



Grigeo Group AB

**CONSOLIDATED INTERIM REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS FOR THE 6 MONTHS PERIOD ENDED
30 JUNE 2025 (UNAUDITED)**

Translation note:

This version of the accompanying documents is a translation from the original, which was prepared in Lithuanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the accompanying documents takes precedence over this translation.

TABLE OF CONTENTS

MANAGEMENT REPORT	3
A. Executive summary of the Group for the 6 months of 2025.....	3
B. Main data about the issuer	4
C. Audit information	4
D. Contracts with intermediaries of public trading in securities and credit institutions	4
E. Group companies and their contact details	5
F. Nature of core activities of the group companies	5
G. Data about trade in the issuer's securities in regulated markets	6
H. Shareholders	6
I. Employees.....	7
J. Information on the management and supervisory bodies of the issuer	7
K. Information about compliance with governance code	8
L. Related party transactions	9
INTERIM CONSOLIDATED FINANCIAL STATEMENTS	10
Consolidated statements of financial position	10
Consolidated statements of comprehensive income	12
Consolidated statements of changes in equity	13
Consolidated statements of cash flows	14
NOTES TO FINANCIAL STATEMENTS	15
1. Basis of preparation	15
2. Property, plant and equipment.....	16
3. Right-of-use assets	17
4. Investment property	18
5. Intangible assets	19
6. Amounts receivable	20
7. Cash and cash equivalents.....	20
8. Inventories	20
9. Share capital and legal reserve	20
10. Reserve for granting shares	21
11. Non-current and current borrowings	21
12. Trade and other payables	21
13. Segment information	22
14. Other income	23
15. Other gains/(losses) – net.....	23
16. Basic and diluted earnings per share	23
17. Adjusted EBITDA	23
18. Court and arbitration proceedings	24
19. Material uncertainties.....	24
20. Risk factors	24
21. Events after the end of the reporting period	24
CONFIRMATION OF RESPONSIBLE PERSONS	25

MANAGEMENT REPORT

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

A. Executive summary of the Group for the 6 months of 2025

The changes in key indicator over 6 months of 2025, compared to the respective period of previous year:

- The Group's revenue increased by EUR 12.4 million (12%).
- The Group's EBITDA decreased by EUR 0.9 million (5%).
- The Group's EBT decreased by EUR 2.3 million (19%).

Indicator, EUR million	2025	2024	Change
Revenue	116.7	104.3	12.4
EBITDA (Note 17)	15.8	16.7	(0.9)
Profit before tax (EBT)	9.7	11.9	(2.3)

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

The Group's revenue, gross profit, and gross margin over 6 months of respective years*:

Indicator, EUR million	Tissue paper and paper products		Wood fibre boards		Raw materials for corrugated cardboard and related products		Unallocated		TOTAL	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenue	61.2	51.2	14.3	14.7	39.4	36.5	1.8	1.9	116.7	104.3
Gross profit	13.5	13.9	3.1	3.6	7.4	7.4	0.6	(0.4)	24.6	24.4
Gross margin	22.0%	27.2%	21.3%	24.1%	18.9%	20.4%	33.4%	(22.1%)	21.0%	23.4%

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

Tissue paper products market. Over 6 months of 2025 the revenue from tissue paper segment reached EUR 61.2 million and, when compared to respective period of previous year, increased by 19.6%. The gross profit of the segment amounted to EUR 13.5 million – 3% less if compared to respective period of previous year. The gross margin of the segment decreased from 27.2% to 22.0%. Segment's revenue and margin were mainly impacted by changing structure of product portfolio and evolving competitive environment.

Wood products market. Over 6 months of 2025 the revenues of the segment reached EUR 14.3 million and, when compared to respective period of previous year, decreased by 3%. The gross profit of the segment reached EUR 3.1 million and was 14% lower when compared to the respective period of previous year. Accordingly, the gross margin has decreased from 24.1% to 21.3%.

Raw materials for corrugated cardboard and related products market. Over 6 months of 2025 the revenues of this segment exceeded previous year level and amounted EUR 39.4 million. The gross profit of the segment reached EUR 7.4 million and stayed at the same level when compared to respective period of previous year. The gross margin of the segment decreased from 20.4% to 18.9%.

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

Indicator	6 months 2025	6 months 2024	6 months 2023
Revenue, EUR million	116.7	104.3	103.2
Net profit, EUR million	9.1	10.0	14.6
EBITDA, EUR million (Note 17)	15.8	16.7	22.0
EBIT, EUR million	9.8	11.6	17.3
Profitability ratios			
Gross margin	21.0%	23.4%	26.0%
EBITDA profitability	13.5%	16.0%	21.3%
EBIT profitability	8.4%	11.1%	16.8%
Net margin	7.8%	10.1%	14.2%
ROE profitability	7.3%	9.5%	14.5%
ROA profitability	5.3%	6.8%	10.3%
ROCE profitability	6.9%	9.1%	14.8%
Liquidity ratios			
Current ratio	1.81	1.70	2.21
Quick ratio	1.27	1.16	1.74
Capital structure ratios			
Debt to equity ratio	0.36	0.41	0.37
Debt to total assets ratio	0.26	0.29	0.27
Market value ratios			
P/E	15.46	12.80	8.04
Earnings per share, EUR	0.069	0.080	0.111
Diluted earnings per share, EUR	0.068	0.079	0.110

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

B. Main data about the issuer

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

C. Audit information

The interim consolidated information of the Company covering 6 months of 2025 is not audited by independent auditor.

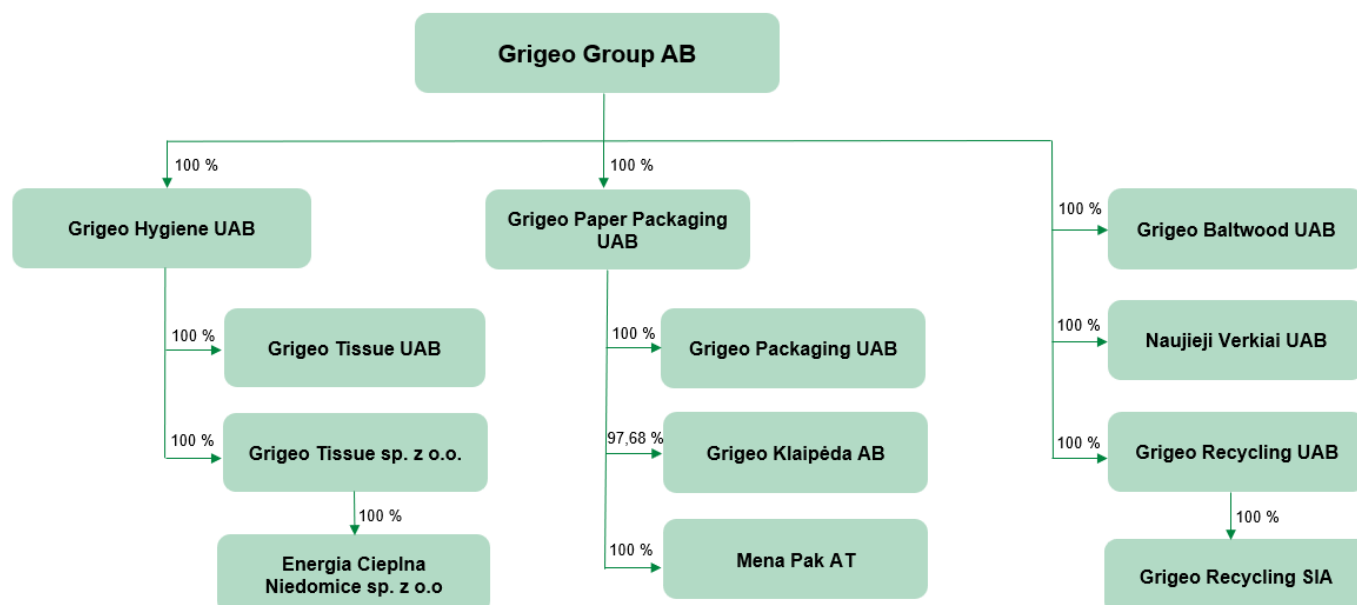
D. Contracts with intermediaries of public trading in securities and credit institutions

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

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

E. Group companies and their contact details

On 30 June 2025, the group comprised the Company (Grigeo Group AB) and twelve subsidiaries as specified below.



F. Nature of core activities of the group companies

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

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

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

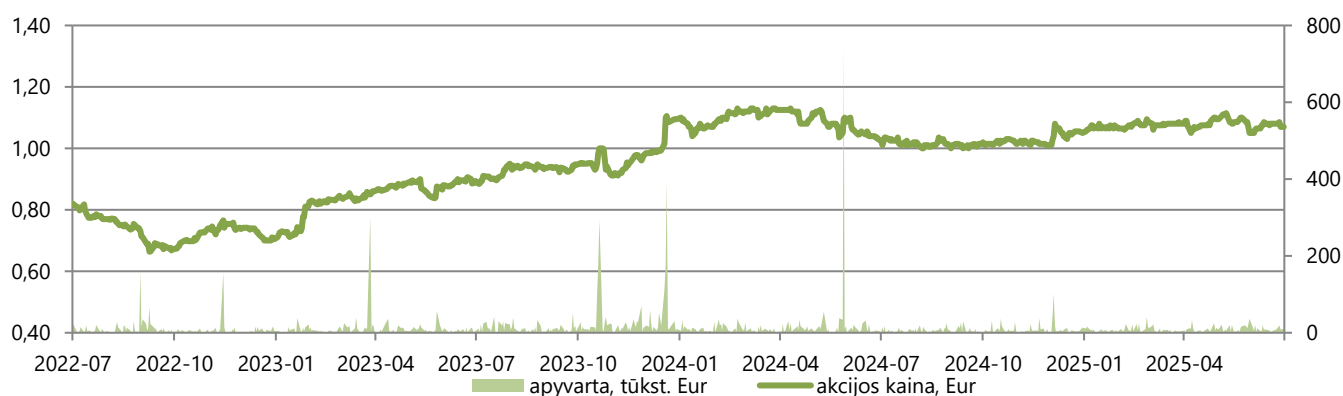
The Group also includes Grigeo Recycling UAB and Grigeo Recycling SIA, which are involved in the collection and preparation of secondary raw materials for recycling; Grigeo Baltwood UAB, which manufactures hardboard and painted hardboard panels; and Naujieji Verkiai UAB, which is involved in real estate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

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

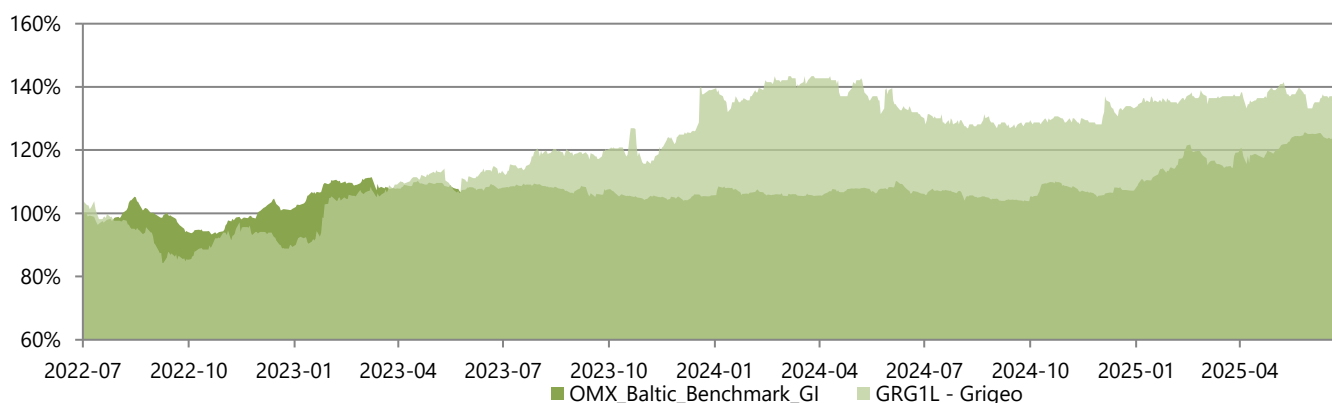
The ordinary registered shares of Grigeo Group AB are listed on the Official Baltic List of Nasdaq Vilnius Stock Exchange (trading code of shares is GRG1L). The main characteristics of the Company's shares:

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

Price and turnover of shares 01/07/2022 – 30/06/2025:



Share price benchmarked against the Baltic market index 01/07/2022 – 30/06/2025:



H. Shareholders

Shareholders owning more than 5% of the authorised capital of the Issuer on the 30 of June 2025 and/or the 31 of December 2024:

Shareholder's name (company's name, type, headquarters address, corporate ID number)	30 June 2025			31 December 2024		
	Number of ordinary registered shares owned by the shareholder	Interest in the authorised capital, %	Votes granted by shares held by the right of ownership, %	Number of ordinary registered shares owned by the shareholder	Interest in the authorised capital, %	Votes granted by shares held by the right of ownership, %
Ginvilδος investicija UAB* Rukeliškių g. 21, Vilnius, 125436533	62,628,027	47.66	47.66	62,628,027	47.66	47.66
Irena Ona Mišeikienė	17,625,064	13.41	13.41	17,625,064	13.41	13.41

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

I. Employees

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

Number of employees in the Group:

	2025.06.30	2024.12.31
Number of employees	1,031	1,042

The average salary in the Group for year 2025 period is presented with the data of newly acquired plant in Poland. The average salary for 2024 1-6 months is shown in line with the Group structure of that period.

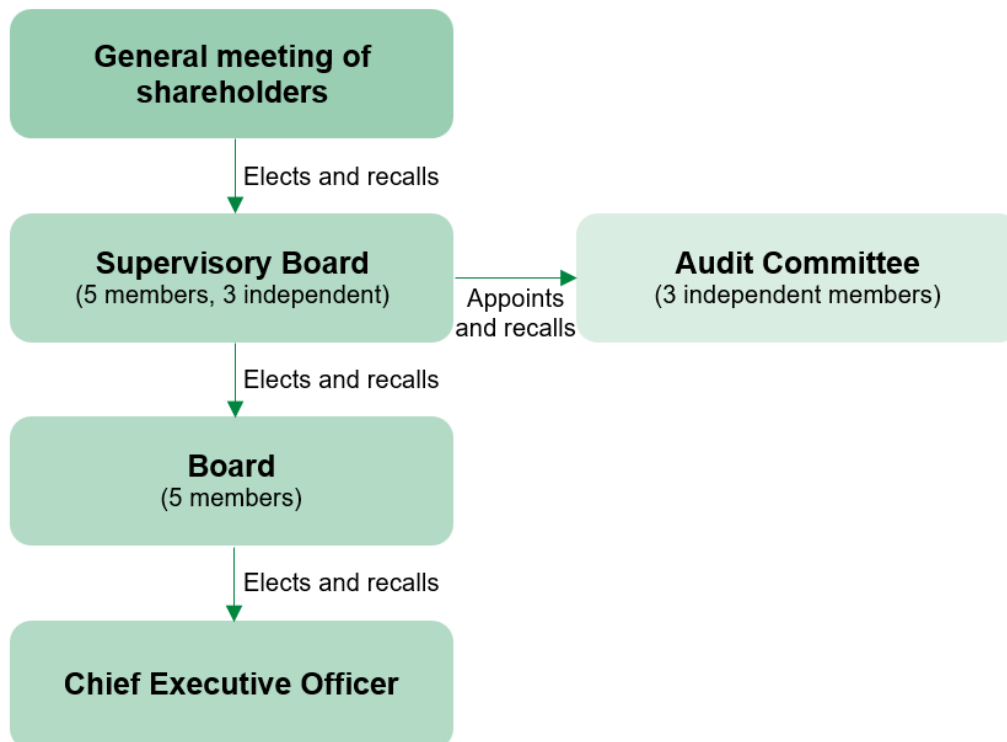
Average salary in the Group*, in euros:

Employees	6 months 2025	6 months 2024
Workpeople	2,394	2,170
Specialists	3,016	2,808
Managers	7,099	6,018
Total	3,045	2,703

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

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

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



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

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

*Annual General Meeting of Shareholders.

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

K. Information about compliance with governance code

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

L. Related party transactions

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

Grigeo Klaipėda AB – subsidiary of Grigeo Group AB.

Grigeo Baltwood UAB – subsidiary of Grigeo Group AB.

Mena Pak AT – subsidiary of Grigeo Group AB.

Grigeo Paper Packaging UAB – subsidiary of Grigeo Group AB.

Ginvildos investicija UAB – major shareholders of Grigeo Group AB.

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

Grigeo Packaging UAB – subsidiary of Grigeo Group AB.

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

Grigeo Recycling UAB – subsidiary of Grigeo Group AB.

Grigeo Recycling SIA – subsidiary of Grigeo Group AB.

Grigeo Hygiene UAB – subsidiary of Grigeo Group AB.

Grigeo Tissue UAB – subsidiary of Grigeo Group AB.

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

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

Group's transactions with related parties over the 6 months of 2025 presented in the table below. Balances of amounts receivable/payable in relation thereto on the 30 of June 2025.

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

*Receivables include prepayments for goods and services.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statements of financial position

	Notes	2025.06.30	2024.12.31
ASSETS			
Non-current assets			
Property, plant and equipment	2	99,126	97,434
Right-of-use assets	3	5,689	5,611
Intangible assets	5	6,683	5,486
Investment property	4	4,381	4,441
Other amounts receivable	6	-	-
Total non-current assets		115,879	112,972
Current assets			
Inventories	8	18,256	20,590
Trade and other amounts receivable	6	30,208	31,677
Other current assets		1,074	522
Cash and cash equivalents	7	11,651	14,018
Total current assets		61,189	66,807
TOTAL ASSETS		177,068	179,779

(Cont'd on the next page)

Consolidated statements of financial position (continued)

	Notes	2025.06.30	2024.12.31
EQUITY AND LIABILITIES			
Equity			
Share capital	9	38,106	38,106
Share premium		1,119	1,119
Legal reserve	9	3,811	3,811
Reserve for granting shares	10	500	500
Foreign currency translation reserve		(3,088)	(2,858)
Retained earnings		89,093	87,695
Equity attributable to shareholders of the Company		129,541	128,373
Non-controlling interest		605	656
Total equity		130,146	129,029
Liabilities			
Non-current liabilities			
Borrowings	11	165	677
Lease liabilities		4,801	4,807
Grants		2,011	1,934
Deferred income tax liability		4,262	4,251
Long-term employee benefits		513	546
Other amounts payable		1,407	2,034
Total non-current liabilities		13,159	14,249
Current liabilities			
Borrowings	11	1,325	1,820
Lease liabilities		696	566
Income tax payable		(141)	1,221
Trade and other amounts payable	12	31,883	32,894
Total current liabilities		33,763	36,501
Total liabilities		46,922	50,750
TOTAL EQUITY AND LIABILITIES		177,068	179,779

Consolidated statements of comprehensive income

	Notes	6 months 2025	6 months 2024	II QTR. 2025	II QTR. 2024
Revenue	13	116,723	104,320	57,595	55,660
Cost of sales		(92,167)	(79,873)	(44,759)	(42,909)
Gross profit		24,556	24,447	12,836	12,751
Selling and distribution expenses		(9,557)	(8,277)	(4,779)	(4,300)
Administrative expenses		(5,488)	(5,970)	(2,804)	(3,005)
Other income	14	438	432	220	216
Other gains/(losses) – net	15	(100)	999	(161)	996
Operating profit		9,849	11,631	5,312	6,658
Finance income		233	494	113	151
Finance costs		(406)	(185)	(279)	(95)
Finance income/(costs) – net		(173)	309	(166)	56
Profit before income tax		9,676	11,940	5,146	6,714
Income tax		(575)	(1,952)	(560)	(972)
PROFIT FOR THE PERIOD		9,101	9,988	4,586	5,742
Profit for the period is attributable to:					
Shareholders of the Company		9,093	10,570	4,594	6,298
Non-controlling interest		8	(582)	(8)	(556)
Other comprehensive income/(expenses)					
Items that will not be reclassified subsequently to profit or loss		-	-	-	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		(230)	39	(488)	94
Cash flow hedges – effective portion of changes in fair value		-	-	-	-
Total items that may be reclassified subsequently to profit or loss		(230)	39	(488)	94
Other comprehensive income/(expenses) for the period		(230)	39	(488)	94
Total comprehensive income for the period		8,871	10,027	4,098	5,836
Total comprehensive income for the period is attributable to:					
Shareholders of the Company		8,863	10,609	4,106	6,392
Non-controlling interest		8	(582)	(8)	(556)
Basic earnings per share (in EUR)	16	0.069	0.080	0.035	0.048
Diluted earnings per share (in EUR)	16	0.068	0.079	0.035	0.047

Consolidated statements of changes in equity

	Equity attributable to owners of the Company							Non-controlling interest	Total equity
	Share capital	Share premium	Legal reserve	Reserve for granting shares	Foreign currency translation reserve	Retained earnings	Total		
At 1 January 2024	38,106	1,119	2,886	500	(2,821)	76,184	115,974	615	116,589
Profit for the period	-	-	-	-	-	10,570	10,570	(582)	9,988
Other comprehensive income/(expenses)	-	-	-	-	39	-	39	-	39
Total comprehensive income/(expenses)	-	-	-	-	39	10,570	10,609	(582)	10,027
Retained earnings from acquisition	-	-	-	-	-	(115)	(115)	-	(115)
Increasing the legal reserve	-	-	925	-	-	(925)	-	-	-
Approved dividends	-	-	-	-	-	(9,198)	(9,198)	-	(9,198)
Share-based remuneration	-	-	-	-	-	70	70	-	70
Transactions with the Company's owners	-	-	925	-	-	(10,168)	(9,243)	-	(9,243)
At 30 June 2024	38,106	1,119	3,811	500	(2,782)	76,586	117,340	33	117,373
At 1 January 2025	38,106	1,119	3,811	500	(2,858)	87,695	128,373	656	129,029
Profit for the period	-	-	-	-	-	9,093	9,093	8	9,101
Other comprehensive income/(expenses)	-	-	-	-	(230)	-	(230)	-	(230)
Total comprehensive income/(expenses)	-	-	-	-	(230)	9,093	8,863	8	8,871
Approved dividends	-	-	-	-	-	(7,884)	(7,884)	(59)	(7,943)
Share-based remuneration	-	-	-	-	-	189	189	-	189
Transactions with the Company's owners	-	-	-	-	-	(7,695)	(7,695)	(59)	(7,754)
At 30 June 2025	38,106	1,119	3,811	500	(3,088)	89,093	129,541	605	130,146

Consolidated statements of cash flows

	Notes	6 months 2025	6 months 2024
Cash flows from operating activities			
Profit before income tax		9,676	11,940
Adjustments for non-cash items			
Depreciation and amortisation		5,917	5,025
Interest expenses from borrowings and lease		36	207
Interest income		(142)	(443)
(Income)/expenses from other financial activities – net		278	(73)
Gain on disposal of property, plant and equipment		(93)	(172)
Share-based payment arrangements		188	70
		15,860	16,554
Changes in working capital			
Decrease/(increase) in trade and other amounts receivable		540	(4,499)
(Increase)/decrease in inventories		2,338	163
(Increase)/decrease in other assets		(554)	(1,025)
Increase/(decrease) in trade and other amounts payable		109	2,948
		2,433	(2,413)
Interest paid		(106)	(181)
Income tax paid		(1,442)	(3,778)
Net cash inflow from operating activities		16,745	10,182
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets	2 / 5	(10,188)	(6,962)
Acquisition of investment property	4	(82)	(224)
Investments in subsidiaries (increase), decrease		-	(18,613)
Disposal of property, plant and equipment	2	141	253
Interest received		77	432
Payments for financial assets at amortised cost		-	20,050
Net cash inflow/(outflow) from investing activities		(10,052)	(5,064)
Cash flows from financing activities			
Dividends paid		(7,769)	(9,047)
Repayment of borrowings		(1,006)	(1,006)
Proceeds from borrowings		-	-
Lease payments		(285)	(290)
Net cash (outflow) from financing activities		(9,060)	(10,343)
Net increase/(decrease) in cash flows		(2,367)	(5,225)
Cash and cash equivalents at the beginning of the period		14,018	18,952
Cash and cash equivalents at the end of the period		11,651	13,727

NOTES TO FINANCIAL STATEMENTS

1. Basis of preparation

The interim financial statements of the Group for the 6-month period ended 30 June 2025 are prepared in accordance with IAS 34 Interim Financial Reporting

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

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

These financial statements of the Group for the 6-month period ended 30 June 2025 have been prepared under the assumption that the Group will continue as a going concern.

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

Accounting estimates and assessments

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

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

Useful lives of property, plant and equipment

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

Impairment of goodwill

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

Legal processes

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

2. Property, plant and equipment

	Buildings and structures	Machinery and equipment	Motor vehicles	Other assets	Construction in progress and prepayments	Total
At 1 January 2024						
Cost	49,245	131,451	2,510	3,055	5,351	191,612
Accumulated depreciation	(25,421)	(94,090)	(1,689)	(1,816)	-	(123,016)
Net book amount	23,824	37,361	821	1,239	5,351	68,596
Opening net book amount at 1 January 2024	23,824	37,361	821	1,239	5,351	68,596
Additions	99	367	1,049	179	18,228	19,922
Business acquisition	4,496	8,803	64	5,972	130	19,465
Disposals and write-offs	(43)	-	(109)	(3)	-	(155)
Reclassification to right-of-use assets	-	-	-	-	(11)	(11)
Transfer from construction work in progress to property, plant and equipment	605	5,613	127	228	(6,573)	-
Transfer from/to inventory	-	-	-	-	(411)	(411)
Reclassification to intangible assets	-	-	-	-	(69)	(69)
Foreign exchange effect	25	-	-	60	1	86
Depreciation charge	(1,799)	(6,439)	(340)	(1,411)	-	(9,989)
Closing net book amount at 31 December 2024	27,207	45,705	1,612	6,264	16,646	97,434
At 31 December 2024						
Cost	54,181	146,008	3,195	9,535	16,646	229,565
Accumulated depreciation	(26,974)	(100,303)	(1,583)	(3,271)	-	(132,131)
Net book amount	27,207	45,705	1,612	6,264	16,646	97,434
Opening net book amount at 1 January 2025	27,207	45,705	1,612	6,264	16,646	97,434
Additions	-	210	223	82	6,545	7,060
Disposals and write-offs	-	(2)	(44)	-	-	(46)
Transfer from construction in progress to property, plant and equipment	648	2,176	111	29	(2,964)	-
Reclassification	-	5,199	-	(5,111)	(88)	-
Transfer from/to inventory	(4)	-	-	-	-	-
Foreign exchange effect	5	(26)	(7)	37	-	9
Depreciation charge	(950)	(3,959)	(205)	(213)	-	(5,327)
Closing net book amount at 30 June 2025	26,906	49,303	1,690	1,088	20,139	99,126
At 30 June 2025						
Cost	54,823	154,626	3,366	3,385	20,139	236,339
Accumulated depreciation	(27,917)	(105,323)	(1,676)	(2,297)	-	(137,213)
Net book amount	26,906	49,303	1,690	1,088	20,139	99,126

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

On the 30 June 2025, the part of the Group's property, plant and equipment with a carrying value of EUR 6,867 thousand (31 December 2024 – EUR 5,433 thousand) is pledged as a security for repayment of the loans granted by banks.

3. Right-of-use assets

	Land	Buildings and structures	Machinery and equipment	Total
At 1 January 2024				
Cost	3,902	625	569	5,096
Accumulated depreciation	(424)	(246)	(111)	(781)
Net book amount	3,478	379	458	4,315
Opening net book amount at 1 January 2024	3,478	379	458	4,315
Change in value-in-use	41	214	1,674	1,929
Foreign exchange effect	1	-	-	1
Business acquisition	101	-	-	101
Reclassification from property, plant and equipment	11	-	-	11
Disposals and write-offs	(136)	-	(19)	(155)
Amortisation charge	(72)	(168)	(351)	(591)
Closing net book amount at 31 December 2024	3,424	425	1,762	5,611
At 31 December 2024				
Cost	4,122	650	1,864	6,636
Accumulated depreciation	(698)	(225)	(102)	(1,025)
Net book amount	3,424	425	1,762	5,611
Opening net book amount at 1 January 2025	3,424	425	1,762	5,611
Change in value-in-use	-	12	464	476
Disposals and write-offs	-	-	(26)	(26)
Foreign exchange effect	1	-	-	1
Amortisation charge	(72)	(85)	(216)	(373)
Closing net book amount at 30 June 2025	3,353	352	1,984	5,689
At 30 June 2025				
Cost	4,121	662	2,210	6,993
Accumulated depreciation	(768)	(310)	(226)	(1,304)
Net book amount	3,353	352	1,984	5,689

As at 30 June 2025, the part of the Group's land lease rights with the carrying amount of EUR 639 thousand (31 December 2024: EUR 644 thousand) were pledged to the banks as security for borrowings.

4. Investment property

	Buildings and structures	Other assets	Construction in progress	Total
At 1 January 2024				
Cost	5,063	19	690	5,772
Accumulated depreciation	(1,148)	(3)	-	(1,151)
Net book amount	3,915	16	690	4,621
Opening net book amount at 1 January 2024	3,915	16	690	4,621
Additions	(32)	-	245	213
Disposals, write-offs	(1)	-	-	(1)
Transfer from/to inventory	(126)	-	-	(126)
Depreciation charge	(261)	(5)	-	(266)
Closing net book amount at 31 December 2024	3,495	11	935	4,441
At 31 December 2024				
Cost	4,904	19	935	5,858
Accumulated depreciation	(1,409)	(8)	-	(1,417)
Net book amount	3,495	11	935	4,441
Opening net book amount at 1 January 2025	3,495	11	935	4,441
Additions	-	-	82	82
Depreciation charge	(140)	(2)	-	(142)
Closing net book amount at 30 June 2025	3,355	9	1,017	4,381
At 30 June 2025				
Cost	4,904	19	1,017	5,940
Accumulated depreciation	(1,549)	(10)	-	(1,559)
Net book amount	3,355	9	1,017	4,381

5. Intangible assets

	Goodwill	Licences, patents	Software	Other assets	Total
At 1 January 2024					
Cost	3,001	84	2,527	1,176	6,788
Accumulated amortisation	-	(56)	(2,091)	(370)	(2,517)
Net book amount	3,001	28	436	806	4,271
Opening net book amount at 1 January 2024	3,001	28	436	806	4,271
Additions	-	7	6	1,377	1,390
Business acquisition	-	-	-	5	5
Transfer from development work in progress to intangible assets	-	-	369	(369)	-
Reclassification from property, plant and equipment	-	-	-	69	69
Amortisation charge	-	(13)	(210)	(26)	(249)
Closing net book amount at 31 December 2024	3,001	22	601	1,862	5,486
At 31 December 2024					
Cost	3,001	91	2,901	2,352	8,345
Accumulated amortisation	-	(69)	(2,300)	(490)	(2,859)
Net book amount	3,001	22	601	1,862	5,486
Opening net book amount at 1 January 2025	3,001	22	601	1,862	5,486
Additions	-	-	-	1,344	1,344
Transfer from property, plant and equipment	-	-	194	(194)	-
Foreign exchange effect	-	1	-	-	1
Amortisation charge	-	(5)	(122)	(21)	(148)
Closing net book amount at 30 June 2025	3,001	18	673	2,991	6,683
At 30 June 2025					
Cost	3,001	91	3,094	3,572	9,758
Accumulated amortisation	-	(73)	(2,421)	(581)	(3,075)
Net book amount	3,001	18	673	2,991	6,683

6. Amounts receivable

	2025.06.30	2024.12.31
Trade receivables – gross	26,565	27,595
Loss allowance	(39)	(39)
Trade receivables – net	26,526	27,556
VAT receivable	2,035	2,419
Subsidies receivable	45	1,367
Other amounts receivable – gross	1,602	335
Total trade and other amounts receivable – net	30,208	31,677
Of which:		
Non-current amounts receivable	-	-
Current amounts receivable	30,208	31,677

7. Cash and cash equivalents

	2025.06.30	2024.12.31
Cash at bank	2,929	3,142
Cashpool	8,722	10,876
TOTAL	11,651	14,018

As at 30 June 2025 and 31 December 2024, Grigeo Tissue UAB, Grigeo Packaging UAB and Grigeo Baltwood UAB had pledged current accounts and future inflows to secure the repayment of bank borrowings.

8. Inventories

	2025.06.30	2024.12.31
Materials	8,687	9,242
Work in progress	2,322	2,613
Finished products	6,919	7,492
Inventories in transit	76	863
Prepayments	252	380
Total	18,256	20,590

As at 30 June 2025, the acquisition value (cost) of the Group's inventories was decreased by respectively EUR 954 thousand (31 December 2024: EUR 1,086 thousand respectively) to net realisable value. The net realisable value adjustment was accounted for under cost of sales.

9. Share capital and legal reserve

On 30 of June 2025 and on 31 December 2024 share capital of the Company consisted of 131,400,000 ordinary shares at a par value of EUR 0.29 each. All shares were fully paid.

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

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

On 30 of June 2025 the Company's legal reserve amounts 10% of the statutory capital.

10. Reserve for granting shares

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

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

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

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

11. Non-current and current borrowings

	2025.06.30	2024.12.31
Non-current borrowings:	165	677
Bank borrowings	165	677
Current borrowings:	1,325	1,820
Bank borrowings	1,325	1,820
TOTAL	1,490	2,497

12. Trade and other payables

	2025.06.30	2024.12.31
Trade payables	22,303	25,462
Wages and salaries and social security contributions	6,950	4,744
Advance amounts received	205	189
Accrued expenses	445	435
Other amounts payable	1,980	2,064
TOTAL	31,883	32,894
Of which:		
Attributable to financial liabilities	24,728	27,961
Not attributable to financial liabilities	7,155	4,933

13. Segment information

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

Segment information about these three business segments is presented below:

Group 6 months 2025	Paper and paper products	Wood fibre boards	Raw materials for corrugated cardboard and related products	Total reportable segments	Unallocated	Elimination	TOTAL
Unconsolidated segment sales	66,934	15,176	54,596	136,706	9,531	(29,514)	116,723
Inter-segment sales	(5,727)	(834)	(15,194)	(21,755)	(7,759)	29,514	-
Sales to third parties	61,207	14,342	39,402	114,951	1,772	-	116,723
Cost of sales	(47,747)	(11,283)	(31,957)	(90,987)	(1,180)	-	(92,167)
Gross profit	13,460	3,059	7,445	23,964	592	-	24,556

Group 6 months 2024	Paper and paper products	Wood fibre boards	Raw materials for corrugated cardboard and related products	Total reportable segments	Unallocated	Elimination	TOTAL
Unconsolidated segment sales	54,812	15,392	49,377	119,581	7,215	(22,476)	104,320
Inter-segment sales	(3,626)	(659)	(12,912)	(17,197)	(5,279)	22,476	-
Sales to third parties	51,186	14,733	36,465	102,384	1,936	-	104,320
Cost of sales	(37,285)	(11,183)	(29,042)	(77,510)	(2,363)	-	(79,873)
Gross profit	13,901	3,550	7,423	24,874	(427)	-	24,447

Sales by region

	6 months 2025	6 months 2024
Domestic market (Lithuania)	27,925	27,812
European Union	76,016	66,084
Other countries	12,782	10,424
TOTAL	116,723	104,320

14. Other income

	6 months 2025	6 months 2024
Rental income	438	432
TOTAL	438	432

15. Other gains/(losses) – net

	6 months 2025	6 months 2024
Net gain from turnover of emission allowances	-	7
Result of disposal of assets	30	884
Other gains/(losses)	(130)	108
TOTAL	(100)	999

16. Basic and diluted earnings per share

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

	6 months 2025	6 months 2024
Net profit for the period attributable to the Company's shareholders	9,093	10,570
Number of ordinary shares	131,400,000	131,400,000
Share-based option	1,660,000	1,660,000
Weighted average number of ordinary shares	133,060,000	133,060,000
Earnings per share (in EUR)	0.069	0.080
Diluted earnings per share (in EUR)	0.068	0.079

17. Adjusted EBITDA

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

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

	6 months 2025	6 months 2024
Profit for the period	9,101	9,988
Income tax	575	1,952
Profit before income tax	9,676	11,940
Adjustment:		
Finance costs – net	173	(309)
Depreciation	5,468	4,635
Amortisation	520	439
Amortisation of grants	(71)	(50)
Adjusted EBITDA	15,766	16,656

18. Court and arbitration proceedings

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

The Subsidiary is charged in criminal case under Articles 270(2), 228(2) and 300(3) of the Criminal Code of the Republic of Lithuania. The Subsidiary received a Civil Claim of the Environmental Protection Department in criminal case regarding compensation of damage caused to the environment in the amount of EUR 48,257,676.57 from the Klaipėda District Prosecutor's Office of Klaipėda County Prosecutor's Office on 26 January 2021. There were no other material events related to this trial over 6 months of 2025 and until the date of signing these interim financial statements.

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

Over 6 months of 2025 the Group and the Company were not involved in other court or arbitration proceedings which would have a material impact on the financial position of Grigeo Group AB.

19. Material uncertainties

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

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

Uncertainties related to the investment in Mena Pak AT

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

Mena Pak AT	2025.06.30	2024.12.31
Non-current assets	452	490
Current assets	2,247	2,222
TOTAL ASSETS	2,699	2,712
Shareholders' equity	2,461	2,479
Non-current liabilities	2	2
Current liabilities	236	231
TOTAL EQUITY AND LIABILITIES	2,699	2,712

The Group's statement of comprehensive income for 6 months of 2025 includes the following consolidated results of Mena Pak AT:

Mena Pak AT	6 months 2025
Revenue	2,337
Profit before tax	282
Net profit	238
EBITDA	311

Mena Pak AT did not incur any physical damage during the war. However, the Group's management estimates that a high uncertainty exists in relation to Mena Pak AT's assets of EUR 2.7 million and liabilities of EUR 0.2 million due to the ongoing war and high uncertainty of future events.

20. Risk factors

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

21. Events after the end of the reporting period

Information about the Group's plan to invest 106 million EUR in tissue business is covered in [Nasdaq notification on material events at 24 July 2025](#).

CONFIRMATION OF RESPONSIBLE PERSONS

In accordance with the Law on Securities of the Republic of Lithuania, and the Rules on the Disclosure of Information by the Bank of Lithuania, we, Chief Executive Officer Tomas Jozonis and Chief Finance Officer Mindaugas Sologubas hereby confirm that, to the best of our knowledge, unaudited interim consolidated financial statements of Grigeo Group AB for the six months period ended 30 June 2025, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of assets, liabilities, financial position, profit or loss and cash flows of the Group, and also that the unaudited interim consolidated report shows fair business environment as well as description of the Group's performance.

Chief Executive Officer of Grigeo Group AB

Tomas Jozonis

Chief Finance Officer of Grigeo Group AB

Mindaugas Sologubas