



VLI TIMBER, UAB

Unified registration number 302440414

Quarterly Financial Statements

For the period 2026.01.01 - 2026.03.31

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General Information

Name of the Parent Group	VLI Timber
Legal status of the Parent Group	Private Limited Liability Company (UAB)
Unified registration number, place and date of registration	302440414, 23 September, 2009 Gražiavietės St. 5, Kurkliai II Village, Kurkliai Subdistrict, Anykščiai District
Registered office	Gražiavietės St. 5, Kurkliai II Village, Kurkliai Subdistrict, Anykščiai District
Shareholders	<p>A change in the shareholder structure is planned for June 2026 due to the attraction of a new investor, IISUTIB Raft Capital Baltic Equity Fund KŪB. Upon completion of the transaction, the shareholder structure will be as follows:</p> <p>UAB Lackus Holding (code 307285754, address: Gražiavietės g. 5, LT-29236 Kurklių II k., Kurklių sen., Anykščiai district, Lithuania) holds 100,000 ordinary registered shares of EUR 1 nominal value, representing 57.9% of voting rights.</p> <p>UAB KNV Development LT (code 305648242, address: Turniškių g. 29-1, LT-10104 Vilnius) holds 31,533 ordinary registered shares of EUR 1 nominal value, representing 18.3% of voting rights</p> <p>UAB Plevėsa (code 307142254, address: Didžioji g. 39-41, LT-01128 Vilnius) holds 6,303 ordinary registered shares of EUR 1 nominal value, representing 3.6% of voting rights at the General Meeting of Shareholders.</p> <p>IISUTIB Raft Capital Baltic Equity Fund KŪB (code 306701655, address: Gedimino pr. 50, LT-01110, Vilnius, Lietuva) holds 34,884 ordinary registered shares of EUR 1 nominal value, representing 20.2% of voting rights at the General Meeting of Shareholders.</p>
Subsidiaries	<p>OD Sverige AB, Company code 559403-702960, registered address: Hoverberg 828, 845 62, Svenstavik, Sweden</p> <p>Good Wood Distribution Ltd, Company code 14855108, registered address: 307 Cotton Exchange Building, Old, United Kingdom</p>
Financial period	2026.01.01 - 2026.03.31



OUR MISSION

To bring warmth and coziness to every home.



INNOVATION

Vli Timber is proud to operate the largest and most efficient firewood factory in the world.

Our team designs and builds unique production equipment, unmatched in the industry.



OUR VISION

To become the biggest and the most innovative firewood producer in Europe.



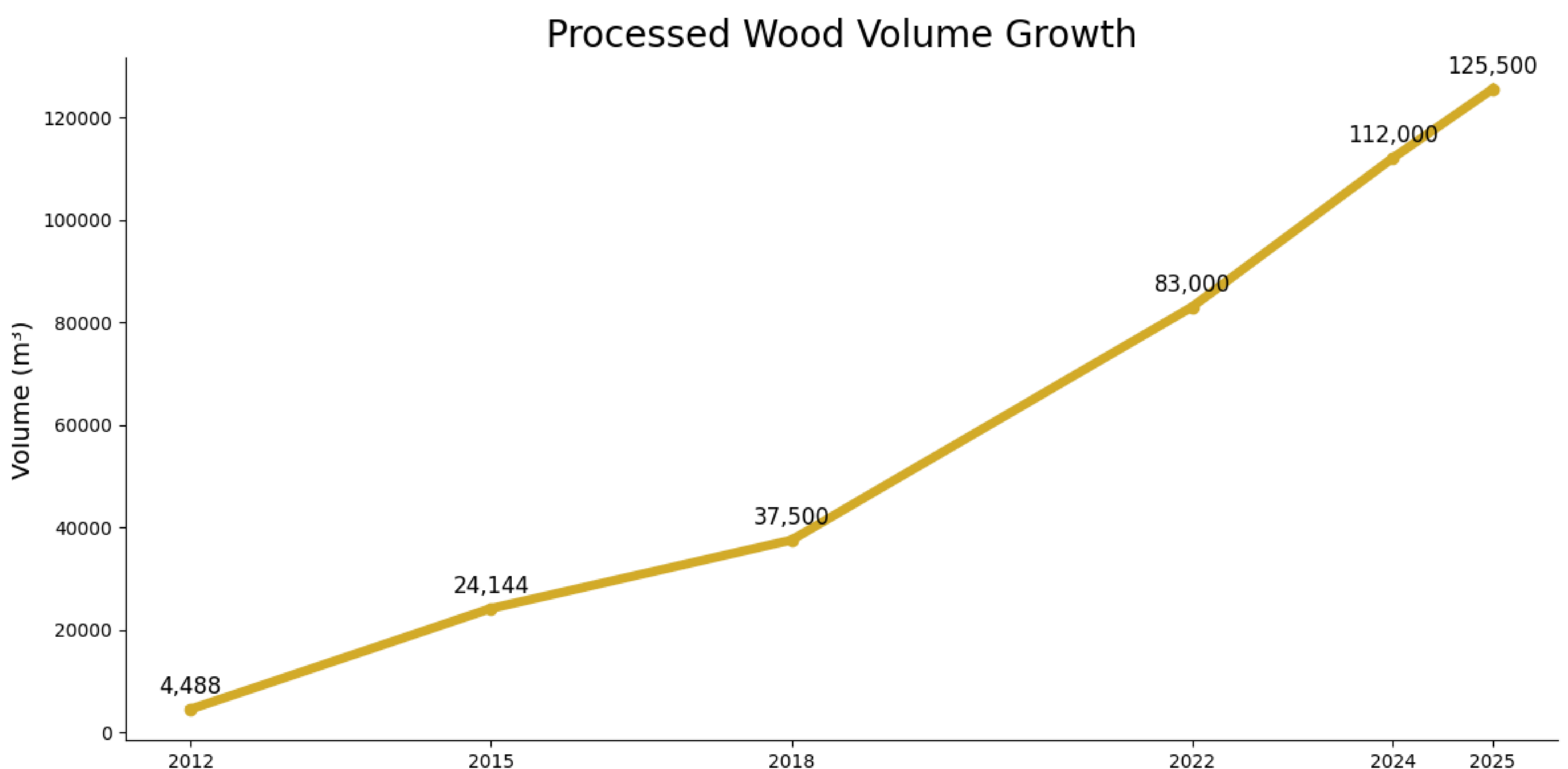
STRATEGIC FOCUS

We have been doing it since 2009, focusing on one industry to be the best in the world by a high margin.



UAB VLI Timber is the **largest producer of kiln-dried firewood in Europe***, operating since 2009. The Company specializes in the **production of kiln-dried firewood** in small packaging formats. Its products are sold across major European retail chains, both directly and through distributors (including LIDL, ALDI, Gamma, Hagebau, TOOM/REWE, B&Q, and others).

The Company's operations are built on a clear strategy: **maximum process efficiency, consistent product quality, and long-term commitment to partners.** With production capacity exceeding **100,000 m³ of processed wood per year**, VLI Timber serves a broad network of clients across Europe and beyond — currently **exporting to more than 10 countries.**



VLI Timber consistently invests in technology, human resources, and export expansion, enabling the company to maintain stable growth and implement production capacity expansion projects. The European firewood market, with an estimated potential size of **€10 to €15 billion**, allows the company to pursue ambitious growth plans without the need to capture a significant market share.

*management estimate

> EUR 22,9 M Annual Revenue	>170 Unique Business Clients	>125 500 m³ Processed Wood Volume per Year
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Processed Low-grade Timber Volumes (m³)

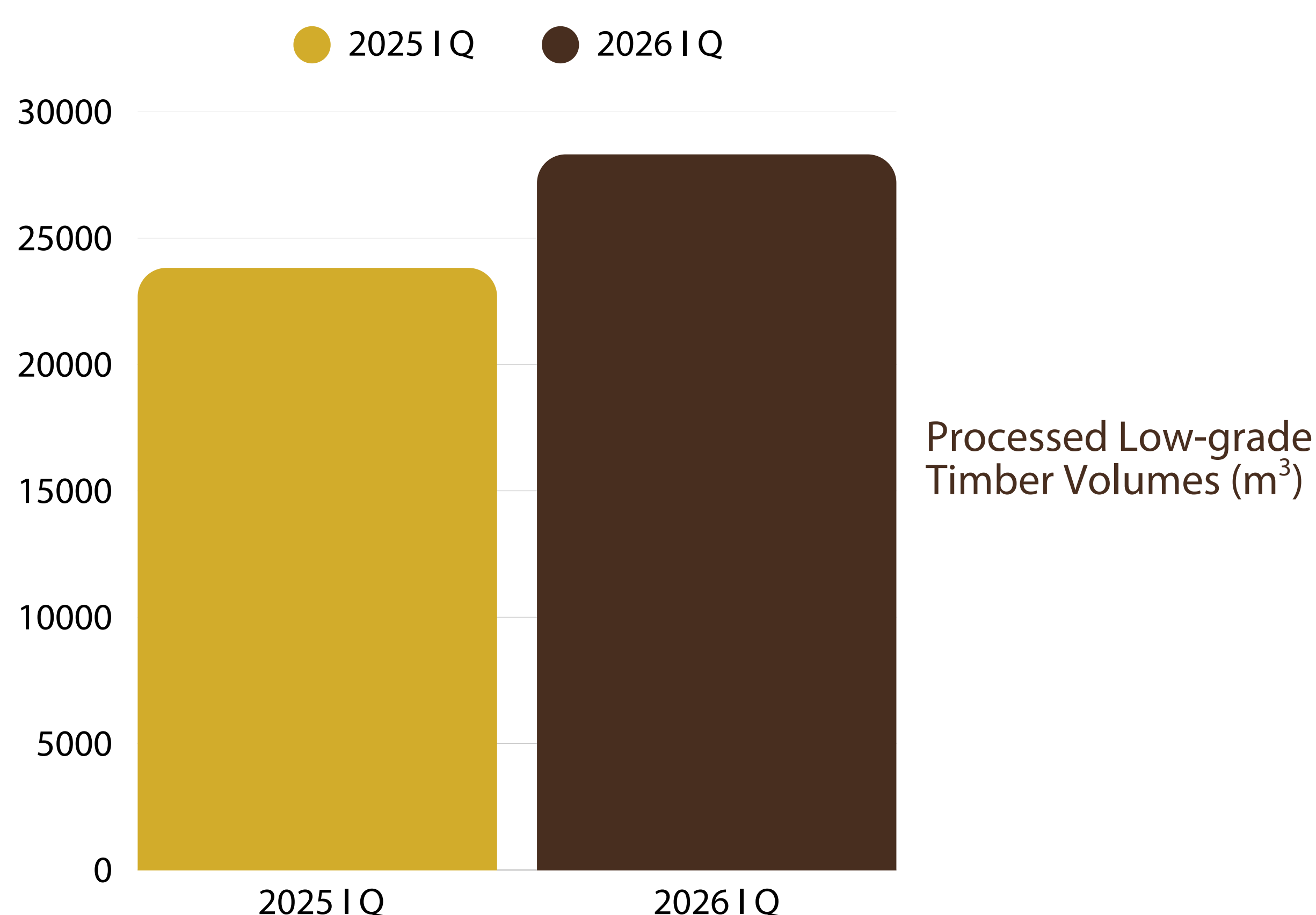
	<u>2026 IQ</u>	<u>Percentage</u>	<u>2025 IQ</u>	<u>Percentage</u>
Birch	16 485	58.22%	15 793	66.29%
Alder	7 650	27.02%	3 791	15.91%
Ash	2 495	8.81%	2 695	11.31%
Oak	1 534	5.42%	1 444	6.06%
Hornbeam	149	0.53%	100	0.42%
Total	28 313		23 823	

“ During Q1-Q3 of 2025, we increased the volume of **low-grade timber** we process by approximately **20.4%** compared to 2024. A large share of this growth came from expanding our input mix — particularly through a higher share of alder — as we move into the German supermarket segment. While this raw material category is more cost-efficient, it plays a strategic role in broadening our market presence ahead of the new Venecija firewood factory launch in Jonava district.

Throughout 2024, we invested heavily in our production capacity. These investments enabled us to achieve higher output, and today our main bottleneck is purely operational - **we sell everything we are able to produce**. We operate year-round, supported by our in-house engineered small-block splitting line, a system we continuously refine. It already runs efficiently and with a high level of automation, and the same technology will be applied in our upcoming Venecija facility.

During the summer of 2024, we also completed a major **kiln modernization project**. This upgrade allows us to **dry considerably larger volumes** during winter by optimizing electricity consumption and shortening the drying cycles that are normally much longer during the cold season. As a result, **we expect to continue increasing winter production volumes going forward.**”

– Darius Lackus, CEO



Environmental, Safety & Quality Commitments

Vli Timber is committed to high environmental, quality, and safety standards across its operations. It holds the following key certifications:

- **FSC® Chain of Custody Certificate** (Licence Code: FSC – C109548), confirming that the Issuer's wood supply is sourced from sustainably managed forests and that environmental and social responsibility principles are upheld throughout the entire production chain.
- **Woodsure – Ready to Burn Certificate** (Scheme No. WS223), which verifies that the Issuer complies with the UK's quality assurance scheme for woodfuel, ensuring that its products meet moisture and emissions standards and are safe for immediate domestic use.
- **IPPC Certificate**, acknowledging that the Issuer has appropriate processes in place to prevent the spread of pests in wooden packaging material, in compliance with international phytosanitary standards.



Quarterly Financial Statements

Statement of Comprehensive Income

	2026 IQ *	2026 IQ	2025 IQ *	2025 IQ
Net turnover	5,256,187	4,932,321	5,209,227	4,707,958
Cost of sales	(4,967,565)	(4,687,300)	(4,688,493)	(4,471,013)
Fair value adjustments of the biological assets				
GROSS PROFIT (LOSS)	288,622	245,021	520,734	236,945
Selling expenses	(68,769)	(68,769)	(40,966)	(40,966)
General and administrative expenses	(385,589)	(452,812)	(447,809)	(447,809)
Other operating results			5,537	5,537
Income from investments in the shares of parent, subsidiaries and associated entities				
Income from other long-term investments and loans				
Other interest and similar income	3,161	3,161	3,097	3,097
The impairment of the financial assets and short-term investments	(17,612)	(17,612)		
Interest and other similar expenses	(127,999)	(127,999)	(91,239)	(91,239)
PROFIT (LOSS) BEFORE TAXATION	(308,186)	(419,010)	(50,646)	(334,435)
Tax on profit				
NET PROFIT (LOSS)	(308,186)	(419,010)	(50,646)	(334,435)
Depreciation	(467,889)	(467,889)	(446,619)	(446,619)
EBITDA	280, 606	169, 782	484,115	200,326

- **NOTE: the adjusted column reflects the results after accounting for sales of manufactured products under EXW terms that had not yet been shipped by the end of the quarter, but whose ownership had already transferred to customers, and after eliminating expenses incurred for expansion and investment attraction.**

Statement of Financial Position

ASSETS

	Notes No.	2026 I Q	2025 Y
ASSETS			
FIXED ASSETS		10 443 307	10 604 510
INTANGIBLE ASSETS		111 563	127 879
Assets arising from development			
Goodwill			
Software		111 563	127 879
Concessions, patents, licences, trade marks and similar rights			
Other intangible assets			
Advance payments			
TANGIBLE ASSETS		9 650 909	9 788 005
Land		28 877	28 877
Buildings and structures		1 548 709	5 080 053
Machinery and plant		5 873 148	2 692 084
Vehicles		241 605	262 406
Other equipment, fittings and tools		202 016	229 077
Investment property		-	-
Land			
Buildings			
Advance payments and tangible assets under construction (production)		1 756 554	1 495 508

NOTE: TANGIBLE ASSETS were reclassified, resulting in significant changes in the values reported under the items Buildings and structures and Machinery and plant compared to the previous year.

Statement of Financial Position

ASSETS

FINANCIAL ASSETS	96 292	104 083
Shares in entities of the entities group	20 115	38 329
Loans to entities of the entities group		
Amounts receivable from entities of the entities group		
Shares in associated entities		
Loans to associated entities		
Amounts receivable from the associated entities		
Long-term investments		
Amounts receivable after one year	4 898	6 855
Other financial assets	71 279	58 899
OTHER FIXED ASSETS	584 543	584 543
Assets of the deferred tax on profit	584 543	584 543
Biological assets		
Other assets		
CURRENT ASSETS	7 053 904	6 666 522
STOCKS	3 591 115	2 427 519
Raw materials, materials ir consumables	997 404	1 124 048
Production and work in progress	175 099	177 333
Finished goods	780 037	548 601
Goods for resale	4 531	1 049
Biological assets		
Fixed tangible assets held for sale		
Advance payments	1 634 044	576 488
AMOUNTS RECEIVABLE WITHIN ONE YEAR	2 720 344	4 110 328
Trade debtors	1 202 071	2 323 839
Amounts owed by entities of the entities group	561 150	688 766
Amounts owed by associates entities		
Other debtors	957 123	1 097 723
SHORT-TERM INVESTMENTS	-	-
Shares in entities of the entities group		
Other investments		
CASH AND CASH EQUIVALENTS	742 445	128 675
PREPAYMENTS AND ACCRUED INCOME	113 780	150 563
TOTAL ASSETS	17 610 991	17 421 595

EQUITY AND LIABILITIES

Article	Notes No.	2026 I Q	2025 Y
EQUITY		5 450 887	5 869 897
CAPITAL		137 836	137 836
Authorised (subscribed) or primary capital		137 836	137 836
Subscribed capital unpaid (-)			
Own shares (-)			
SHARE PREMIUM ACCOUNT			
REVALUATION RESERVE			
RESERVES		10 000	10 000
Compulsory reserve or emergency (reserve) capital		10 000	10 000
Reserve for acquiring own shares			
Other reserves			
RETAINED PROFIT (LOSS)		5 303 051	5 722 061
Profit (loss) for the reporting year		(419 010)	(100 305)
Profit (loss) brought forward		5 722 061	5 822 366
GRANTS, SUBSIDIES		2 453 193	1 963 345
PROVISIONS		-	-
Provisions for pensions and similar obligations			
Provisions for taxation			
Other provisions			

EQUITY AND LIABILITIES

Article	Notes No.	2026 I Q	2025 Y
AMOUNTS PAYABLE AND OTHER LIABILITIES		9 627 060	9 481 674
AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER LONG-TERM LIABILITIES		4 411 666	4 614 723
Debenture loans		119 075	127 533
Amounts owed to credit institutions		292 591	487 190
Payments received on account			
Trade creditors			
Amounts payable under the bills and checks			
Amounts payable to the entities of the entities group			
Amounts payable to the associated entities			
Other amounts payable and long-term liabilities		4 000 000	4 000 000
AMOUNTS PAYABLE WITHIN ONE YEAR AND OTHER SHORT-TERM LIABILITIES		5 215 394	4 866 951
Debenture loans		154 921	194 435
Amounts owed to credit institutions		1 721 559	1 384 686
Payments received on account		29 534	318 384
Trade creditors		2 652 269	2 368 986
Amounts payable under the bills and checks			
Amounts payable to the entities of the entities group		2 109	
Amounts payable to the associated entities		151 328	129 827
Liabilities of tax on profit			
Liabilities related to employment relations		464 493	457 523
Other amounts payable and short-term liabilities		39 181	13 110
ACCRUALS AND DEFERRED INCOME		79 851	106 679
TOTAL EQUITY AND LIABILITIES		17 610 991	17 421 595

New Production Facility Project

Vli Timber is developing a new fully automated kiln-dried firewood production facility in Venecija village, Jonava District, Lithuania. This project is one of the Company's key strategic investments and is expected to strengthen long-term production capacity, operational efficiency, and competitiveness in international markets.

The facility is planned on a site of approximately 20 hectares, with around 7,000 m² of production and operational buildings. Once completed, it will expand the Company's ability to process low-grade timber into high-performance kiln-dried firewood products for European and export markets.

The project is designed as a modern, automation-driven production system. It is expected to integrate advanced sorting, cutting, splitting, drying, handling, and packaging solutions, reducing manual operations and improving consistency across the production chain.

A key part of the investment is the use of automated and data-driven drying processes. Modern kiln infrastructure, sensor-based monitoring, and process control are expected to support stable moisture levels, improved energy efficiency, and more predictable product quality throughout the year.

The new facility also supports Vli Timber's sustainability and circular economy objectives. By processing low-grade timber into value-added kiln-dried firewood, the Company aims to improve resource efficiency and create a more scalable production model.

During the reporting period, Vli Timber continued project planning, financing activities, and coordination with partners involved in the implementation of the investment. The facility remains central to the Company's growth strategy and long-term transition towards a more automated, data-driven, and industrially scalable operating model.



Signed on behalf of Vli Timber, UAB on 20 May 2026 by:

Darius Lackus
CEO

Sigita Mikutienė
Responsible Accountant

This document has been signed with a secure electronic signature and has a time-stamp

