they are appropriate benchmarks against which the performance of the Company and the Group can be measured, and they are generally accepted benchmarks. For the Company's materiality, we have chosen 0.5% of the Company's equity and for the Group's materiality, we have chosen 5% of Group's profit before tax. Both percentages are within the range of acceptable quantitative materiality thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above EUR 31 thousand for the Company and EUR 94 thousand for the Group, as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Contingent liability related to the civil claim from the Environmental Protection Department</b></p> <p>Contingent liability related to the civil claim from the Environmental Protection Department</p> <p>Refer to accounting policy on contingencies, Note 4 'Significant accounting estimates and assumptions', Note 32 'Contingent liabilities' and Note 33 'Legal processes' in the financial statements.</p> <p>As described in Note 33, the Company's subsidiary Grigeo Klaipėda AB improperly operated the wastewater treatment plant and received a civil claim in the amount of EUR 48 million from the Environmental Protection Department regarding the compensation for material damage caused to the environment.</p>	<p>We have discussed the status and potential outcomes of the legal proceedings with the management of the Group and subsidiary Grigeo Klaipėda AB, as well as with the Audit Committee and the Group's external legal advisors. We have reviewed the report prepared by the environmental experts.</p> <p>We have read the updated information on the course of the legal proceedings at the date of issue of our auditor's report.</p> <p>We have read the disclosures in the financial statements regarding the civil claim and the arising contingent liability, and have assessed them for adequacy.</p>

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The management of the subsidiary is not denying its legal liability and is prepared to compensate for the objectively estimated amount of damage. However, due to the reasons described in Note 33, the management was not able to estimate reliably the amount of the provision, and accordingly, the provision was not recognised in the financial statements, but instead it was disclosed as a contingent liability.

IAS 37 *Provisions, contingent liabilities and contingent assets* requires to measure the provision in the amount of the best estimate of the expenditure required to settle the present obligation. Where no reliable estimate can be made, a liability exists that cannot be recognised. Such liability is disclosed as a contingent liability.

We have considered the civil claim from the Environmental Protection Department to be a key audit matter given the potential impact on the financial position of the Group, the magnitude of the potential amounts involved, and the uncertainty of the possible outcomes of the legal proceedings.

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### **Impairment testing of goodwill**

Refer to accounting policy on impairment testing, Note 4 'Significant accounting estimates and assumptions' and Note 7 'Intangible assets' in the financial statements.

The Group's goodwill balance amounts to EUR 8,056 thousand on its consolidated statement of financial position as at 31 December 2025. Goodwill attributed to the cash-generating units of Grigeo Klaipėda AB and Huchtemeier Papier GmbH amounts to EUR 3,001 thousand and EUR 5,055 thousand, respectively.

Under IAS 36 *Impairment of assets*, goodwill of Grigeo Klaipėda AB is tested for impairment at least annually. The determination of the recoverable amount, being the higher of value in-use and fair value less costs to sell, requires judgment from the management when identifying and valuing the relevant cash-generating units.

The recoverable amounts are based on the management's view of internal and market conditions, such as future prices and volume growth rate, the timing of future operating expenditure and the most appropriate discount and long-term growth rates. Based on the goodwill impairment test, no impairment was recognised in the reporting year, as the Group concluded that the recoverable amount of goodwill was higher than its carrying amount.

Goodwill arising on business acquisition carried out in 2025 (Huchtemeier Pape GmbH) was estimated based on purchase price allocation under IFRS 3 'Business combinations', and no

We have assessed the reasoning and the conclusion expressed by the management that it was unable to estimate reliably the amount of the provision. We have assessed whether the described circumstances serve as justification for not recognising a liability on the Group's statement of financial position as at 31 December 2025 we specifically considered whether this case could be classified as 'extremely rare' under IAS 37.

We have included the emphasis of matter paragraph in our auditor's report to highlight the importance of the information about the civil claim filed against the Company's subsidiary for the users of the financial statements.

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Our audit procedures included checking the reasonableness of the management's judgements regarding impairment testing of goodwill and the related significant assumptions, also the procedures related to the newly formed goodwill in the reporting year:

- We have assessed the reliability of the cash flow forecast for reliability by comparing the actual past performance against the previous forecast, and by reviewing the management's internal documentation, including the budget forecasts for 2026–2030;
- We have benchmarked the market-related key assumptions, such as the discount rate and long-term growth rate, against the external data. Where necessary, we have involved our valuation experts;
- We have tested the mathematical accuracy of the impairment models and assessed the sensitivity of the impairment test to key inputs;
- We have reviewed and tested the purchase price allocation estimates and key assumptions used to arrive at those estimates, logical explanation of the applied formulas and methodological reasonableness;

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separate impairment testing was performed for this part of goodwill at the end of the reporting year.

We have focused on this area because of the significance of the goodwill balance and because the impairment testing required significant judgements from the management about the future results and the discount rates applied to future cash flows forecasts.

- We have also reviewed the disclosures in the financial statements regarding the impairment testing;
  - We have also checked the supporting documents of acquisition to assess compliance of presentation of the transaction with the applicable accounting standards.
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## **How we tailored our Group audit scope**

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group comprises the parent entity and twelve subsidiaries. Based on our risk and materiality assessments, we determined which entities had to be audited, by taking into account the relative materiality level of each component to the Group as a whole and in view of each material line item in the consolidated financial statements. We performed the audits of the parent entity Grigeo Group AB and the following subsidiaries: Grigeo Tissue UAB, Grigeo Baltwood UAB, Grigeo Recycling UAB, Grigeo Klaipėda AB, Grigeo Packaging UAB, Grigeo Tissue Sp.z.o. and Huchtemeier Paper GmbH. Our audits covered 94% of the Group's revenue and 97% of the Group's total assets. The remaining components of the Group were assessed as immaterial.

## **Reporting on other information including the consolidated management report**

Management is responsible for the other information. The other information comprises the consolidated management report, including the information on corporate governance matters, remuneration and consolidated sustainability matters (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information, including the consolidated management report.

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

With respect to the consolidated management report, including the information on corporate governance matters and remuneration and excluding the information on consolidated sustainability matters on which the separate assurance report on consolidated sustainability reporting is issued by other auditor on

2 April 2026, we considered whether it includes the disclosures required by the Law of the Republic of Lithuania on Reporting by Undertakings and by Groups of Undertakings.

Based on the work undertaken in the course of our audit, in our opinion:

- the information given in the consolidated management report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the consolidated management report, including the information on corporate governance matters and remuneration and excluding the information on consolidated sustainability matters, has been prepared in accordance with the Law of the Republic of Lithuania on Reporting by Undertakings and by Groups of Undertakings.

In addition, in light of the knowledge and understanding of the Company and the Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the consolidated management report and other information. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's responsibilities for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company and the Group as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on other legal and regulatory requirements**

### **Report on the compliance of the presentation of financial statements with the requirements of the European Single Electronic Reporting Format (“ESEF”)**

We have been engaged based on our audit agreement by the management of the Company to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the financial statements, including the consolidated management report, contained in the file *abgrigeogroup-2025-12-31-en.zip* (SHA-256-checksum:

CoB3AB9BC3193F0683208EF43586C921291ED48495ACFA94F18A8E20DoB5AAA3), for the year ended 31 December 2025 (the “Presentation of the Financial Statements”).

#### **Description of a subject matter and applicable criteria**

The Presentation of the Financial Statements has been applied by the management of the Company to comply with the requirements of art. 3 and 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the “ESEF Regulation”). The applicable requirements regarding the Presentation of the Financial Statements are contained in the ESEF Regulation.

The requirements described in the preceding sentence determine the basis for application of the Presentation of the Financial Statements and, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

#### **Responsibility of the management and those charged with governance**

The management of the Company is responsible for the application of the Presentation of the Financial Statements that complies with the requirements of the ESEF Regulation.

This responsibility includes the selection and application of appropriate markups in iXBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of

the Presentation of the Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process, which should also be understood as the preparation of financial statements in accordance with the format resulting from the ESEF Regulation.

### **Our responsibility**

Our responsibility was to express a reasonable assurance conclusion whether the Presentation of the Financial Statements complies, in all material aspects, with the ESEF Regulation.

We conducted our engagement in accordance with International Standard on Assurance

Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' ("ISAE 3000 (R)"). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Financial Statements complies, in all material aspects, with the applicable requirements.

Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance ISAE 3000 (R) will always detect the existing material misstatement (significant non-compliance with the requirements).

### **Quality management requirements and professional ethics**

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

### **Summary of the work performed**

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Financial Statements was applied, in all material aspects, in accordance with the applicable requirements and such compliance is free from material errors or omissions. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the Electronic Reporting Format of the Financial Statements, including the preparation of the XHTML format and marking up the financial statements;
- verification whether the XHTML format was applied properly;
- evaluating the completeness of marking up the financial statements using the iXBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the Company's and the Group's' use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

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

## **Conclusion**

In our opinion, based on the procedures performed, the Presentation of the Financial Statements complies, in all material respects, with the ESEF Regulation.

## **Appointment**

We were first appointed as auditors of the Company and the Group on 30 November 2020. Our appointment has been renewed annually by shareholders' resolution representing a total period of uninterrupted engagement appointment of 6 years. Our appointment for the year ended 31 December 2025 was approved by the shareholders' resolution on 28 April 2025.

The key audit partner on the audit resulting in this independent auditor's report is Rimvydas Jogėla.

On behalf of Uždaroji akcinė bendrovė „PricewaterhouseCoopers”

Rimvydas Jogėla

Partner

Auditor's Certificate No.000457

Vilnius, Republic of Lithuania

2 April 2026