

VILNIAUS BALDAI AB, company code 121922783, Pramonės str. 23, Guopstos village, Trakai region, Lithuania
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND MANAGERMENTS REPORT
FOR THE SIX MONTHS OF FY2025 ENDED FEBRUARY 28, 2025
(all amounts are in EUR thousand unless otherwise stated)

VILNIAUS BALDAI AB

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND MANAGERMENTS REPORT
FOR THE SIX MONTHS OF FY2025 ENDED FEBRUARY 28, 2025

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CONSOLIDATED MANAGEMENT REPORT

for the six Months of FY2025 ended February 28, 2025

COMPANIES COMPOSING THE GROUP

Vilniaus Baldai AB (hereinafter “the Company”) prepares both separate Company’s and consolidated financial statements. The Group (hereinafter “the Group”) consists of Vilniaus Baldai AB and subsidiary ARI-LUX UAB in which the Company directly controls 100% of shares.

GENERAL INFORMATION ABOUT THE COMPANY:

Name	Vilniaus Baldai AB
Legal form	Joint stock company
Code	121922783
VAT payer’s code	LT219227811
LEI code	529900MJDB8L13ZF6G26
Authorised capital	EUR 4,508,069.72, divided into 3,886,267 ordinary registered shares with the par value of EUR 1.16 each
Office address	Pramones str. 23, Guopstu k., LT-21148 Traku r.
Telephone	(+370~5) 252 57 00
E-mail	info@vilniausbaldai.lt
Internet website	www.vilniausbaldai.lt
Registration date and place	9 February 1993, Vilnius City Board
Register, where all the information about the Company is collected and stored	Register of Legal Entities
Main type of activity	Design, production and selling of furniture

GENERAL INFORMATION ABOUT THE SUBSIDIARY :

Name	ARI-LUX UAB
Legal form	Limited liability company
Code	120989619
VAT payer’s code	LT209896113
Authorised capital	EUR 2,896.00
Office address	Pramones str. 23, Guopstu k., LT-21148 Traku r.
Telephone	(+370~5) 252 57 44
E-mail	info@ari-lux.lt
Registration date and place	28 October 1991, Vilnius City Board
Register, where all the information about the Company is collected and stored	Register of Legal Entities
Main type of the activity	Packaging

1. OBJECTIVE REVIEW OF THE COMPANIES GROUP'S POSITION, ACTIVITY AND DEVELOPMENT, CHARACTERISATION OF THE MAIN TYPES OF RISKS AND UNCERTAINTIES FACED BY THE COMPANY

During the reporting period, Vilnius Baldai AB generated sales revenue of EUR 52,823 thousand (1.2% lower than the same period of the previous financial year), while the number of units sold reached 1,633 thousand (a 19.9% increase compared to the first six months of the previous financial year). A more stable economic environment and a reduced seasonal effect in Q2 2025 resulted in a more significant change in sales revenue (EUR 24,553 thousand, i.e., a 5.1% increase compared to the second quarter of the previous financial year) and growth in the number of units sold (840 thousand units, i.e., 39.2% increase compared to the same period of the last year). Such a significant difference between sales growth in quantitative and monetary terms is one of the key highlights of this reporting period. The main factor behind this is the decrease in sales prices, in order to reflect the Company's significantly increased competitiveness in recent years and stimulating demand growth by improving product accessibility for end consumers.

The significant increase in the quantity of products sold and produced is directly related to purchasing tenders organized by IKEA, the Company's main client, during the 2024 financial year. The Company's ability to compete with Europe's largest furniture manufacturers has allowed it to expand its product portfolio with new products and product families. In addition to this, sales volume growth has been driven by the more stable increase in global demand, which is affected both by lower furniture prices in stores as well as the overall recovery in consumer spending.

The Group's EBITDA (excluding the impact of IFRS16) for the first half of the 2025 financial year amounted to EUR 7,699 thousand, which is 23.2% lower compared to the same period last year. However, the EBITDA margin remained at a high level (14.6%), despite the decline in sales prices, the launch of new products, and their integration into the production chain, which typically poses short-term challenges to maintaining production efficiency. This level of EBITDA profitability enables the Company to execute its planned investments and fulfill its financial obligations. The first half of 2025 EBITDA aligned with the Company's expectations for this period; this this profitability dynamics during the transition period had been planned and expected.

As planned at the beginning of this financial year, the Company is increasing and intends to further accelerate investments in the automation of production, logistics and quality processes, as well as continuing and finalizing the ongoing digitalization project (ERP). Additionally, investments in employee qualification improvement will be increased, especially in automation, technological, and product development competencies.

Other top priorities for the 2025 financial year include the further implementation of LEAN methodologies, workplace safety, environmental protection, improvement of working conditions, and involvement in new product development.

Main risks faced by the Group:

Economic risk factors. The sales to the main customer Swedish IKEA constituted approximately 98.9% of total sales of Vilnius baldai AB during the first half of financial year 2025 (the same period in 2024 – 99.7%). Furniture accounted for 99.6% of the Company's sales during the first half of financial year 2025 (the same period in 2024 – 99.8%), while the rest came from sales of raw materials and waste of raw materials.

Global economy development trends do have an impact on the Company's main customer development pace as well as demand fluctuation for products produced by the Company.

The Company competes with the world furniture producers.

Political risk factors. Changing geopolitical situation has an impact on the international trade flows. A part of the Company's production is exported to the U.S. through IKEA. In the first half of the 2025 financial year, exports of the Company's products to the U.S. accounted for 12.2% of sales revenue. While potential trade policy changes in the U.S., such as the introduction of import tariffs on products manufactured in Europe, may occur, the Company does not anticipate a significant short-term impact on production volumes. In the medium and long term, any potential effects would be minimized through planned investments aimed at improving production and cost efficiency.

Although potential risks exist, the current global military conflicts have no significant impact on the Company's operations. The Company's sensitivity to changes in economic and tax policy is not exceptional compared to other businesses operating in the country. Possible changes of the minimum wage and other social benefits should not affect the Company, as it aims to pay competitive rather than minimum wages and is committed to continuous improvement of working

conditions through efficiency investments. There are no state-imposed requirements or restrictions impacting the issuer's activities.

Social risk factors. The Company faces an ongoing shortage of engineering specialists due to external circumstances – a lack of such professionals is felt throughout the market, and current education, training, and incentive programs do not meet the actual demand for specialists. To address this, the Company implements long-term internal programs to support employee education, provide theoretical and practical training, and enhance competencies and qualifications.

This financial year, the Company successfully continued its internal learning academies (such as the Operator Academy), expanded cooperation with vocational schools, contributed to the training of electricians, provided resources for student internships. Additionally, the Company participated in career fairs and events, joined exam boards, shared knowledge and motivation in presentations for Engineering Day, and carried out other initiatives.

The Company also contributes to addressing other social and labor market issues by collaborating with educational institutions, municipality, and government agencies. Additionally, the Company helps reduce unemployment in the region by hiring employees from both nearby and more distant areas, ensuring they have access to free, convenient, and regular transportation.

An active labor union also operates within the Company, which represents employees' interests and ensures a smooth social dialogue. In order to adapt to the constantly changing needs of personnel, the Company continuously improves its organizational structure, increases work efficiency, enhances working conditions, and expands employee training opportunities.

The Company systematically invests in strengthening employees' competencies. Competency matrices are constantly improved, the training department is expanded as needed, and administrative employees are given access to learning budgets, which are linked to their performance evaluations. Additionally, specialized group training sessions are organized for employees.

The Company actively seeks to adopt best practices from other entities by organizing visits to similar companies, where experiences and best management and technological solutions are shared. In addition, the Company hosts educational tours for students, schoolchildren, and representatives from other businesses, as well as career-oriented excursions in order to educate about career opportunities in the furniture industry and promote greater participation in the sector.

The Company values employee feedback and regularly conducts surveys on various topics to promptly address their needs and improve organizational processes. Employee meetings are held to discuss the Company's performance, market conditions, and relevant employee concerns.

Additionally, the Company implements large-scale projects that involve employees from various departments. These initiatives focus on finding the most effective solutions for improving workplace safety, increasing production efficiency, and addressing key issues that require greater attention at any given time.

The Company strongly believes that continuous investment in employee development, workplace improvement, and engagement drives organizational growth and market competitiveness.

Supply. The Company is currently not experiencing any disruptions in raw material supply or availability. However, it is closely monitoring market recovery trends, increasing demand for raw materials, and supply chain dynamics.

Recently, there has been a rising price trend in several raw material categories. Similar trends are expected to continue into the second half of the year.

From a long-term and strategic point of view, the Company aims to establish a long-term partnership with reliable suppliers, implements inventory and supply management strategies, and ensures that supply sources are diversified to minimize supply risks.

Technical and technological risk factors. According to the IKEA IPS methodology, equipment maintenance is continuously and systematically improved, with the aim of reducing the number of failures and increasing the availability of equipment by involving both technicians and line operators in this process. The Company is proud that, over the past few years, it has transitioned from preventive maintenance to predictive maintenance methodology, when maintenance work is planned and carried out based on various real-time equipment performance parameters. The Company also

places great emphasis on employee training and skills development. To support this, employees are sent for internships with manufacturers of furniture production equipment. Additionally, the Company actively collaborates and shares best practices with other furniture manufacturers in Lithuania and across Europe.

For planning periodic and preventive maintenance tasks, the Alldevice program is used, allowing the scheduling of regular maintenance tasks for technicians and operators.

During the financial year 2024, the Company started to implement a new ERP software tailored to manufacturing companies' profiles. The system's functionality is currently being tested intensively, employee training and preparations for data integration are underway. The new system is expected to provide enhanced functionality, optimize standard operation times, and ensure good security practices to protect the Company's business operations from cyber threats and violations. The system's launch is planned for the second half of the 2025 financial year.

The physical and operational condition of the Company's main production equipment is good and poses no risk to operations.

Ecological risk factors. The Company uses energy and natural resources in its operations, which poses a risk of environmental pollution. The Company is committed to protecting the environment and continuously reducing its negative impact by using resources efficiently, including energy and natural resources, and by complying with legal and standard requirements related to quality, environmental protection, and all its activities. To manage environmental risks and improve performance, the Company has implemented quality and environmental management systems that comply with ISO 9001 and ISO 14001 standards.

The ISO 9001 Quality Management System is a set of procedures and actions that help the organization improve its daily operations, ensure product quality, reduce costs, save time, increase productivity, and maintain good relationships with customers. Every year, the procedures are reviewed, performance effectiveness is analyzed, and improvement actions are planned.

The ISO 14001 Environmental Management System ensures the identification of significant environmental protection aspects, the implementation of preventive measures, the assignment of responsible persons, and the execution of a monitoring program. Employees of the Company are trained and certified. Adhering to this standard helps ensure compliance with legal requirements and significantly reduces ecological and environmental risks. On July 17, 2024, an ISO system maintenance audit was conducted. No non-compliance or observations were found during the audit. There were no production restrictions due to environmental pollution.

More than half of the furniture produced by the Company is made using hollow-core panel technology, replacing solid wood with core filling made from recycled paper. This allows for up to a five-fold reduction in wood raw material consumption. The Company uses 100% primary wood sourced from socially responsibly managed forests. The company has implemented the FSC® (FSC-C104209) Chain of Custody system tracking the product's journey from the forest or (in the case of secondary raw materials) from the moment of recycling to the point where it is sold with the FSC® label and/or finished and labeled with the FSC® tag. FSC® Chain of Custody certification ensures that only certified raw materials are used in production. This eliminates the risk that the raw materials might be mixed with non-certified ones. An annual FSC® maintenance audit was conducted on March 17, 2025. No non-compliance or observations were found during the audit.

To contribute to the National Energy Independence Strategy 2050, the Company is currently constructing a 1 MW ground-mounted solar power plant. This project will also support the Company's sustainability goals and help mitigate risks related to electricity price fluctuations and potential supply disruptions. The project is expected to be completed by the end of this financial year.

Repayment of loans. In the first half of FY2025, the Company refinanced its financial obligations to the European Bank for Reconstruction and Development (EBRD), AS Citadele Banka Lithuanian Branch, KÜB Pagalbos verslui fondas, and Invalda Privatus Kapitalas AB using newly obtained financing from AB Šiaulių Bankas. This decision provided the Company with a more favorable loan repayment schedule and lower debt servicing costs, which will allow the freed-up cash flows to be directed toward necessary investments. Interbank interest rates continued to decline during the reporting period, and further expected reductions in the future are anticipated to contribute to lower debt servicing costs for the Company. Loan repayments were made according to the schedules agreed upon with creditors. Information on the terms and conditions of repayment of financial liabilities, credit and interest rate risks of the Group and the Company is provided

in the notes to the Interim Condensed Consolidated Financial Statement For the Six Months of FY2025 Ended February 28, 2025 (Note 14).

Characteristics of internal control and risk management systems related to the preparation of consolidated financial statements of the Group and the Company. The compliance with the requirements for the preparation of the set of the consolidated financial statements, internal control and financial risk management systems, legal acts regulating the preparation of the set of the consolidated financial statements is supervised by the Audit Committee established on 22 December 2021.

The Company's Chief Accountant and Chief Financial Officer regularly review the International Financial Reporting Standards (IFRS) adopted in the European Union to ensure timely implementation of all changes in the financial statements, analyze transactions material to the Group and the Company, ensure fair and timely collection of information and periodically inform senior management about the progress of the financial statements.

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The Audit Committee:

Tomas Bubinas	
Position	
Independent Member of the Audit Committee, elected to the Audit Committee 22/12/2021, end of the term – 2025	
Work experience	
2013–2022 Chief Operating Officer at Biotechpharma UAB 2010–2012 Senior Director at TEVA Biopharmaceuticals USA 2001–2010 Chief Financial Officer at SICOR Biotech / TEVA Baltic 1999–2001 Senior Manager at PricewaterhouseCoopers 1994–1999 Senior Auditor, Manager at Coopers & Lybrand	
Education	
Master's degree in economics at Vilnius University and Executive MBA of BMI (Baltic Management Institute), a fellow member of the Association of Chartered Certified Accountants (ACCA) and a registered Lithuanian Sworn Auditor	
Participation in Vilniaus baldai AB authorised capital	Number of shares and of voting rights
-	-
Vaidas Savukynas	
Position	
Member of the Audit Committee, elected to the Audit Committee on 22/12/2021, end of the term – 2025	
Work experience	
Since 2013 Chief Financial Officer at Invalda Privatus Kapitalas AB 2011–2013 Chief Financial Officer at food retail chain Narodnyi in Kyrgyz Republic 2010–2010 Director of Administration at Zemaitijos Pienas AB 1998–2009 Chief Financial Officer and Financial Analyst at concern MG Baltic and its companies (MG Baltic Trade, Apranga, Minvista) 1993–1995 Chief Executive Officer at brokerage company Bankoras 1990–1993 Marketing Manager at Lietuvos Birza AB	
Education	
Vilnius University diploma in economics, master's degree in social sciences at Stockholm University (Sweden), Financial sector schemes introductory courses in Leeds University (Great Britain)	
Participation in Vilniaus baldai AB authorised capital	Number of shares and of voting rights
-	-
Danutė Kadanaitė	
Position	
Member of the Audit Committee, elected to the Audit Committee on 22/12/2021, end of the term – 2025	
Work experience	
From 2014 Head of “Verus Sensus” UAB 2009 UAB “Legisperitus” – a lawyer 2008 – 2009 AB FMĮ “Finasta” – a lawyer 2008 AB “Invalda” – a lawyer 1999 – 2002 Attorney Artūras Šukevičius office – administrator 1994 – 1999 UAB FMĮ “Apyvarta” – a legal adviser	
Education	
Master of Finance Law at M. Romeris University, Bachelor of Law at Law University of Lithuania, Manager at International Business School.	
Participation in Vilniaus baldai AB authorised capital	Number of shares and of voting rights
-	-

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The Company's Head of Finance department is responsible for the preparation of the consolidated financial statements, ensures the collection of information from Group companies, its' timely and fair processing and preparation for the financial statements.

2. THE ANALYSIS OF THE FINANCIAL AND NON-FINANCIAL ACTIVITY RESULTS, INFORMATION RELATED TO THE ENVIRONMENTAL AND PERSONNEL MATTERS

The Group Revenue stood at 28,270 thousand EUR during September – November of 2024. Net profit of the Group during September – November of 2024 was 3,511 thousand EUR, while EBITDA was 5,111 thousand EUR.

The Group Revenue stood at 24,553 thousand EUR during December of 2024 – February of 2025. Net profit of the Group during December of 2024 – February of 2025 was 308 thousand EUR, while EBITDA was 2,588 thousand EUR.

The Group Revenue stood at 52,823 thousand EUR during September of 2024 – February of 2025. Net profit of the Group during September of 2024 – February of 2025 was 3,818 thousand EUR, while EBITDA was 7,699 thousand EUR.

The main financial position items of the Group, EUR thousand:

Item	28-02-2025	29-02-2024
Non - current assets	59,060	61,446
Current assets	22,621	22,714
Total assets	81,681	84,160
Capital and reserves	38,947	34,824
Total liabilities	42,735	49,336
Non - current liabilities	23,133	34,568
<i>Financial debts</i>	21,994	33,151
<i>Lease (16 IFRS adaption)</i>	505	812
Current liabilities	19,600	14,768
<i>Financial debts</i>	5,647	3,657
<i>Lease (16 IFRS adaption)</i>	117	211

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The main comprehensive income items of the Group, EUR thousand:

Item	FY 2025 I half, ended February 28	FY 2024 I half, ended February 29
Sales income, EUR thousand	52,823	53,462
- in Lithuania	382	297
- in EU countries	36,184	37,909
- other countries	16,257	15,256
Gross profit, EUR thousand	8,928	10,956
Gross profit margin, %	16.90	20.49
Operating profit, EUR thousand	5,710	8,134
Operating profit margin, %	10.81	15.21
Profit before taxes, EUR thousand	4,441	6,702
Profit before taxes margin, %	8.41	12.54
Net profit, EUR thousand	3,818	6,702
Net profit margin, %	7.23	12.54
EBITDA, EUR thousand	7,699	10,030

The Company's sales in Lithuania mostly comprise sales of raw materials and waste of raw materials. In 2019 the company changed revenue recognition due to application of IFRS 15.

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Indicators characterizing the operation of the Group in the period of 2022–2025 I half:

Indicators	FY 2025 I half, ended February 28	FY 2024 I half, ended February 29	FY 2024	FY 2023	FY 2022
Net profitability = net profit / sales * 100	7.23%	12.54%	10.30%	1.62%	1.45%
Average return on assets ROA = net profit / (assets at the beginning of the period + assets at the end of the period) / 2 *100	8.60%*	12.55%*	12.04%	1.91%	1.70%
Return on equity ROE = net profit / equity*100	9.80%*	19.25%*	26.25%	5.65%	5.52%
Net earnings per share EPS = net profit / number of shares	0,98	1.72	2.58	0.41	0.38
Debt ratio = liabilities / assets	0.52	0.59	0.55	0.65	0.69
Debt to equity coefficient = liabilities / equity	1.10	1.42	1.22	1.90	2.20
Current ratio = current assets / current liabilities	1.16	1.62	1.29	0.77	0.74
Asset's turnover = sales / (assets at the beginning of the period + assets at the end of the period) / 2	1.17*	1.24*	1.17	1.18	1.17
Book value of share = equity / number of shares	10.02	8.96	9.82	7.24	6.82
Turnover (million EUR)	52.82	53.46	97.27	97.87	100.74
Gross profit (million EUR)	8.93	10.96	19.00	7.75	-0.18
Net profit (million EUR)	3.82	6.70	10.02	1.59	1.46
EBITDA (million EUR)**	7.70	10.03	17.70	8.77	8.51
EBIT (million EUR)	5.31	8.05	13.23	4.22	3.58
Dividends per share (for the prior accounting period)	0.78	0	0	0	0
Earnings per share P/E	13.84	4.46	3.20	15.90	21.53
The lowest share price	7.70	6.00	6.00	6.15	7.00
The highest share price	14.20	7.90	9.35	8.4	10.80
Closing price	13.60	7.70	8.25	6.50	8.10
Capitalisation (million EUR)	52.85	29.92	32.06	25.26	31.48

* - indicated 6-month performance indicators which are annualized.

** - EBITDA is calculated without considering the impact of IFRS 16.

PRODUCTION AND SALES

Vilniaus baldai AB designs, produces flat-pack furniture. The production of the Company is produced from wood particle boards, using board on frame technology, which allows to produce lightweight, yet massively looking furniture. When employing this technology less raw materials can be used, and stable quality of the production is attained. Each year new products are developed and production technologies of existing ones are improved taking into consideration the

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needs of consumers and prevailing tendencies. The planning system implemented in the Company is constantly developed to achieve higher production flexibility and efficiency.

Modern equipment, purchased from such world-renowned manufacturers as Schelling, Burkle, Weeke, Wikoma, Biesse, Biele, Cefla, etc., enables to manufacture different types of the furniture, coated with plywood, pigment or foil.

The volumes of Company's production in terms of value in the period 2025 first half:

Production	FY 2025 I half, ended February 28	FY 2024 I half, ended February 29
Furniture	49,249	57,497
Other production	-	-
Total	49,249	57,497

The table presents the production volumes in monetary terms for the first half of FY2025 and the first half of FY2024, calculated based on the respective period's sales prices. Without the impact of price changes (using fixed prices as of February 28, 2025), the change over the comparative period would be -1.3%. During the reporting period, a positive change in production volume in quantitative terms was recorded – the number of produced products increased by 9.8%, reaching 1,632 thousand units.

Production sales according to the markets in the period of 2025 first half:

Sales	FY 2025 I half, ended February 28		FY 2024 I half, ended February 29	
	EUR thousand	%	EUR thousand	%
Lithuania	382	0.72	297	0.56
Overseas	52,441	99.28	53,165	99.44
Total	52,823	100.00	53,462	100.00

Although sales revenue for the first half of FY2025 slightly decreased (-1.2%), the sales volume of the evolving product portfolio in quantitative terms increased by 39.2%, reaching 1,633 thousand units during the reporting period.

SUPPLY

Vilniaus baldai AB has introduced an effective system of the purchase of raw materials and services. The Company maintains strategic relations with suppliers and constantly searches for new opportunities in the markets of raw materials and services. The purchase process is distinguished into strategic and operational purchases. The Company aims to manage the supply risk; therefore, main raw materials may be supplied by principal or alternative suppliers. Vilniaus baldai AB has implemented and continuously improves the assessment system of suppliers; audits of suppliers are carried out.

The Company establishes long-term contracts with its suppliers. The Company acquires the main raw materials from the local, Polish, Slovak and German suppliers. The main suppliers are IKEA Industry Lietuva UAB, "Woodeco" Sp.z.o.o., IKEA Components S.R.O, IKEA Industry Polska Sp.zo.o., Homanit Krosno Odrzanskie SP, Rehau UAB, Remmers Baltica UAB. The local supply of the raw materials is pre-conditioned by the cheap transportation costs and good relations with the major suppliers.

EMPLOYEES

The Company has an efficient and fair compensation system designed to attract, retain, and motivate employees. All employment contracts with employees, including management, are concluded in compliance with the requirements of the Labor Code of the Republic of Lithuania. The remuneration procedures are based on clear, accessible, and uniformly applied rules for all employees, as outlined in the Company's collective agreement. This agreement was updated on December 5, 2023. Its goal is to ensure harmonious teamwork, guarantee a high standard of working conditions,

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remuneration, and other employment terms for various categories of employees, as well as to provide additional social benefits beyond those stipulated by Lithuanian law. The collective agreement covers the procedures for establishing, amending and terminating employment contracts; working hours and rest time; compensation terms; employee skill development; workplace safety and medical services; social welfare; guarantees for labor union activities; and protections for elected employee representatives. If the terms of the collective agreement are more favorable than those in an individual employment contract, the collective agreement takes precedence.

The remuneration system clearly defines employee categories and the positions assigned to these categories. The remuneration provisions set forth in the system and its appendices are applied to prevent any form of discrimination, including by gender. Men and women receive equal pay for the same or equivalent work. Job responsibilities, required qualifications (if specific to a position), and mandatory or optional skill development requirements are set forth in the job descriptions and/or employment contracts.

Compensation consists of a fixed and variable component. The fixed component is the employee's basic monthly salary specified in the employment contract, paid monthly. The variable component is awarded based on the Company's performance. Employees may also receive bonuses for acquired qualifications and/or additional pay for extra work or the execution of additional duties or tasks.

The main criteria for the compensation and motivation system are employee competence, the level of responsibility and complexity of the position, individual achievements, and contribution to the overall company performance. Vilniaus baldai AB ensures a proper work-rest schedule, the right to annual or other statutory leave, and a fair salary that matches the employee's qualifications. All company employees receive a salary higher than the national minimum wage.

There were 549 employees working in the Group and 494 employees at the Company at the end of the first half of 2025 (524 at the Group and 459 at the Company as of 29 February 2024). The average age of the employees is 42 years.

The average number of the employees in the Company during the first half of 2025:

Level	FY 2025 I half, ended February 29	FY 2024 I half, ended February 28
Executive personnel	6	8
Specialists	51	44
Workers	437	428
Total	494	480

Remuneration comprises a basic and variable component. A variable component of remuneration depends on the Company's results of operations.

The average wages of the employees in the period of during the first half 2025, EUR:

Level	FY 2025 I half, ended February 28	FY 2024 I half, ended February 29
Executive personnel	15,198	9,220
Specialists	3,843	3,466
Workers	2,873	2,581
Total	3,170	2,772

The collective agreement is concluded in the Company. The collective agreement was renewed on 5 December 2023. The agreement is mandatory for all the employees of the Company. The purpose of this agreement is to ensure the harmonious work of the staff, high level of working conditions of different categories of employees, salary and other working conditions to ensure additional social guarantees, which are not stated according to the regulations of Lithuanian legislation for the employees of the Company. The collective agreement includes the working contract formation, change, termination, work and rest time, payment for the work done, improvement of the qualification of the employees, safety at work and medical assistance, social care, trade union activity and guarantees of the elected employees. If the terms and

conditions of the collective agreement are more favorable compared to the working contract, then the collective agreement is followed.

3. REFERENCES AND ADDITIONAL EXPLANATIONS ABOUT THE INFORMATION PRESENTED IN THE ANNUAL FINANCIAL STATEMENTS

The information presented in the Interim Condensed Consolidated Financial Statement For the Six Months of FY2025 Ended February 28, 2025 and the explanatory notes.

4. INFORMATION ABOUT OWN SHARES

The Company did not have any own shares, did not acquire or transfer any in the reporting period.

5. INFORMATION ABOUT THE BRANCHES AND REPRESENTATIVE OFFICES OF THE COMPANY

The Company does not have any branches or representative offices.

6. IMPORTANT EVENTS, WHICH HAVE OCCURED SINCE THE END OF THE LAST FISCAL YEAR END

In the September, 2024 has secured the financing of 30 million EUR (of which 24 million EUR is a long-term loan for a 5-year period and 6 million EUR is a credit line for 2-year period) from Šiaulių bankas AB to refinance its existing long-term financial liabilities.

Together with the financing provided by the Bank and the Company's own funds, the Company's existing liabilities to the European Bank for Reconstruction and Development, AS Citadele Banka Lithuanian Branch, KÜB Pagalbos verslui fondas and Invalda privatus kapitalas AB were fully covered.

The loan repayment schedule and lower debt servicing costs agreed upon in the contracts with Šiaulių bankas AB will have a positive impact on cash flows, enabling increased investments in production automation, robotics, the implementation of new technologies, process improvements, and team development. Additionally, this serves as a strong external signal that the Company's recent performance is considered sustainable and that there is confidence in its growth prospects.

On the 27 of December 2024 the Annual General Shareholders Meeting of VILNIAUS BALDAI AB adopted the following resolutions:

1. Agenda item #1: Consolidated annual report. The Company's consolidated annual report for the FY 2024 ended 31 August 2024 was presented.
2. Agenda item #2: Company's auditor's report. The report of auditor Grant Thornton Baltic UAB for the FY 2024 ended 31 August 2024 was presented.
3. Agenda item #3: Approval of the Consolidated and Company's financial statements for the FY 2024 ended 31 August 2024. Resolution: to approve Consolidated and Company's financial statements for the FY 2024 ended 31 August 2024.
4. Agenda item #4: Approval of the Company's profit distribution. Resolution: to approve Company's profit distribution.

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	(thousand EUR)
Undistributed retained earnings, brought forward	23,024
Net result for the current year	10,097
Profit (loss) not recognized in the income statement of the reporting financial year	21
Distributable result	33,142
Transfers to the obligatory reserves	-
Transfers to other reserves	-
To be paid as dividends*	3,031
To be paid as annual payments (bonus) to the Board members	100
Undistributed retained earnings, carried forward	30,012

*- 0.78 EUR of dividends per one ordinary share.

- Agenda item: Election of the Company's Management Board members. Resolution: to elect Vytautas Bučas, Dalius Kaziūnas and Andrius Anusauskas for the new term of 4 (four) years to the Management Board of Vilniaus baldai AB.

No other significant events occurred in the Company.

7. OPERATING PLANS AND FORECASTS OF THE GROUP'S ACTIVITY

In the last quarter of the 2024 financial year, the Company participated in procurement tenders organized by its main client, IKEA, which enabled an expansion of the product and product family portfolio. In the coming years, this is expected to ensure sustainable operational results, more balanced utilization of production capacity, increased inventory turnover. As production volumes grow, maintaining and strengthening competitiveness through infrastructure and process modernization remains a key long-term objective.

FY2025 is a transitional period, during which the product portfolio structure is changing, new products are being introduced, and managing their production processes efficiently will impact revenues and profitability ratios for this period. The changing product portfolio structure and significant volume growth require more human resources, and the limited labor supply and market competition are driving investments in modern technology, employees skill development, and process improvements.

The refinancing of the Company's financial obligations in September 2025 had a positive impact on debt servicing costs and projected cash flows for the coming years. Sustainable profitability ratios, effective use of equity and borrowed capital, and the potential for production volume expansion will contribute to the next phase of the Company's growth. Over the next 3 – 5 years, the focus will be on significant investments in production, logistics, and quality automation, aimed at both increasing production efficiency and expanding equipment capacity.

In FY2024, the Company began implementing a new ERP system tailored for manufacturing companies, with the system launch planned for the second half of the FY2025. Additionally, in FY2025, the Company started an investment project for a solar power plant to partially meet its electricity needs, with project completion scheduled for summer 2025. In the near future, the Company will continue to focus on further implementation of LEAN methodologies, workplace safety, environmental protection, improving employee conditions, and involvement in new product development.

Sustainability will also be a key focus in the upcoming financial year. Along with the 2025 financial statements, the Company will present a sustainability report, which will be audited. The Company's goal and strategy is to make sustainability an accepted and integrated part of the business operations.

8. INFORMATION ABOUT THE RESEARCH AND DEVELOPMENT ACTIVITY OF THE COMPANY

The Company did not carry out any research or development activity.

9. WHEN THE GROUP EMPLOYS FINANCIAL INSTRUMENTS AND WHEN IT IS IMPORTANT FOR THE VALUATION OF THE COMPANY'S ASSETS, EQUITY, LIABILITIES, FINANCIAL POSITION AND ACTIVITY RESULTS OF THE COMPANY, THE COMPANY DISCLOSES THE OBJECTIVES OF THE FINANCIAL RISK MANAGEMENT, ITS POLICY FOR HEDGING MAJOR TYPES OF FORECASTED TRANSACTIONS FOR WHICH HEDGE ACCOUNTING IS USED, AND COMPANY'S EXPOSURE TO PRICE RISK, CREDIT RISK, LIQUIDITY RISK AND CASH FLOW RISK

The Group did not use any financial instruments, which are important to the evaluation of the Group's assets, liabilities, financial position and operation results.

10. INFORMATION ON THE CONTRACTS WITH THE INTERMEDIARIES OF THE PUBLIC TURNOVER OF THE SECURITIES

All contractual obligations accounting and dividend pay-out to shareholders contracts were taken over by Siauliu bankas AB (Seimyniskiu str. 1A, Vilnius).

11. STRUCTURE OF THE ISSUER'S AUTHORISED CAPITAL

Structure of the authorised capital of Vilnius baldai AB:

Type of shares	Number of shares, units	Nominal value, EUR	Total nominal value, EUR	Share in the authorised capital, %
Ordinary registered shares	3,886,267	1.16	4,508,069.72	100.00

The Company's authorised share capital is divided into 3,886,267 ordinary registered shares with the par value of EUR 1.16 each. The shares are uncertificated. They are recorded in personal securities accounts of shareholders. These accounts are managed following the procedure established by regulatory legislation on the securities market.

Rights and obligations carried by the shares

The shareholders have no property obligations to the Company, except for the obligation to pay up, in the established manner, all the shares subscribed for at their issue price.

If the General Meeting takes a decision to cover the losses of the Company from additional contributions made by the shareholders, the shareholders who voted "for" shall be obligated to pay the contributions. The shareholders who did not attend the General Meeting or voted against such a resolution shall have the right to refrain from paying additional contributions.

A shareholder shall repay to the Company any dividend paid out in violation of the mandatory norms of the Law on Companies of the Republic of Lithuania, if the Company proves that the shareholder knew or should have known thereof.

The shareholders have the following property and non-property rights:

1. to receive a part of the Company's profit (dividend);
2. to receive Company's funds when the authorized capital of the Company is decreased in order to pay the Company's funds to the shareholders;
3. to receive shares without payment if the authorized capital is increased out of the Company's funds except in cases provided for by the Law on Companies of the Republic of Lithuania;
4. to have the pre-emption right in acquiring shares or convertible debentures issued by the Company, except in cases when the General Meeting in the manner prescribed in the Law on Companies of the Republic of Lithuania decides to withdraw the pre-emption right in acquiring the Company's newly issued shares or convertible debentures for all the shareholders;
5. to lend the Company in the manner prescribed by laws, but the Company, borrowing from its shareholders has no right to mortgage its property to shareholders. The interest shall not exceed the average interest rate of commercial banks in the lender's place of residence or business in force at the time of the loan contract when the Company is borrowing from the shareholder. In this case it is prohibited to the Company and its shareholders to agree on a higher interest rate;

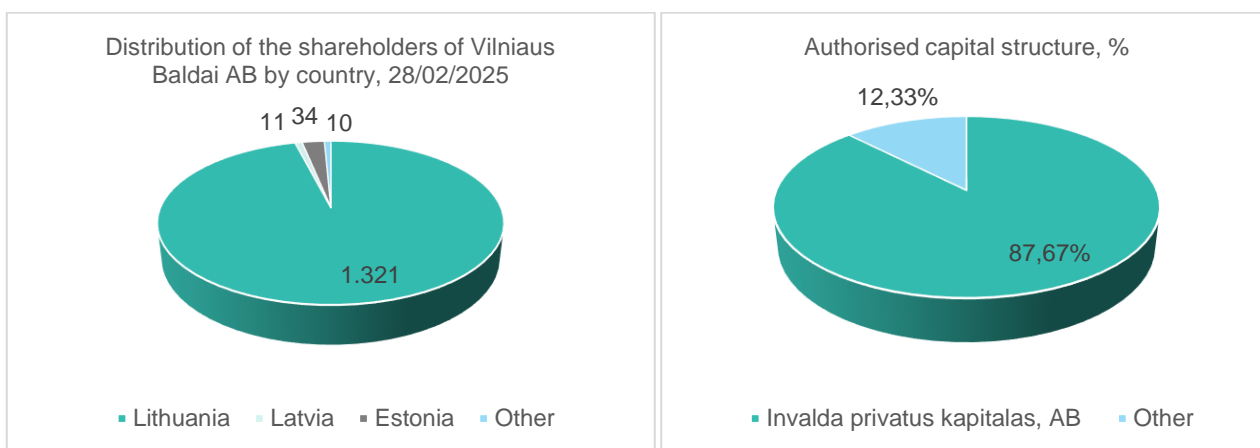
6. to receive a part of assets of the Company in liquidation;
7. other statutory property rights;
8. the rights, indicated in items 1–4, are granted to those persons who were the Company’s shareholders at the tenth day after the decision that was accepted at the end of general shareholders’ meeting (hereinafter – at the end of right record day);
9. to participate in general shareholders’ meetings;
10. to submit the questions related to the agenda of general shareholders’ meetings to the Company in advance;
11. to vote at general shareholders’ meetings according to voting rights carried by their shares. Each registered ordinary share carries one vote at the general shareholders’ meeting except the exceptions indicated in the Law on Companies of the Republic of Lithuania. The right to vote at the general shareholders’ meetings may be prohibited or restricted by the Law on Companies of the Republic of Lithuania and other cases established by law, as well as, when the ownership of the share is being disputed;
12. to receive information on the Company as indicated in the Law on Companies of the Republic of Lithuania;
13. to file a claim with the court for reparation of the Company’s damage resulting from nonfeasance or malfeasance by the Company’s executive and board members of their obligations prescribed by the Law on Companies of the Republic of Lithuania and other laws as well as Company’s regulations;
14. to authorize natural or legal person to represent him in relations with the Company and other persons;
15. other non-property rights established by the Law on Companies of the Republic of Lithuania, other laws or the Company’s regulations.

12. SHAREHOLDERS

Total number of the shareholders as of 28 February 2025 is 1,376.

The shareholders who had upon the property rights or possessed more than 5% of the issuer’s authorised capital as of 28 February 2025:

Names of the companies, office addresses, codes	Number of shares owned under the property rights, units	Share of the authorised capital, %	Share of the votes, %
Invalda Privatus Kapitalas AB, company code 303075527, Seimyniskiu str. 1 A, Vilnius	3,407,135	87.67	87.67



There are no shareholders, having any special rights of control.

There are no voting rights restrictions.

The Company is not aware of any agreements between the shareholders, because of which the transfer of the securities and (or) the voting right could be limited.

13. INFORMATION ABOUT THE ISSUER'S STOCK EXCHANGE TRADING ON THE REGULATED MARKETS

The Company's ordinary shares are registered on the Secondary list of Nasdaq Vilnius AB.

The main characteristics of shares:

Type of shares	VP ISIN code	Abbreviation	Number of shares, units.	Nominal value, EUR	Total nominal value, EUR
Ordinary registered shares	LT0000104267	VBL1L	3,886,267	1.16	4,508,069.72

Trading statistics of the Company's shares:

Item	FY 2025 I half, ended February 28	FY 2024 I half, ended February 29
Price of the shares, EUR:		
- opening	8.25	6.50
- highest	14.2	7.90
- lowest	7.7	6.00
- closing	13.6	7.70
Turnover of shares, units	62.504	15,523
Turnover of shares, EUR	700.093	106,586
Total number of transactions, units	1.186	388
Capitalization, million EUR	52.85	29.92

Shares turnover and price of Vilniaus baldai AB in the period of 01/03/2020–28/02/2025:



Comparison of the price of shares of Vilniaus baldai AB with the OMXBB and OMXV index in the period of 01/03/2020–28/02/2025:



14. ORDER OF CHANGING OF THE ISSUER'S ARTICLES OF ASSOCIATION

The Articles of Company are changed by the resolution of the General Meeting of shareholders, adopted by the majority of more than 2/3 of all the votes.

15. ISSUER'S BODIES


The Company has the General Meeting of shareholders, a one-man management body – chief executive officer (General Manager) and the collegial management body – the Board. The Company does not have Supervisory Board.


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The Board of the Company consists of 3 members. It is elected for the period of four years by the General Meeting. The Board of the Company elects and withdraws and dismisses from the position the Chief Executive Officer, determines his salary, confirms the job descriptions, appoints him and imposes penalties.


The competence of the General Manager and the Board of the Company, the procedure of their appointment and removal does not differ from what is specified in the Law on Companies. The Board is made up of people with different professional experiences and competencies. All Board members are closely acquainted. There are no requirements for the composition of the board that could discriminate in any way on the basis of sex.


The Board and Administration of the Company:

Vytautas Bucas		
	Position Chairman of the Board, elected to the Board on 12/04/2007, re-elected on 27/04/2012, 05/07/2016, 08/10/2020 and 27/12/2024, end of the term – 2028.	
	Work experience Since May 2013 Adviser, Chairman of the Board of Invalda Privatus Kapitalas AB 2006–May 2013 Adviser of Invalda LT AB, Board member (since May 2007 until May 2013 Chairman of the Board) 2006–2007 Director of Invaldos NekilnAojamojo Turto Fondas AB 2000–2006 SEB Bankas AB, Board member, Vice President, CFO, Head of IT Department 1992–2000 Senior Auditor, Senior Manager, Manager at Arthur Andersen	
	Participation in the activities of other companies	Number of shares and of voting rights
	Chairman of the Board of Invalda Privatus Kapitalas AB	39.63%
	Chairman of the Board of Bordena UAB	0.00%
Board Member of Švytėjimas UAB	0.00%	

Dalius Kaziunas		
	Position Board member, elected to the Board on 29/04/2010, re-elected on 27/04/2012, 05/07/2016, 08/10/2020 and 27/12/2024, end of the term – 2028.	
	Work experience Since May 2013 CEO, Board member of Invalda Privatus Kapitalas AB 2012–May 2013 President of Invalda LT AB, Board member (until 30/04/2012) 2008–2011 Adviser and Board member of Invalda LT AB 2008–2009 Director of Bankas Finasta AB 1996–February 2008 assistant of financial broker of FMI Finasta AB, financial broker, Director	
	Participation in the activities of other companies	Number of shares and of voting rights
	CEO and Board Member of Invalda Privatus Kapitalas AB	1.70%
	Chairman of the Board of Lauko Gelininkystes Bandymu Stotis UAB	0.00%
Member of the Supervisory Board at Vernitas AB	0.00%	
Chairman of the Board of Invetex UAB	0.00%	
Member of the Board of Bordena UAB	0.00%	
Chairman of the Board of Svytejimas UAB	0.00%	

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	Andrius Anusauskas	
	Position	
	Chairman of the Board, elected to the Board on 08/10/2020, re-elected on 27/12/2024, end of the term – 2028.	
	Work experience	
	Since May 2022 General manager at Inreal valdymas UAB	
	2018 – 2022 Finance director at Inreal valdymas UAB	
	2013 – 2018 Finance project manager at Invalda privatus kapitalas AB	
	2008 – 2013 Finance project manager at Invalda AB	
	2006 – 2008 CFO at SNORO fondų valdymas UAB	
	2004 – 2006 Accountant at Finasta AB FMĮ	
2002 – 2004 Accountant at Labochema, UAB		
Participation in the activities of other companies		Number of shares and voting rights
Member of the Board at Invetex UAB		0.00 %
Member of the Board at Lauko Gėlininkystės Bandymų Stotis UAB		0.00 %
Director at Kulpės slėnis UAB		0.00 %
Director at Inreal UAB		0.00 %
Director at Deltuvis UAB		0.00 %
Director at DOMMO Nerija UAB		0.00 %
Director at Inreal valdymas UAB		0.00 %
Director at POMUS UAB		0.00 %

	Jonas Krutinis	
	Position	
	Head of Finance Department since 23/02/2015, Head of Finance since 12/10/2015, General manager since 15/05/2018.	
	Work experience	
	2014–2015 Business Intelligence Manager at SEB Baltics	
	2006–2014 Deputy Chairman of the Management Board, Head of Business Support, CFO at SEB Bank, Russia	
	2002–2006 Head of Planning at SEB Vilniaus bankas AB	
	1999–2002 Business Consultant at Arthur Andersen UAB	
	1997–1999 Analyst at VB Vilfima UAB	
	1995–1997 Specialist at CSDL	
Participation in the activities of other companies		Number of shares and of voting rights
Board member of Autoverslas UAB		0.00%
Chairman of the Board of Autoverslo terminalas UAB		0.00%

The Company's key management personnel include the Company's General Manager, Chief Financial Officer, Chief Operating Officer, Head of Business Development, People and Culture Manager, Head of Purchasing, Technology Manager. In the first half of 2025 the average monthly remuneration to the management of the Company amounted to EUR 101.0 thousand (in the first half of 2024 – EUR 78.2 thousand). The remuneration is not paid to the Board members of the Company.

Remuneration to the management members of the Company (thousand EUR):

Item	FY 2025 I half, ended February 28	FY 2024 I half, ended February 29
Wages, salaries	595	461
Social security contributions	11	5
Total	606	469

During the first half of 2025 the Company did not transfer any assets to the Board members, the Company's General Director, Head of Finance department; it also did not provide any guarantees or warranties, by which the performance of their liabilities would be se cured.

16. SIGNIFICANT AGREEMENTS IN WHICH THE COMPANY IS INVOLVED AND WHICH WOULD BECOME EFFECTIVE, WOULD CHANGE OR WOULD BE TERMINATED IF THE CONTROL OF ISSUER CHANGED

During the first half of FY2025 no material agreements were signed which would become effective, would change or would be terminated if the control of the issuer changed. Furthermore, there were no agreements signed during the first half of FY2025 between the Company and its body, employees which allow compensations if they resign or are fired without the justified reason or their work finishes as a result of the change of the issuer's control.

17. RELATED PARTY TRANSACTIONS

The parties are considered related when one party has the possibility to control the other one or have significant influence over the other party in making financial and operating decisions. The related parties of the Company as of 28 February 2025 were:

1. ARI-LUX UAB (the subsidiary) – reg.no 120989619, address Pramones str. 23, Guopstu vil., LT-21148 Trakai district,
2. Invalda Privatus Kapitalas AB (ultimate shareholder) – reg.no 303075527, address Žalgirio str. 92-901, LT-09303 Vilnius,
3. entities controlled by Invalda Privatus Kapitalas AB:
 - Bordena UAB – reg.no 304073881, address Žemaičių str. 49B, Ariogala, LT-60253 Raseinių district,
 - Svytejimas UAB – reg.no 123017127, address Švenčionių str. 110A, Nemenčinė, Vilnius district,
 - Panerių konversija UAB – reg.no 305993224, address Žalgirio str. 94-1, LT-09300 Vilnius.

The related parties of the Company as of 29 February 2024 were:

1. ARI-LUX UAB (the subsidiary) – reg.no 120989619, address Pramones str. 23, Guopstu vil., LT-21148 Trakai district,
2. Invalda Privatus Kapitalas AB (ultimate shareholder) – reg.no 303075527, address Žalgirio str. 92-901, LT-09303 Vilnius,
3. entities controlled by Invalda Privatus Kapitalas AB:
 - Bordena UAB – reg.no 304073881, address Žemaičių str. 49B, Ariogala, LT-60253 Raseinių district,
 - Svytejimas UAB – reg.no 123017127, address Švenčionių str. 110A, Nemenčinė, Vilnius district,
 - Panerių konversija UAB – reg.no 305993224, address Žalgirio str. 94-1, LT-09300 Vilnius.

Transactions with the Group's related parties in the first half of 2025 and the balances in 28 February 2025 and 29 February 2024 are provided in the notes (Note 17) of the Interim Condensed Consolidated Financial Statements For the Six Months of FY2025 Ended February 28, 2025.

18. DATA ON THE PUBLICLY DISCLOSED INFORMATION

The information publicly disclosed by Vilniaus Baldai AB during the first half of FY2025 is presented on the Company's website www.vilniausbaldai.lt.

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Summary of publicly disclosed information since 1 September 2025:

Date of disclosure	Brief description of disclosed information
27/09/2024	VILNIAUS BALDAI AB refinances long-term financial liabilities
29/10/2024	VILNIAUS BALDAI AB interim condensed consolidated financial statement for the twelve months of FY2024 ended August 31, 2024
28/11/2024	VILNIAUS BALDAI AB annual audited information for the year 2024
06/12/2024	VILNIAUS BALDAI AB investor's calendar for 2025
06/12/2024	Convocation of the general shareholders meeting of VILNIAUS BALDAI AB
16/12/2024-	Draft resolutions of the General Shareholders Meeting (27th of December)
27/12/2024	Resolutions of the Annual General Shareholders Meeting of VILNIAUS BALDAI AB on 27/12/2024
30/12/2024	VILNIAUS BALDAI AB result for activity and non audited condensed interim consolidated financial statement for the three months of FY 2025
06/01/2025	Procedure for the payout of dividends

General Manager

Jonas Krutinis

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS OF FY2025 ENDED FEBRUARY 28, 2025

GROUP INFORMATION

1. Reporting period covered by this Financial Statement

The Financial Statements for the six months of the financial year (FY) 2025 ended February 28, 2025.

MAIN DATA ABOUT THE ISSUER:

Name	Vilniaus Baldai AB
Legal form	Joint stock company
Code	121922783
VAT payer's code	LT219227811
LEI code	529900MJDB8L13ZF6G26
Authorised capital	EUR 4,508,069.72, divided into 3,886,267 ordinary registered shares with the par value of EUR 1.16 each
Office address	Pramones str. 23, Guopstu k., LT-21148 Traku r.
Telephone	(+370~5) 252 57 00
E-mail	info@vilniausbaldai.lt
Internet website	www.vilniausbaldai.lt
Registration date and place	9 February 1993, Vilnius City Board
Register, where all the information about the Company is collected and stored	Register of Legal Entities
Main type of activity	Design, production and selling of furniture

INFORMATION ABOUT THE SUBSIDIARY COMPANY:

Name	ARI-LUX UAB
Legal form	Limited liability company
Code	120989619
VAT payer's code	LT209896113
Authorised capital	EUR 2,896.00
Office address	Pramones str. 23, Guopstu k., LT-21148 Traku r.
Telephone	(+370~5) 252 57 44
E-mail	info@ari-lux.lt
Registration date and place	28 October 1991, Vilnius City Board
Register, where all the information about the Company is collected and stored	Register of Legal Entities
Main type of the activity	Packaging

3. Information about where to access the Financial Statement and the underlying documents, name of the designated mass media for announcements

The Financial Statement and underlying supporting documents can be accessed at the Company's headquarters at Pramones str. 23, Guopstos village, Trakai region.

Designated mass media for Vilniaus Baldai AB announcements: NASDAQ OMX Vilnius AB, Central Storage Facility – information database.

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4. Board

Chairman of the Board: Vytautas Bučas
Members of the Board: Dalius Kaziūnas
Andrius Anusauskas

5. Persons responsible for the accuracy of the information in the Financial Statement

Members of the managing bodies, employees and the Head of the Administration of the issuer are responsible for the accuracy of the information:

Jonas Krutinis, General Manager, tel. (+370~5) 252 57 00,
Egidijus Zvaliauskas, Chief Financial Officer, tel. (+370~5) 252 57 00.

6. Declaration by the members of the issuer's managing bodies, employees, the Head of the Administration and the issuer's consultants that the information contained in the Financial Statement is in accordance with the facts and that the Financial Statement makes no omission likely to have an effect on the investors' decision concerning purchase, sale or valuation of the issuer's securities or on the market price of these securities

Vilniaus Baldai AB, represented by Jonas Krutinis, General Manager, and Egidijus Zvaliauskas, Chief Financial Officer, hereby confirm that the information contained in the Financial Statement is in accordance with the facts and that the Financial Statement makes no omission likely to have an effect on the investors' decision concerning purchase, sale or valuation of the issuer's securities or on the market price of these securities.

Jonas Krutinis, General Manager of Vilniaus Baldai AB

Egidijus Zvaliauskas, Chief Financial Officer of Vilniaus Baldai AB

Date of signing the Report – March 31, 2025.

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INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT FOR THE SIX MONTHS OF FY2025 ENDED FEBRUARY 28, 2025

The auditors reviewed the Financial Statements of 31.08.2024, while the Financial Statements as of 28.02.2025 and 29.02.2024 are unaudited.

1. STATEMENT OF FINANCIAL POSITION

	28.02.2025	31.08.2024	29.02.2024
Assets			
Non - current assets			
Non - current tangible assets	57,439	57,601	59,495
Intangible assets	210	165	100
Lease (16 TFAS adaption)	660	844	974
Other non-current receivables	-	-	-
Deferred income tax asset	751	1,023	877
Total non - current assets	59,060	59,633	61,446
Current assets			
Inventories	9,798	9,860	10,742
Trade debtors	11,503	10,467	9,076
Prepayments	33	6	27
Current income tax prepayment	149	1	4
Other accounts receivable	1,110	1,051	736
Time deposits	-	-	1,000
Cash and cash equivalents	28	3,867	1,129
Total current assets	22,621	25,252	22,714
Total assets	81,681	84,885	84,160

(cont'd on the next page)

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1. STATEMENT OF FINANCIAL POSITION (CONT'D)

	28.02.2025	31.08.2024	29.02.2024
Shareholders' equity and liabilities			
Capital and reserves			
Share capital	4,508	4,508	4,508
Legal reserve	451	451	451
Retained earnings	33,988	33,201	29,865
Total capital and reserves	38,947	38,160	34,824
Non - current liabilities			
Loans and other interest-bearing payables	21,994	26,129	33,151
Provision for employee benefits	635	635	605
Lease (16 TFAS adaption)	505	456	812
Total non - current liabilities	23,134	27,220	34,568
Current liabilities			
Loans and other interest-bearing payables	5,647	7,140	3,657
Debts to suppliers	9,061	7,506	7,549
Payables for property, plant and equipment	295	91	121
Current income tax payable	548	790	-
Other liabilities	3,932	3,532	3,230
Lease (16 TFAS adaption)	117	446	211
Total current liabilities	19,600	19,505	14,768
Total liabilities	42,735	46,725	49,336
Total equity and liabilities	81,681	84,885	84,160

Shareholders' equity and liabilities

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2. STATEMENT OF COMPREHENSIVE INCOME

	FY2025 I half, ended February 28	FY2024 I half, ended February 29	FY2025 II quarter, ended February 28	FY2024 II quarter, ended February 29
Revenue	52,823	53,462	24,553	23,362
Cost of sales	(43,896)	(42,506)	(21,534)	(18,641)
Gross profit	8,927	10,956	3,019	4,721
Distribution costs	(753)	(922)	(347)	(456)
Administrative costs	(2,839)	(2,288)	(1,563)	(1,232)
Other operating income, net	374	388	239	199
Profit (loss) from operating activities	5,709	8,134	1,348	3,232
Financial income	17	14	2	13
Financial costs	(1,285)	(1,446)	(420)	(710)
Financial income, net	(1,268)	(1,432)	(418)	(697)
Profit (loss) before taxes	4,441	6,702	931	2,535
Income tax	(623)	-	(623)	-
Profit (loss) for the period	3,818	6,702	308	2,535
Other comprehensive income				
Total comprehensive income for the period	3,818	6,702	308	2,535
Attributable to Owners of the Company:				
Profit (loss)	3,818	6,702	308	2,535
Other comprehensive income				-
Total comprehensive income	3,818	6,702	308	2,535
Earnings per share (in EUR)	0.98	1.72	0.08	0.65

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3. STATEMENT OF CHANGES IN EQUITY

Item	Share capital	Legal reserve	Obligatory reserve	Accrued earnings	Total
Balance as of August 31,2023	4,508	451	-	23,163	28,122
Net profit (loss)	-	-	-	6,702	6,702
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	6,702	6,702
Legal reserve accrual	-	-	-	-	-
Dividends	-	-	-	-	-
Balance as of February 29,2024	4,508	451	-	29,865	34,824
Balance as of August 31,2024	4,508	451	-	33,201	38,160
Net profit (loss)	-	-	-	3,818	3,818
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	3,818	3,818
Legal reserve accrual	-	-	-	-	-
Dividends	-	-	-	(3,031)	(3,031)
Balance as of February 28, 2025	4,508	451	-	33,988	38,947

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4. STATEMENT OF CASH FLOWS

	FY2025 I half, ended February 28	FY2024 I half, ended February 29
Net profit (loss)	3,818	6,702
Adjustments:		
Depreciation and amortization	2,390	2,349
Result on disposal, writing off, etc. of non - current	-	57
Changes in provisions	-	-
Interest (income) expenses	1,308	1,507
Income tax expenses	623	
Other expenses (income)	3	109
Cash flows from ordinary activities before changes	8,142	10,724
Changes in trade receivables and other amounts	(1,122)	(1,452)
Changes in inventories	61	(4,392)
Changes in debts to suppliers and other liabilities	1,838	(1,274)
Income tax paid	(740)	-
Cash flows from operating activities	8,179	3,606
(Acquisition) of tangible non - current assets	(2,295)	(654)
Sale / writing of non - current tangible assets	10	14
Interest received	13	14
Transfer (to) from time deposits	-	(1,000)
Cash flows from investing activities	(2,273)	(1,626)
Loans (granted) / repaid	-	-
Loans received / (repaid)	(5,047)	(2,721)
Interest (paid) / received	(1,384)	(1,521)
Dividends (paid)	(2,954)	-
Other changes in financial activity	(360)	(90)
Cash flows from financing activities, net	(9,745)	(4,332)
Cash flows from operating, investing and financing	(3,839)	(2,352)
Cash and cash equivalents as of 1 September	3,867	3,481
Cash and cash equivalents as of 28 February	28	1,129

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5. EXPLANATORY NOTES

1 SUMMARY OF THE BASIC ACCOUNTING PRINCIPLES AND PRACTICES

Vilniaus Baldai AB (hereinafter “the Company”) is a public limited liability company registered in the Republic of Lithuania. The address of its registered office is Pramonės str. 23, Guopstos village, Trakai region, LT-21148, Lithuania.

The Company is engaged in furniture production and trade. The Company was registered on 9 February 1993; its shares are traded in the Secondary List of the NASDAQ OMX Vilnius AB.

As of February 28, 2025 the Group employed 549 people, the Company employed 494 people (on August 31, 2024 the Group employed 524 employees, the Company – 459).

Main accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU). The financial statements have been prepared based on acquisition cost principle.

Basis for drawing up of the interim condensed consolidated statements

The interim condensed consolidated financial statements for the six months of FY2025 ended February 28, 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s and the Company’s annual financial statements as for of FY2025.

In the financial statements all figures are provided in EUR thousand. The statements are drawn up applying the method of historical costs.

When drawing up the financial statements in accordance with the IFRS, the managers are required to make calculations and estimations to support the assumptions that have an impact on application of the accounting principles and on the amounts of assets and liabilities, income and costs. The calculations and related assumptions are based on historical experience and other factors that correspond to the present situation and on the basis of which conclusions concerning the carrying amount of assets and liabilities are made that cannot be decided on the basis of other sources. The actual amounts may differ from these assumptions.

The Group’s and the Company’s accounting policies are consistent with those used in the previous years.

Functional and presentation currency

Euro is the currency of Financial Statements of the Company as well as the Group. In the financial statements all figures are provided in EUR thousand.

Financial year

On October 8, 2014, the Extraordinary General Shareholders Meeting of Vilniaus Baldai AB has resolved to change the financial year, which earlier started 1 January and ended 31 December, to the financial year beginning on 1 September and ending on 31 August of the next year in order to coordinate the period of financial year of Vilniaus Baldai AB and its main customer. The change took effect on August 31, 2015.

Principles of consolidation

The consolidated financial statements of the Group include Vilniaus Baldai AB and its subsidiary. The control is normally evidenced when the Group owns, either directly or indirectly, more than 50 percent of the voting rights of a company’s share capital and/or is able to govern the financial and operating policies of an enterprise so as to benefit from its activities.

Subsidiaries are consolidated from the date from which effective control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company. All intercompany transactions, balances and unrealized gains and losses on transactions among the Group companies have been eliminated.

Consolidated financial statements are prepared on the basis of the same accounting principles applied to similar transactions and other events under similar circumstances. Financial statements of Subsidiary were prepared for the same period as that of the Company.

Intangible assets

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Intangible assets are measured initially at cost. Intangible assets are recognized if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives.

Software

The costs of acquisition of new software are capitalized and treated as an intangible asset if these costs are not an integral part of the related hardware. Software is amortized over a period not exceeding 3 years.

Costs incurred in order to restore or maintain the future economic benefits that the Group and the Company expects from the originally assessed standard of performance of existing software systems are recognized as an expense when the restoration or maintenance work is carried out.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of comprehensive income.

The initial cost of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operation, such as repair and maintenance costs, are normally charged to the statement of comprehensive income in the period the costs are incurred.

Depreciation is computed on a straight-line basis over the following estimated useful lives:

Buildings	10 - 66 years
Machinery and equipment	6 - 20 years
Vehicles	5 - 10 years
Other property, plant and equipment	2 - 6 years.

The assets' residual values and useful lives are reviewed periodically to ensure that the period of depreciation is consistent with the expected pattern of economic benefits from items in property, plant and equipment.

Construction-in-progress is stated at cost. This includes the cost of construction, plant and equipment and other directly attributable costs. Construction-in-progress is not depreciated until the relevant assets are completed and available for use.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial time to get ready for intended use or sale (qualifying assets) are capitalized as part of the costs of those assets.

Capitalization of borrowing costs continues up to the date when the assets are substantially ready for their use or sale.

The Group capitalizes borrowing costs that could have been avoided if it had not made capital expenditure on qualifying assets. Borrowing costs capitalized are calculated at the group's average funding cost (the weighted average interest cost is applied to the expenditures on the qualifying assets), except to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. Where this occurs, actual borrowing costs incurred less any investment income on the temporary investment of those borrowings are capitalized.

Spare parts are classified as property, plant and equipment if they meet the definition, including the requirement to be used over more than one period. Otherwise, they are classified as inventory. For spare parts that are kept to ensure smooth operation of some machinery without interruptions, the depreciation period starts immediately when those spare parts are acquired.

Inventories

Inventories are initially recorded at acquisition cost. After the initial recognition, inventories are valued at the lower number of cost or net realizable value. Net realizable value is the selling price in the ordinary course of business, less the costs of completion and applicable variable marketing and distribution costs. Cost is determined by 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 based on a normal operating capacity. Unrealizable inventory is fully written-off. Inventory items that have not moved or been used for more than one year are written down based on the following criteria:

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Customer commitment to compensate	0 % (0% write-down)
To be used in production	70 % (30% write-down)
To be sold in the secondary market (liquid inventory)	50 % (50% write-down)
Illiquid inventory	100 % (100% write-down)

Financial instruments – financial assets

The financial assets of the Group and the Company include cash and cash equivalents, loans granted, trade receivables and other receivables.

Trade receivables are initially recognized when they arise. Upon initial recognition, all other financial assets are recognized when the Group and the Company become parties to the contractual provisions of the instrument. Financial assets (except for trade receivables without a significant financing component), if not measured at fair value through profit or loss, are initially measured at fair value plus transaction costs directly attributable with acquisition or issue. Trade receivables without a significant financing component are initially recognized at the transaction price.

Financial assets are classified in three groups according to their measurement:

- i. financial assets that are subsequently measured at amortized cost;
- ii. financial assets that are subsequently measured at fair value through other comprehensive income;
- iii. financial assets that are subsequently measured at fair value through profit or loss.

The classification of a financial asset depends on the financial asset management business model (assessing how the entity manages the financial assets to generate cash flows) and the characteristics of the contractual cash flows of the financial asset (whether contractual cash flows include only principal and interest payments).

Financial asset is stated at amortized cost if both of the following conditions are satisfied:

- financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interests on the principal amount outstanding.

Financial assets that do not meet the above conditions are measured at fair value through profit or loss and through other comprehensive income.

The Group and the Company have no financial assets, which, in subsequent periods, are measured at fair value through profit or loss and other comprehensive income.

Financial assets that are subsequently measured at amortized cost are measured using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating the interest income or expense over a period of time. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability or, where appropriate, a shorter period.

Financial assets at fair value through profit or loss are initially recognized at fair value through profit or loss. Subsequently, the fair value gain and loss, including any interest and dividends, is recognized in profit or loss and other comprehensive income.

Financial assets (or, where applicable, part of a financial asset or part of a group of similar financial assets) are derecognised when:

- the right to receive cash flows from the financial asset expires;
- the Group and the Company retain the right to receive cash flows from the asset, but have agreed to pay in full without material delay to a third party under a 'pass through' arrangement;
- the Group and the Company transfer their right to receive cash flows from assets and/or:
 - (a) have transferred substantially all the risks and rewards of the financial asset;
 - (b) have neither transferred nor retained substantially all the risks and rewards of the financial assets but have transferred control of the assets.

When the Group and the Company transfer rights to receive cash flows from an asset but neither transfer nor retain substantially all the risks and rewards of the asset nor transfer control of the asset, the asset is recognized to the extent of the Group's and the Company's continuing involvement in the asset. The Company's and the Group's assets that have been transferred as guarantee are measured at the lower of the carrying amount and the maximum amount of consideration that the Group and the Company could be required to repay.

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The Group and the Company reduce the gross carrying amount of their financial asset if they cannot reasonably expect to recover all or part of the financial asset. A write-off is an event of derecognition.

Cash and cash equivalents consist of cash in bank accounts. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. Such investments have a maturity of up to three months and the risk of changes in value is very insignificant. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, deposits in current accounts, and other short-term highly liquid investments.

Trade and other receivables on initial recognition, trade and other receivables are recognized at the transaction price and subsequently measured at amortized cost.

Share capital

Ordinary shares are classified as equity. Ordinary shares are stated at their par value.

Dividends distribution

Dividend distribution to the company's shareholders is recognized as a liability in the group's financial statements in the period in which the dividends are approved by the company's shareholders. Dividends paid are classified as financing cash flows in the statement of cash flows.

Financial liabilities

The Group's and the Company's financial liabilities comprise borrowings, trade payables and other payables.

At the time of initial recognition, financial liabilities are recognised when the Group and the Company become parties to the contractual terms of the instrument.

Financial liabilities are divided into two groups according to their measurement:

- a) financial liabilities that are subsequently measured at amortised cost;
- b) financial liabilities that are subsequently measured at fair value through profit or loss.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group and the Company derecognise financial liabilities when their contractual obligations are discharged or cancelled or expire. The Group and the Company also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, the new financial liability is recognized at fair value under the modified terms of the contract.

In the event of derecognition of a financial liability, the difference between the carrying amount written off and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss in the statement of profit or loss and other comprehensive income.

Trade and other payables. Upon initial recognition, trade and other payables are recognized when the Company becomes a party to the contractual provisions. Trade and other payables are initially measured at fair value plus directly attributable transaction costs.

Borrowed funds. Borrowings are initially recognized at fair value less transaction costs and subsequently measured at amortized cost using the effective interest method.

Financial guarantees. A financial guarantee contract is a contract that obliges the Company to make specific payments to compensate the contract holder for the holder's default on timely payment of the original or modified terms of a debt instrument. Financial guarantees are initially recognized at fair value, which is usually the amount receivable.

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Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset when, and only when, the Group and the Company have a legally enforceable right to set off the amounts and they intend either to settle them on the net basis or to realise the asset and settle the liability simultaneously.

Leases

The Company and the Group are the lessees

(a) Finance lease

Leases of property, plant and equipment where the Company and the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the estimated present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant interest rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in long-term payables except for installments due within 12 months which are included in current liabilities.

The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

(b) Operating lease

At the beginning of the contract, the Company and the Group assess whether the contract is a lease or includes a lease. This means assessing whether the contract confers a right to manage the use of the identified asset for a period of time in return for remuneration.

The Company and the Group apply a single recognition and measurement method to all leases, except for short-term and low-value leases. The Company and the Group recognize a lease obligation to pay lease payments and a right-of-use asset that entitles the holder to use the leased asset.

Assets managed under lease right

The Company and the Group recognize the right-of-use asset at the inception date (ie the date from which the underlying asset is available for use). Assets held under usable rights are carried at cost less any accumulated depreciation and any accumulated impairment losses. The cost of an asset held for use includes the amount of the initial measurement of the lease liability, the initial direct costs, the lease payments at or before the inception date, less any lease incentives received. Depreciation is calculated on a straight-line basis over the lease term.

If the ownership of the leased property is transferred to the Company and the Group before the end of the lease term or if the price of the asset managed by the right of use indicates that the lessee will exercise the call option, depreciation is calculated based on the estimated useful life of the asset.

Assets held for use are also assessed for impairment.

Lease obligations

At the beginning date, the Company / Group recognizes lease liabilities at the present value of the lease payments due during the lease term. Lease payments include fixed payments (including equivalent payments) less any rental incentives receivable, variable rents that depend on an index or rate, and amounts that would be payable under residual value guarantees. Such lease payments also include the exercise price of the call option if it is reasonably known that the Company / Group will exercise that option, and penalties for terminating the lease if it is assumed that the Company / Group will exercise the option to terminate the lease during the lease term. Variable lease payments that are independent of an index or a rate are recognized as an expense (unless they are incurred to produce inventories) in the period in which the event occurs or the condition that gives rise to the tax arises.

In calculating the present value of the lease payments, the Company / Group applies the borrowing rate accrued at the beginning of the lease, as the interest rate specified in the lease cannot be readily determined. After the commencement date, the amount of the lease liability is increased by the estimated interest and the amount of lease payments paid is reduced. In addition, the carrying amount of a lease is remeasured if certain adjustments are made, the lease term or lease payments change (for example, changes in future lease payments due to a change in the index or rate used to determine such lease payments) or a change in the option to purchase the lease. evaluation.

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Short-term and low-value property lease

The Company and the Group apply the recognition exemption to their current assets (i.e. leases with a term of less than 12 months at the inception date that do not include an option to purchase the asset). It also observes this exception by recognizing the lease of low-value assets consisting of office inventory. Lease payments for short-term and low-value assets are recognized as an expense on a straight-line basis over the lease term.

The Company and the Group are the lessors

(a) Operating lease

As a lessor, the Company and the Group determine at the beginning of a lease whether the contract is a finance lease or an operating lease. If the Company and the Group determine that substantially all the risks and rewards of ownership of a leased asset are transferred under a lease, it classifies the lease as a finance lease. Leases under which the Company and the Group do not transfer substantially all the risks and rewards incidental to ownership of a leased asset are classified as operating leases. Lease income is recognized on a straight-line basis over the term of the lease and is recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging a lease shall be included in the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as the lease income. Contingent contributions are recognized as income in the period in which they are earned.

Employee benefits

(a) Social security contributions

The Company and the Group pay social security contributions to the state Social Security Fund (the Fund) on behalf of its employees based on the defined contribution plan in accordance with the local legal requirements. A defined contribution is a plan under which the Company/ Group pays fixed contributions into the Fund and will have no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior period. Social security contributions are recognized as expenses on an accrual basis and are included in payroll expenses.

(b) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group or the Company recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to their present value.

(c) Bonus plans

The Company recognizes a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

(d) Provisions for pensions and jubilee payments

According to the terms of the collective agreement effective at the Company, each employee is entitled to a jubilee payment and 2–3 months' salary payment when retiring after reaching the pension age. Actuarial calculations are made to determine liability for such payments. The liability is recognized at present value discounted using market interest rate.

The Company recognizes re-evaluations of the pension benefit obligation in 'Other comprehensive income that will not be reclassified to profit or losses, while service cost and net interest in recognized within profit or loss. The Company within profit or loss accounts for jubilee benefits and long-service benefits.

Provisions

Provisions are recognized when the Group and the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provisions are reviewed at each statement of financial position date and adjusted in order to present the most reasonable current estimate. If the effect of the time value of money is material, the amount of provision is equal to the present value of the expenses, which are expected to be incurred to settle the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

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Income tax

Income tax charge is based on profit for the year and considers deferred taxation. Income tax is calculated based on the Lithuanian tax legislation.

The income tax rate in Lithuania was 16 % in 2025 (15 % in 2024).

Starting from 2014 tax losses, except for losses due to sale of securities and (or) derivatives (of nonfinancial institutions), may be carried forward for an unlimited period of time, however carrying forward is stopped, if the company stops its activities due to such losses, except when the company stops its activities due to reasons beyond its control. Deductible tax losses carried forward may not exceed 70 percent of the taxpayer's taxation period income, calculated as income net of tax-exempt income, regular deductions, deductions of limited amounts, with the exception of the previous year losses.

Losses due to sale of securities and (or) derivatives (of non-financial institutions) are carried forward no more than five consecutive tax periods starting from the tax period following the tax period during which the loss was incurred. While deducting previous years' sale of securities losses from current year's securities sales income restriction (of up to 70 percent sale of securities income) does not apply.

Deferred taxes are calculated using the statement of financial position liability method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to reverse based on tax rates enacted or substantially enacted at the statement of financial position date.

Deferred tax asset has been recognized in statement of financial position to the extent the management believes it will be realized in the foreseeable future, based on taxable profit forecasts. If it is believed that part of the deferred tax asset is not going to be realized, this part of the deferred tax asset is not recognized in the financial statements.

Investment tax credit, that arises from tax benefit amount carried forward, qualifies for the initial recognition exception. Therefore, no deferred tax asset is recognized at the time the tax credit arises, but recognition occurs as a reduction of current tax as the credit is realized.

Deferred tax assets and liabilities are offset when they are related to profit taxes levied by the same tax authority and when there is a legally enforceable right to set off current tax assets against current tax liabilities.

Income tax and deferred tax for the accounting period

Income tax and deferred income tax are charged or credited to profit or loss, except when they relate to items included directly to equity, in which case the deferred income tax is also accounted for in equity.

Revenue recognition

Revenues of the Group and the Company are recognized in accordance with IFRS 15, that is, the Group and the Company recognize revenue at such time and to such an extent that the transfer of goods or services to customers represents the consideration that the Group and the Company expect to receive in exchange for those goods or services. In applying this Standard, the Company takes into account the terms of the contract and all relevant facts and circumstances.

The Company's revenue is recognized using the 5-step model:

Step 1 - Identify customer agreements.

A contract recognizes an agreement between two or more parties (subject to purchase / sale terms) that creates enforceable rights and enforceable obligations (not applicable if a joint venture agreement is signed). A contract is within the scope of IFRS 15 if all of the following criteria are met:

- 1 the parties have approved the contract (in writing, orally or in accordance with any other normal commercial practice) and are bound by their obligations under the contract,
- 2 it is possible to identify the rights of each party with regard to the goods and / or services to be transferred,
- 3 it is possible to identify the payment terms for the goods and / or services to be transferred,
- 4 the contract has commercial substance,
- 5 it is probable that the consideration to which the Group and the Company are entitled to in exchange for the goods or services will be collected.

Contracts with the customer may be aggregated or disaggregated into several contracts, while retaining the criteria of former contracts. Such aggregation or disaggregation is considered modification of the contract.

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Step 2 - Identify performance obligations in the contract.

Contractual commitment to deliver goods and / or services to a customer. If separate goods and/or services are identifiable, the liabilities are recognized separately. Each liability is identified in one of two ways:

1. a good and / or service is distinct, or
2. a set of individual goods and / or services that are substantially the same and have the same pattern of transfer to the customer.

Step 3 - Determine the transaction price.

Under the new IFRS 15, the transaction price may be fixed, variable, or both.

The transactions concluded by the Company apply fixed prices for both continuous services and services performed at a certain point in time. The transaction price is also adjusted considering the time value of money, if the contract includes a significant financing arrangement, and considering any consideration payable to the customer and non-cash consideration received, if any. The Group and the Company apply the following sales price calculation methods: adjusted market assessment approach, expected cost plus margin approach and residual approach. Similar transactions are measured equally.

Step 4 - Allocate the transaction price to each performance obligation.

A performance obligation is a contractual promise to deliver to the customer a separate good or service, or a set of individual goods or services that are substantially the same and have the same pattern of transfer to the customer. The transaction price is apportioned between each performance obligation based on the relative separate selling prices of the good or service promised in the contract. If the contracts do not specify separately the price of the service or good (for example, one price for two products), the Company shall determine it. In measuring the transaction price, the Company estimates a discount or variable amount of consideration that relates only to a particular portion of the contract.

Step 5 - Recognise revenue when (or as) the Group and the Company satisfy a performance obligation.

The Group and the Company recognize revenue when they satisfy a performance obligation by transferring promised goods or services to the customer (i.e. when the customer obtains control of the mentioned goods or services). The recognized amount of revenue is equal to the amount of satisfied performance obligation. Performance obligation may be satisfied at a point of time or over time. A period of time is recognised as a calendar month.

The recognition of revenue depends on whether the obligation is satisfied over a period of time (continuous) or at a point in time. In any event, the transfer of control shall be taken into account.

Revenue is recognized at the fair value of the consideration received or receivable. Revenue is reduced by the estimated amount of customer returns, discounts, and other similar provisions. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Revenue from sales is recognized net of VAT and discounts, including any cumulative expected discounts for the current year.

The Group's and the Company's revenue types:

1. Revenue from sale of furniture
2. Revenue from sale of raw materials and waste

Revenue from sales of furniture and revenue from the sale of raw materials are recognized at a point of time in the statement of profit and loss and other comprehensive income.

Expense recognition

Expenses are recognized on the basis of accrual and revenue and expense matching principles in the reporting period when the income related to these expenses was earned, irrespective of the time the money was spent. In those cases when the costs incurred cannot be directly attributed to the specific income and they will not bring income during the future periods, they are expensed as incurred.

The amount of expenses is usually accounted for as the amount paid or due, excluding VAT. In the cases when a long period of payment is established and the interest is not distinguished, the amount of expenses shall be estimated by discounting the amount of payment using the market interest rate.

Foreign currencies

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities

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denominated in foreign currencies on the statement of financial position date are recognized in the statement of comprehensive income. Such balances are translated at period-end exchange rates.

Factoring

A factoring transaction is a financing transaction in which the factoring company finances the Company by purchasing debt obligations from it. By this transaction, the Company transfers to the Factor the right to its receivables under the invoices due, which are due in the future. Factoring can be with recourse (the factoring agent has the right to repay the debt obligations to the Company) and without the right of recourse (the factoring agent has no right to repay the debt obligations to the Company). Receivables transfer (factoring without recourse, it means, the buyer of the debt has no right to cancel the transaction) is treated as a sale of debts and is written off immediately if the Company transfers all risks associated with the debt transfer and no debt repurchase is contemplated, there is no provision for a debt buyer to foreclose on this transaction.

In the statements of cash flows factoring is included in the cash flows from financing activities.

Impairment of assets

Non-financial assets

Non-financial assets, other than inventories and deferred tax are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in profit or loss.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. Reversal is accounted for in the same caption in profit or loss as impairment losses. For evaluation of impairment of assets, the entire Group is considered as one cash generating unit.

Impairment of financial assets

Impairment losses on financial assets measured at amortized cost are measured using the expected credit loss (ECL) model. Credit losses are measured at the present value of all cash losses (the difference between the cash flows that the Group and the Company hold under the contract and the cash flows the Group and the Company expect to receive). ECLs are discounted applying an effective interest rate.

At the end of each reporting period, the Company and the Group recalculate and record the allowance for expected credit losses, taking into account past events, current market conditions and future prospects. At the end of each financial period, the Group and the Company assess whether there has been a material change in the credit risk of the financial instrument since initial recognition.

At the end of each reporting period, the Group and the Company assess whether financial assets carried at amortized cost are impaired. A financial asset is impaired when one or more events have occurred that have a negative impact on the estimated future cash flows of the financial asset. The following criteria are used by the Company to determine whether there is objective evidence that an impairment loss has been incurred:

- the counterparty experiences financial difficulties as evidenced by its financial information;
- in the event of a breach of contract, such as a default or payment delay more than 90 days;
- the counterparty is considering bankruptcy or financial reorganization;
- there is an adverse change in the payment status of the counterparty's as a result of changes in national or local economic conditions affecting the counterparty; or
- the value of collateral, if any, significantly decreases as a result of deteriorating market conditions.

Losses on financial assets measured at amortized cost are deducted from the gross value of such assets.

The gross carrying amount of a financial asset is written off when the Group and the Company have no reasonable expectation of recovering all or part of the asset. Non-recoverable assets are written off against recognized related impairment loss allowance, provided that all necessary steps have been taken to recover the asset and the amount of the loss has been determined. The amounts previously written off and recovered in subsequent periods are credited to the impairment loss account within the statement of profit or loss and other comprehensive income.

Segment information

The operating segment is a part of the Group and the Company participating in economic activities from which it can earn profit or incur costs. The results of the operating segment are verified by the management of the Group and the Company on a regular basis by taking a decision regarding resources which have to be allocated to the segment and evaluating its operating results, and who present separate financial information.

Management of the Company has determined the operating segments based on the reports reviewed by the board of directors, considered to be the chief operating decision makers that are used to make strategic decisions. Based on this it was decided that the Group and the Company have a single reportable segment, i.e. furniture production and trade.

Related parties

Related parties are defined as shareholders, employees, members of the Board, their close relatives and companies that directly or indirectly (through the intermediary) control or are controlled by, or are under common control with, the Group and the Company, provided the listed relationship empowers one of the parties to exercise the control or significant influence over the other party in making financial and operating decisions.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the financial statements but disclosed when an inflow or economic benefits is probable.

Subsequent events

Post-statement of financial position events that provide additional information about the Group's and the Company's position at the statement of financial position date (adjusting events) are reflected in the financial statements. Post-statement of financial position events that are not adjusting events are disclosed in the notes when material.

Offsetting and comparative figures

When preparing the financial statements, revenue and expenses are not set off, except the cases when certain IFRS specifically require such set-off. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingencies, at the reporting date and within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Estimates and assumptions

The main areas where management is required to make significant and critical judgements and areas where estimates and assumptions might have significant impact for the preparation of financial statements are described below:

Property, plant and equipment – useful life

The key assumptions concerning determination the useful life of property, plant and equipment are as follows: expected usage term of the asset, expected technical or commercial obsolescence arising from changes or improvements in the production on legal or similar limits on the use of the asset, such as the expiry dates of related leases.

Tax liabilities

The tax authorities have a right to examine the Company's books and accounting records at anytime during the 3 years' period after the current tax year and account for additional taxes and fines. In the opinion of the Company's management currently there are no circumstances which would raise substantial liability in this respect.

Related party transactions

In the normal course of business the Group and the Company enter into transactions with their related parties. These transactions are priced at market rates. Judgement is applied in determining if transactions are priced at market or non-

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market rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties.

Pension and jubilee benefits

Key assumptions used in determining the provision for pension and jubilee benefits are as follows: employee turnover rate by age group, discount rate, and wage and salary growth. The Company's management makes judgments in relation to these assumptions.

Revenue recognition

The management assesses the moment of revenue recognition, i.e., whether revenue is recognized over time or at a point of time. The management assessed that customer do not simultaneously receive and consume the benefits provided by the Company's performance as the Company performs, the Company's performance does not create or enhance an asset that the customer controls as the asset is created or enhanced, the Company's performance create an asset with an alternative use to the Company and the Company do not has an enforceable right to payment for performance completed to date. Based on this assessment management decided that revenues should be recognised at a point in time. Also, the management estimates expected returns.

The management assesses if the sale of raw materials meets revenue recognition criteria according IFRS 15. The Company provides raw materials to several external and related parties in order to obtain service from these parties- production of component parts used in the further production of furniture. The management has analysed such contracts based on the requirements of IFRS 15 and determined, that in most of cases there is no actual sale of raw materials and acquisition of components but transaction is rather a purchase of production service. Vilniaus baldai, AB controls the process and has full responsibility for the final customer. Raw materials were sold at purchase price to the production service provider.

Classification of spare part

The management makes judgement if spare parts meet the definition of property, plant and equipment. The basis of judgement is determining if spare part is kept to ensure smooth operation of some machinery without interruptions or it not.

Expected credit losses estimation

The management measures expected credit losses (ECL) and estimates allowance for trade receivables and contract assets. Key assumption is determining the weighted-average loss rate.

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2 SEGMENT REPORTING

Management of the Company has determined the business segments based on the reports reviewed by the board of directors that are used to make strategic decisions. Consequently, it was decided that the Company has only one business segment – furniture production and trade.

Breakdown of revenue by the sales markets is as follows

	FY2025 I half, ended February 25	FY2024 I half, ended February 29
European Union countries	36,184	37,909
Other than European Union countries	16,257	15,256
Lithuania	382	297
Total sales	52,823	53,462

3 DISTRIBUTION EXPENSES

	FY2025 I half, ended February 28	FY2024 I half, ended February 29
Wages, salaries	205	205
Social security	4	4
Transportation and storage services	414	658
Other selling expenses	130	55
Total distribution expenses	753	922

4 ADMINISTRATIVE EXPENSES

	FY2025 I half, ended February 28	FY2024 I half, ended February 29
Wages, salaries	1,569	1,311
Social security	31	27
Personnel expenses	250	88
Environmental expenses	59	41
Insurance expenses	84	85
IT, telecommunications and low-value inventory expenses	181	171
Audit and consultation expenses	158	84
Vehicle exploitation and maintenance expenses	38	49
Operating taxes	68	68
Depreciation and amortization	56	63
Depreciation according to IFRS 16	92	86
Other expenses	253	215
Total administrative expenses	2,839	2,288

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5 OTHER OPERATING INCOME, NET

	FY2025 I half, ended February 28	FY2024 I half, ended February 29
Rent income, net	174	191
Other income and costs	200	197
Total other operating income, net	374	388

6 FINANCIAL INCOME, NET

	FY2025 I half, ended February 28	FY2024 I half, ended February 29
Loan interest income	(867)	(1,304)
Currency exchange profit, less loss	(9)	(50)
Other financial and investment income and expenses	(392)	(77)
Total financial income, net	(1,268)	(1,431)

7 PERSONNEL COSTS

	FY2025 I half, ended February 28	FY2024 I half, ended February 29
Production and product development costs	7,106	6,185
Employee rent	210	431
Sales, administrative and other costs	1,809	1,546
Total personnel cost	9,125	8,162

8 EARNINGS PER SHARE

The basic portion of earnings per share is computed by dividing net shareholders' earnings by the weighted average number of common shares outstanding during the year.

	FY2025 I half, ended February 28	FY2024 I half, ended February 29
Net annual profit	3,818	6,702
Weighted average number of the shares (thousand)	3,886	3,886
Earnings per share (EUR)	0.98	1.72

The Company has issued no other securities that could be potentially converted into common shares.

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9 NON - CURRENT TANGIBLE ASSETS

	Land and Buildings	Machinery and equipment	Vehicles	Other non - current assets	Total
Costs as of 1 September 2024	31,821	51,365	-	6,657	89,843
Increase	35	746	-	1,198	1,979
Sales	-	(36)	-	-	(36)
Writing off	-	(433)	-	-	(433)
Costs as of 28 February 2025	31,856	51,643	-	7,855	91,353
Depreciation as of 1 September 2024	2,494	27,649	-	2,100	32,244
Depreciation	300	1,570	-	259	2,129
Sales	-	(27)	-	-	(27)
Writing off	-	(433)	-	-	(433)
Depreciation as of 28 February 2025	2,794	28,760	-	2,359	33,914
Net carrying value as of 1 September 2024	29,580	25,317	-	4,598	59,495
Net carrying value as of 28 February 2025	29,062	22,882	-	5,495	57,439
Depreciation period	10-66 years	6–20 years	5-10 years	2-6 years	-

Depreciation distribution is as follows:

	FY2025 I half, ended February 28	FY2024 I half, ended February 29
Production and product development costs	2,321	2,285
Sales, administrative and other costs	25	24
Depreciation	2,346	2,309

10 INVENTORIES

	29.02.2025	31.08.2024
Raw materials	2,752	2,678
Production in progress	2,321	1,523
Finished products	4,273	5,220
Spare parts	450	439
Goods for resale	2	2
Adjustment to net realisable value	-	(2)
Total	9,798	9,860

Raw materials include wood, fittings and accessories, plastic elements, chemicals and other materials used in production.

11 OTHER AMOUNTS RECEIVABLE

	28.02.2025	31.08.2024
VAT recoverable	821	663
Other amounts receivable and future costs	289	388
Total	1,110	1,051

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12 CASH AND CASH EQUIVALENTS

	28.02.2025	31.08.2024
Cash in banks	28	3,867
Time deposits	-	-
Total	28	3,867

In the first half of the FY2025, the Company used an overdraft provided by AB Šiaulių Bankas to meet its working capital needs. At the end of the reporting period, the utilized amount was EUR 3,060 thousand, while the credit limit under the financing agreement was EUR 6,000 thousand.

13 CAPITAL AND RESERVES

Share capital

The share capital consists of 3 886 267 common shares of the nominal value of EUR 1.16, while the total value of the share capital amounts EUR 4 508 thousand.

Legal reserve

A legal reserve is a compulsory reserve under Lithuanian legislation. Annual transfers of not less than 5% of net profit are compulsory until the reserve reaches 10% of the share capital. The legal reserve of the Company has decreased by EUR 1 thousand due to conversion from Litas to EUR. As of 29 February 2024 (and as of 31 August 2023), the Company's legal reserve is fully formed.

14 LOANS AND OTHER BORROWINGS

	28.02.2025	31.08.2024
Non – current liabilities		
Loans from bank	21,390	15,817
Loans from related party	0	3,000
Interest on loans from related party	0	572
Other loans	749	6,740
Interest on other loans	0	-
Net carrying value, eop.	22,139	26,129
Short – term liabilities		
Loans	5,803	6,985
Interest on loans	0	155
Net carrying value, eop.	5,803	7,140
Total liabilities	27,941	33,269

	Maturity term	28.02.2025	31.08.2024
Credit Citadele Bank A/S	2027	-	10,474
Credit Europa Bank A/S	2027	-	10,474
Credit from related party	2027	-	3,572
Credit IKEA SUPPLY AG	2027	944	1,131
Credit IKEA SUPPLY AG	2025	581	1,254
Credit State Aid Fund	2027	-	6,021
Other loans	2025	117	343
Overdraft Siauliu Bank A/S	2026	3,060	-
Credit Siauliu Bank A/S	2029	23,239	

* - the table indicates the overdraft agreement's expiration date. The utilized balance can be repaid by this date based on the Company's working capital needs.

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The Company's buildings, machinery and the current cash balances at and future inflows to the Company's accounts were pledged as a collateral for loans granted.

Loan from related party – EUR 3,000 thousand, Interest rate 3,5 %. Loan is subordinated against loans received from European Bank for Reconstruction and Development and AS Citadele Banka Lithuanian Branch .

Interest risk

Euribor related floating interest rates are applied to the loans extended to the Company. As of February 29, 2024 the Company used no financial instruments as interest risk hedging.

Schedule of payment for financial liabilities, secured with pledged assets:

	Total amount payable as of February 28 FY2025	2025 FY	2026FY - 2029FY
Financial lease	-	-	-
Credit	27.941	5.803	22.139
Total	27.941	5.803	22.139

According to new 16 IFRS - Lease standard, The Group and the Company have recognized new assets and liabilities arising from their operating leases

The Group and the company have signed lease contracts for vehicles and premises.

Previously, the Group and the Company recognized operating lease expense on a straight-line basis over the term of the lease, and recognized assets and liabilities only to the extent that there was a timing difference between the actual lease payments and the expense recognized. From 1 September 2019, The Group and the Company have applied IFRS 16 Leases. The Group and the Company have included the payments due under the lease in their lease liability.

	28.02.2025	31.08.2024
Assets (according to IFRS 16)		
Premises	59	129
Vehicles	601	715
Total Assets	660	844
Non – current liabilities (according to IFRS 16)	117	456
Lease of premises	-	-
Lease of vehicles	117	456
Non – current liabilities part which is due current year (according to IFRS 16)	505	403
Lease of premises	63	133
Lease of vehicles	559	270
Total liabilities	622	902

15 POST – EMPLOYMENT ANT OTHER LONG TERM EMPLOYEE BENEFITS

	28.02.2025	31.08.2024
Post–employment and other long term employee benefits	635	635
	635	635

Provision for pension and jubilee benefits comprise amounts calculated according to the collective agreement affective at the Company. Every employee of the Company is entitled to a jubilee benefit and 2 or 3 month salary payment on the leaving the Company after reaching the retirement age.

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16 OTHER LIABILITIES

	28.02.2025	31.08.2024
Remuneration and social insurance	1,258	1,099
Holiday pay reserve	989	638
Dividends payable	1,063	986
Other accounts payable and accrued taxes	1,170	1,599
	4,480	4,322

Currency risk

The Company's currency risk is mainly related to PLN and SEK.

17 RELATED PARTY TRANSACTIONS

28.02.2025	Purchases	Sales	Receivables	Payables
UAB „Švytėjimas“	71	-	-	22
UAB „Bordena“	9,022	5,414	1,224	-
UAB „Panerių konversija“	155	-	-	-
	9,248	5,414	1,224	22

29.02.2024	Purchases	Sales	Receivables	Payables
UAB „Švytėjimas“	86	2	1	14
UAB „Bordena“	10,565	5,111	1,498	-
UAB „Panerių konversija“	158	-	-	407
AB „Invalda privatus kapitalas“	-	-	-	519
	10,809	5,113	1,499	940

Transactions with the subsidiary ARI-LUX

28.02.2025	Purchases	Sales	Receivables	Payables
UAB „Ari- Lux“	408	3	-	85
	408	3	-	85

29.02.2024	Purchases	Sales	Receivables	Payables
UAB „Ari- Lux“	562	3	-	373
	562	3	-	373

18 IMPORTANT EVENTS, WHICH HAVE OCCURRED SINCE THE END OF THE LAST FISCAL YEARS, AND REVIEW OF ACTIVITIES

In the FY2025, the Company's product portfolio will partially change, with new products being introduced and existing ones updated. Further production automation projects are also planned.

As in previous years, the Company will focus primarily on labor productivity, internal process improvements, quality assurance, and the production of new products.

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Important events, which have occurred since the end of the last fiscal year

In the September, 2024 has secured the financing of 30 million EUR (of which 24 million EUR is a long-term loan for a 5-year period and 6 million EUR is a credit line for 2-year period) from Šiaulių bankas AB to refinance its existing long-term financial liabilities.

Together with the financing provided by the Bank and the Company's own funds, the Company's existing liabilities to the European Bank for Reconstruction and Development, AS Citadele Banka Lithuanian Branch, KŪB Pagalbos verslui fondas and Invalda privatus kapitalas AB were fully covered.

The loan repayment schedule and lower debt servicing costs agreed upon in the contracts with Šiaulių bankas AB will have a positive impact on cash flows, enabling increased investments in production automation, robotics, the implementation of new technologies, process improvements, and team development. Additionally, this serves as a strong external signal that the Company's recent performance is considered sustainable and that there is confidence in its growth prospects.

On December 27, 2024 the Annual General Shareholders Meeting of Vilniaus baldai AB adopted the following resolutions:

Agenda item #1: Consolidated annual report. The Company's consolidated annual report for the FY 2024 ended 31 August 2024.

Agenda item #2: Company's auditor's report. The report of auditor Grant Thornton Baltic UAB for the FY 2024 ended 31 August 2024 was presented.

Agenda item #3: Approval of the Consolidated and Company's financial statements for the FY 2024 ended 31 August 2024. Resolution: to approve Consolidated and Company's financial statements for the FY 2024 ended 31 August 2024.

Agenda item #4: Approval of the Company's profit distribution. Resolution: to approve Company's profit distribution.

Undistributed retained earnings, brought forward	23,024
Net result for the FY2024 ended 31 August 2024	10,097
Profit (loss) not recognized in the income statement of FY 2024 ended 31 August 2024	21
Distributable result	33,142
Transfers to the obligatory reserves	-
Transfers to other reserves	-
To be paid as dividends	3,031
To be paid as annual payments (bonus) to the Board members	100
Undistributed retained earnings, carried forward	30,012

*- 0,78 EUR of dividends per one ordinary share.

Agenda item #5: Election of the Company's Management Board members. Resolution: to elect Vytautas Bučas, Dalius Kaziūnas and Andrius Anusauskas for the new term of 4 (four) years to the Management Board of Vilniaus baldai AB.

Financial results of activities

During September – November of 2024 revenue of the Group stood at 28,270 thousand EUR.
During September – November of 2024 net profit of the Group was 3,511 thousand EUR.
During September – November of 2024 EBITDA* of the Group was 5,111 thousand EUR.

During December of 2024 – February of 2025 revenue of the Group stood at 24,553 thousand EUR.
During December of 2024 – February of 2025 net profit of the Group was 308 thousand EUR.
During December of 2024 – February of 2025 EBITDA of the Group was 2,588 thousand EUR.

During September of 2024 – February of 2025 revenue of the Group stood at 52,823 thousand EUR.
During September of 2024 – February of 2025 net profit of the Group was 3,818 thousand EUR.

VILNIAUS BALDAI AB, company code 121922783, Pramonės str. 23, Guopstos village, Trakai region, Lithuania
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During September of 2024 – February of 2025 EBITDA of the Group was 7,699 thousand EUR.

NOTE: * EBITDA, excluded non-recurring expenses and IFRS 16 influenceND