VLI TIMBER, UAB

Unified registration number 302440414

Interim Financial Statements

For the period 01.01.2026 - 30.06.2026

PREPARED IN ACCORDANCE WITH IFRS ACCOUNTING STANDARDS AS ADOPTED BY THE EU

Unaudited

Lithuania, 2026

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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	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 57,90 % of voting rights. Raft Capital Baltic Equity Fund KŪB, a closed-end investment company for informed investors (code 306701655, address: Gedimino pr. 50, LT-01110 Vilnius) holds 34 884 ordinary registered shares of EUR 1 nominal value, representing 20.20 % of voting rights. 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 18.26 % of voting rights. UAB Plevėsa (code 307142254, address: Didžioji g. 39-41, LT-01128 Vilnius) holds 6 303 ordinary registered shares of EUR 1 nominal value, representing 3.65 % of voting rights at the General Meeting of Shareholders.
Subsidiaries	OD Sverige AB, Company code 559403-702960, registered address: Hoverberg 828, 845 62, Svenstavik, Sweden Good Wood Distribution Ltd, Company code 14855108, registered address: 307 Cotton Exchange Building, Old, United Kingdom
Financial period	2026.01.01 -2026.06.30

OUR VISION

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

OUR MISSION

To bring warmth and coziness to every home.

STRATEGIC FOCUS

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

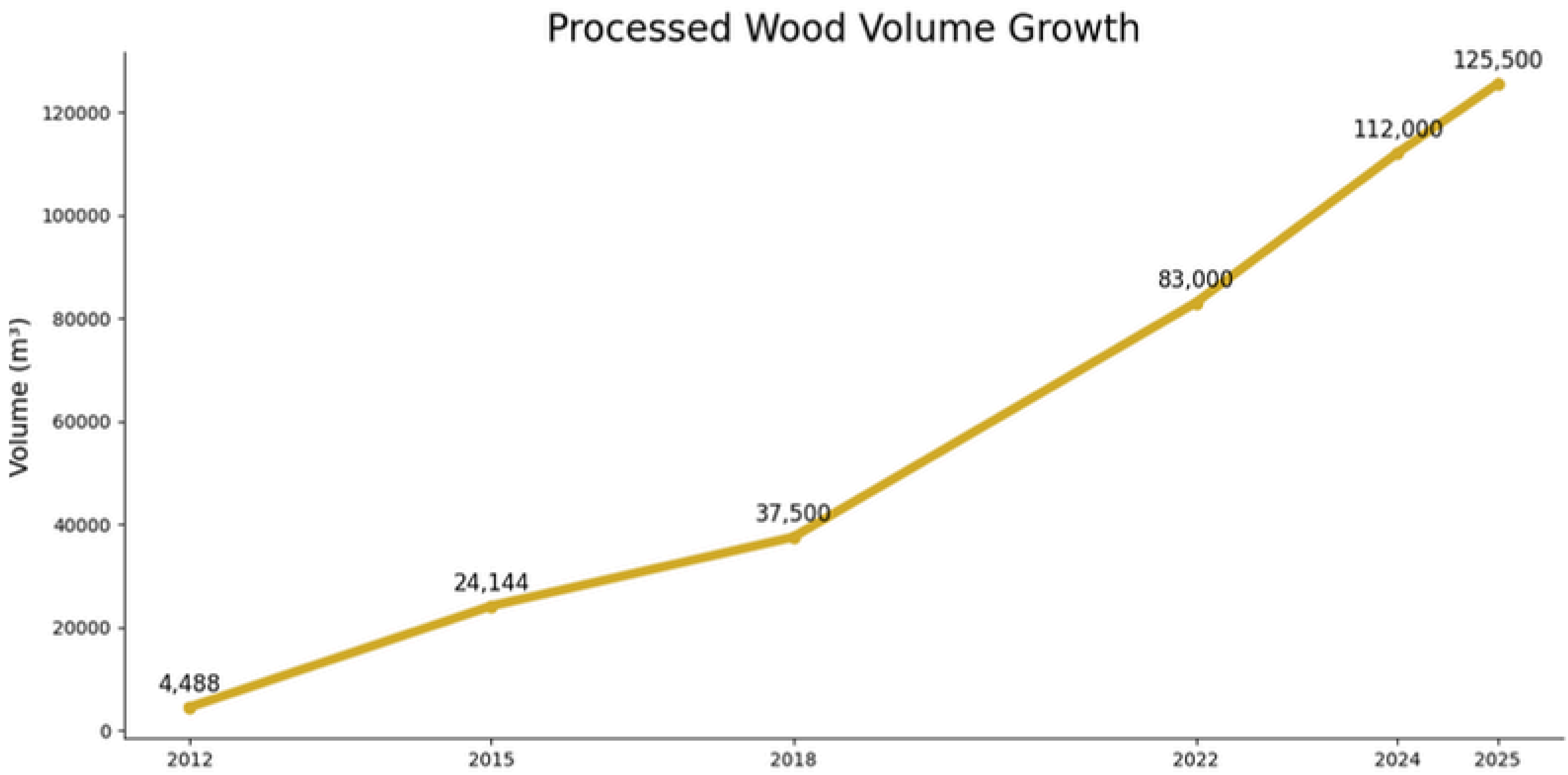
INNOVATION

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.

VliTimber

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 **125,000 m^3 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	**>170**	**>125 500 m^3**
Annual Revenue	Unique Business Clients	Processed Wood Volume per Year

Processed Low-grade Timber Volumes (m^3)

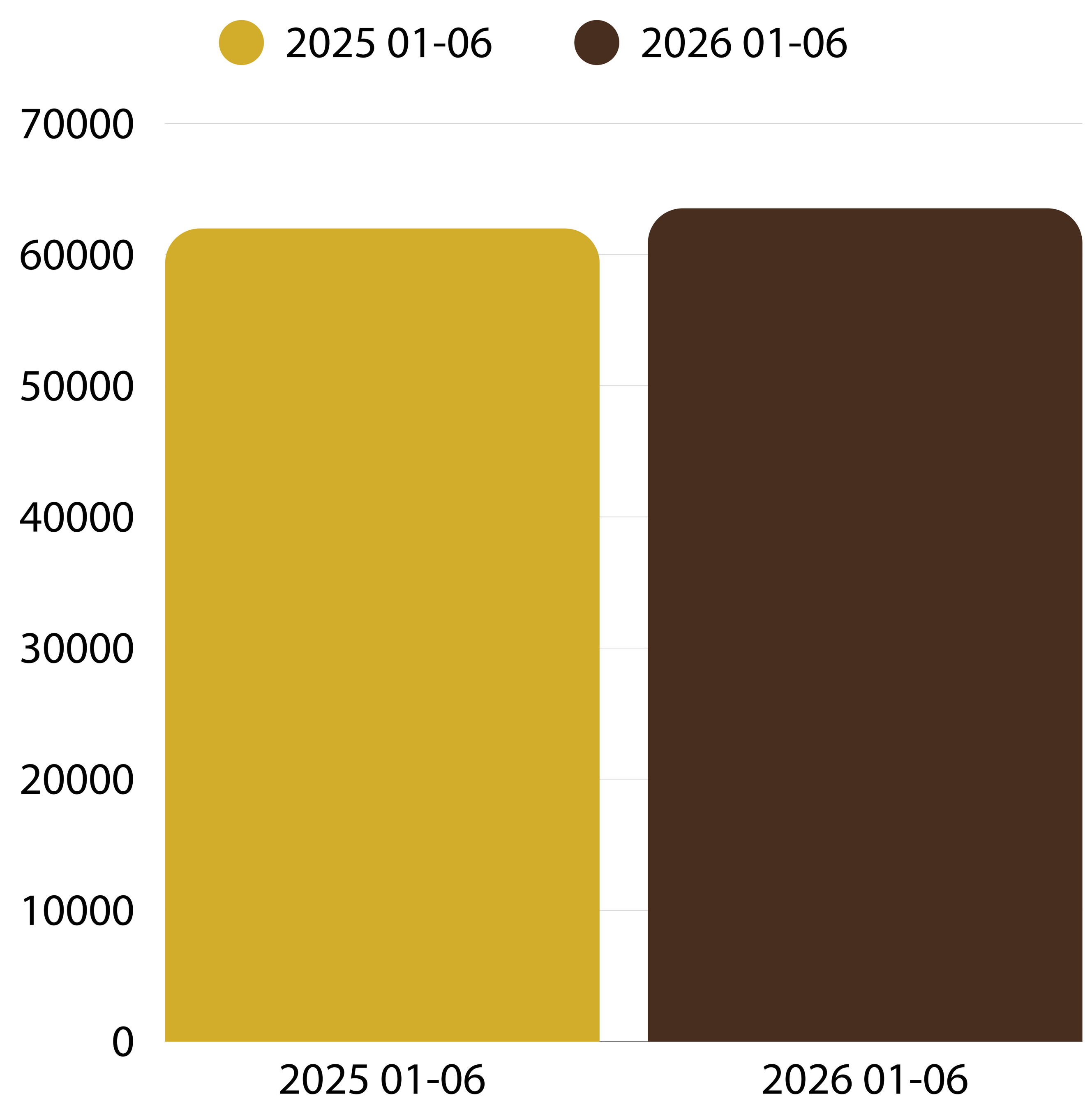
	2026 H1	Percentage	2025 H1	Percentage
Birch	35 728	56.23%	36 990	59.66%
Alder	17 475	27.50%	17 600	28.39%
Ash	6 390	10.06%	4 402	7.10%
Oak	3 645	5.74%	2 513	4.05%
Hornbeam	298	0.47%	495	0.80%
Total	**63 535**		**61 999**	

“ **In the first half of 2026, we processed 63,535 m^3** of low-grade timber, 2.5% more than during the same period in 2025. The relatively modest increase does not reflect weaker demand. Our main constraint remains production capacity: **we sell everything we are able to produce** and continued operating at effectively full capacity throughout the first half of the year.

The investments made in our existing operation allow us to maintain stable, year-round production. Our in-house engineered small-block splitting line supports efficient and highly automated processing, while the modernized kilns shorten winter drying cycles and optimize electricity consumption. These improvements have enabled us to increase output within the limits of our current infrastructure.

The next significant increase in capacity will come from the new Venice firewood factory, currently under construction in the Jonava district. Set to become the most advanced automated firewood production facilities in Europe and potentially beyond, it builds on the engineering experience gained at our existing operation while taking production to a different scale. A substantially higher level of automation, increased output and a more energy-efficient drying process will allow us to respond to demand that already exceeds our current production capacity. ”

– 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.

General Information about the Company. Business Environment and Strategic Directions

UAB “VLI TIMBER” continued its operations in 2026 in pursuit of its set objectives. During the first half of the year, work aimed at increasing production capacity was carried out and is still ongoing. The Company made advance payments for equipment for the plant in Jonava district, Venecija village. The equipment is being manufactured and prepared by suppliers.

On 5 June, the start of construction of the plant in Jonava district, Venecija village, was marked with an official event and a time capsule was buried. Construction works are proceeding at full capacity, and the plant is expected to become operational in summer 2027. The project has been granted the status of a large-scale investment project.

On 17 March 2026, upon the maturity of the credit line, AB Artea bankas was approached to increase the credit line limit to EUR 3.5 million and to extend the repayment date to 31 March 2027. At the same time, a loan of EUR 16.1 million was requested and granted for financing the construction of the plant in Jonava district.

In order to finance both the construction works and the equipment for the new plant, additional funds were raised. For this purpose, a new issue of 34 884 ordinary registered shares with a nominal value of EUR 1 each was made. The new shareholder of UAB VLI Timber is Raft Capital Baltic Equity Fund KŪB, a closed-end investment company for informed investors, company code 306701655. Additional financing was raised by issuing bonds. The second issue of 4,000 bonds with a nominal value of EUR 1,000 each was issued and redeemed in May 2026. In this way, an additional EUR 4 million was raised.

UAB “VLI Timber” operated under changeable conditions in the first half of 2026. First-quarter operations were affected by severe frosts. Both the firewood drying period and the production process itself took longer than usual for that time of year. In the second quarter, the price of raw material rose significantly. Existing agreements with buyers regarding ordered production and price commitments limited the Company’s ability to adjust selling prices accordingly. For these reasons, the Company had to operate with a lower profit margin in the second quarter, which negatively affected overall profitability for the period. Due to the ongoing expansion, both operating and financing costs increased.

Information on Subsidiaries, Branches, Affiliates, and Shareholders

UAB VLI TIMBER has acquired and controls several other companies:

- OD Sverige AB – 150 shares, representing 60% ownership. Company code 559403-702960, registered address: Hoverberg 828, 845 62, Svenstavik, Sweden.
- Good Wood Distribution Ltd – 100 shares, representing 100% ownership. Company code 14855108, registered address: 307 Cotton Exchange Building, Old, United Kingdom.

On 2026-04-29, a Share Subscription Agreement was concluded, under which the share capital of UAB VLI TIMBER was increased and 34 884 ordinary registered shares with a nominal value of EUR 1 each were issued. As a result, the share capital was increased to EUR 172 720. The contribution for the shares and the related share premium was received.

Shareholders of UAB VLI Timber following the increase in share capital:

- 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 57.90 % of voting rights.
- Raft Capital Baltic Equity Fund KŪB, a closed-end investment company for informed investors (code 306701655, address: Gedimino pr. 50, LT-01110 Vilnius) holds 34 884 ordinary registered shares of EUR 1 nominal value, representing 20.20 % of voting rights.
- 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 18.26 % of voting rights.
- UAB Plevėsa (code 307142254, address: Didžioji g. 39-41, LT-01128 Vilnius) holds 6,303 ordinary registered shares of EUR 1 nominal value, representing 3.65 % of voting rights at the General Meeting of Shareholders.

The Company’s Board has been formed of four members: Žygimantas Lackus, Darius Lackus, Kęstutis Faktorovičius, Adrejus Boicovas.

The Company does not have a supervisory board. The Company has not acquired any treasury shares.

Review of Financial Performance

The main nature of the Company's operations has not changed. Turnover increased by EUR 1.5 million compared to the first half of the previous year. Sales revenue, after taking into account sales of manufactured production on EXW terms not yet shipped by the end of the quarter, amounted to EUR 11 256 743 in the first half of 2026, gross profit was EUR 813 047, and EBITDA was EUR 606 912.

The first half-year results are affected by the seasonality of the Company's operations. Due to lower prices and slower drying, the first half of the year is always less profitable or loss-making for the Company. The production process is longer during winter, as firewood takes longer to dry in the kilns, and this year the sharp frosts extended it further. Although the season lasts until February–March, the Company ensures full production capacity utilisation throughout the year regardless of seasonality. Customers order production for the upcoming season when storage and financing solutions are offered. This year, once agreements on order volumes and prices were concluded, the price of wood raw material increased. Due to these agreements, the Company had to operate on a lower profit margin, which further negatively affected overall profitability for the period. Pricing has been adjusted, and in the second half of the year contracts are being signed with a higher profit margin.

The loss for the first half of this year also increased due to additional expenses that were not related to the Company's core operations. These include expansion costs, legal and other consulting expenses in developing the Jonava plant construction project, and fees related to the first bond issue and the raising of additional financing.

The Company's operating results are directly reflected in the key performance indicators:

KPIs	2022	2023	2024	2025 I H	2025	2026 I H
Sales	16 354 539	20 782 737	21 382 710	10 705 226	22 857 311	11 256 743
Gross Profit	3 527 992	4 385 894	2 607 534	1 157 835	2 341 743	1 966 955
EBITDA	2 929 268	3 586 405	1 989 468	1 130 109	2 213 153	606 912
Net Profit	2 160 364	2 315 775	519 338	(51 641)	(38 451)	(525 249)
Total Assets:	8 371 559	13 688 280	15 271 290	18 813 786	17 421 595	24 197 741
Equity	3 125 175	5 413 028	5 932 366	5 970 725	5 869 897	7 676 178
Equity Ratio	0.37	0.4	0.39	0.31	0.34	0.32
ICR (EBITDA/expenses from financial and investment activiti	14.52	13	4.65	4.4	3.98	3.58

Personnel

The number of Company employees remains stable, with a tendency for the number of administrative staff to increase. In January–June 2026, UAB VLI TIMBER had an average of 124 employees, of whom an average of 23 worked in administration. In 2025, the average was 125 employees, of whom the average number working in administration was 19. As at 2026-06-30, the Company had 130 employees, of whom 26 were in administration; at the end of 2025 there were 133 employees, of whom 20 were in administration.

Implementation of EU-Funded Projects

During the first half of 2026, UAB VLI Timber continued the implementation of projects for which financial support had been granted:

- "Implementation of technologies increasing energy consumption efficiency at UAB VLI TIMBER". The project aims to modernize existing wood-drying kilns in order to increase their efficiency. The total project value is EUR 2,040,000, of which 55% of the funding is planned to be financed from support funds.
- "UAB VLI TIMBER sustainable investments in the development of production capacity in Jonava district". The project is intended to establish a new factory in Jonava district, with part of the equipment purchases financed by support funds. The total project value is EUR 11,693,757, of which 69.25% is expected to be inanced from EU funds.

In 2026, the following financial support was received and used:

	2026 II Q	2025 Y
Opening balance	**1 963 345**	**1 091 920**
Grants receivable at the beginning of the period	**439 759**	
Grants received during the period	1 473 485	756 463
Amortisation of grants (subsidies)	(175 076)	(324 797)
Grants receivable at the end of the period	**439 759**	**439 759**
Opening balance	**3 261 754**	**1 963 345**

As of 30 June 2026, the balance of grants received from the European Union Structural Fund amounted to EUR 3,262 thousand, detailed as follows:

Name of the project	Balance of grants received at the end of the period, EUR
Modernisation of the biofuel boiler house of UAB VLI TIMBER	103 112
UAB VLI TIMBER "Implementation of digitalisation technologies in the Company's production processes"	28 869
Implementation of Environmentally Friendly Technologies at VLI TIMBER	258 750
Implementation of New Technological Solutions for the Digitalisation and Automation of Production Processes at UAB VLI TIMBER	281 068
Development of Renewable Energy Production Capacity at UAB VLI TIMBER	56 857
Implementation of energy-efficiency technologies at UAB "VLI Timber"	759 613
UAB VLI TIMBER sustainable investments in the development of production capacity in Jonava district	1 773 485
Total	**3 261 754**

The primary objective of all ongoing projects is the expansion of the Company through the optimization and modernization of production processes, which will help maintain long-term competitiveness. By investing both its own funds and support from EU Structural Funds, the Company addresses the key gaps between market demand and its operational capabilities.

Operational Risks and Hedging

The Company utilizes all existing risk management tools and measures currently in place to mitigate operational risks. Further details can be found in the 2025 Annual Management Report.

Subsequent Events

In 2026, at the end of July, the shareholders adopted a decision to increase the share capital. The contribution has been received, and the new version of the Articles of Association is being registered.

Apart from the above-mentioned reorganization, changes in shareholders, and bond issuance, no other subsequent events occurred after the reporting period and before the preparation of these financial statements that would affect them or require additional disclosure.

Business Plans and Forecasts

The intentions and plans set for 2026 remain unchanged. The Company continues to focus heavily on full automation of the production process. In the second half of the year, the first fully automated firewood packaging line is planned to be launched at the existing plant, which will help save part of the labour costs. It is also planned to complete the kiln modernisation project, which will allow wood to be dried more cheaply and quickly. This is particularly relevant in winter, when the drying process is the Company's "bottleneck". In the second half of the year, the Company managed to offset the increased raw material prices by adjusting selling prices, so it plans to operate with a higher profit margin.

Construction works at the Venecija firewood plant are proceeding without major delays. Equipment installation is planned for the second half of the year, with testing and commissioning in the first quarter of 2027.

Darius Lackus, CEO

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 m^2 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.






Financial Statements

Statement of Comprehensive Income

	2026 II Q * adjusted	2026 II Q	2025 II Q * adjusted	2025 II Q
Net turnover	11 256 743	9 723 309	10 705 226	8 288 672
Cost of sales	(10 443 696)	(9 269 231)	(9 547 391)	(8 419 026)
Fair value adjustments of the biological assets				
GROSS PROFIT (LOSS)	813 047	454 078	**1 157 835**	**(130 354)**
Selling expenses	(129 955)	(129 955)	(69 527)	(69 527)
General and administrative expenses	(1 030 124)	(1 110 374)	(897 615)	(897 615)
Other operating results	2 106	2 106	6 661	6 661
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	6 926	6 926	7 819	7 819
The impairment of the financial assets and short-term investments	(17 612)	(17 612)		
Interest and other similar expenses	(169 637)	(398 912)	(256 940)	(256 940)
PROFIT (LOSS) BEFORE TAXATION	(525 249)	(1 193 743)	**(51 767)**	**(1 339 956)**
Tax on profit			126	126
NET PROFIT (LOSS)	(525 249)	(1 193 743)	**(51 641)**	**(1 339 830)**
Depreciation	(978 437)	(848 102)	(932 755)	(932 755)
EBITDA	606 912	(42 642)	**1 130 109**	**(158 080)**

* NOTE: the adjusted column reflects the results after taking into account sales of manufactured products on EXW terms which had not yet been dispatched by the end of the quarter but ownership of which had already transferred to customers, and after eliminating costs incurred in connection with expansion and investment fundraising.

Statement of Financial Position

ASSETS

	Notes No.	2026 II Q	2025 Y
ASSETS			
FIXED ASSETS		**12 711 261**	**10 604 510**
INTANGIBLE ASSETS		97 792	127 879
Assets arising from development			
Goodwill			
Software		97 792	127 879
Concessions, patents, licences, trade marks and similar rights			
Other intangible assets			
Advance payments			
TANGIBLE ASSETS		**11 914 179**	**9 788 005**
Land		28 877	28 877
Buildings and structures	*	1 478 015	5 080 053
Machinery and plant	*	5 788 178	2 692 084
Vehicles		221 914	262 406
Other equipment, fittings and tools		195 914	229 077
Investment property			
Land			
Buildings			
Advance payments and tangible assets under construction (production)		4 201 281	1 495 508

*NOTE: Timber drying kilns previously recognised under the tangible fixed assets line item "Buildings, structures" were reclassified to the line item "Machinery and equipment". Their acquisition value as of 1 January 2026 was EUR 5,251,391, with accumulated depreciation of EUR 1,819,926.

Statement of Financial Position

ASSETS

FINANCIAL ASSETS	**114 747**	**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	3 116	6 855
Other financial assets	91 516	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	**11 389 078**	**6 666 522**
STOCKS	5 411 624	2 427 519
Raw materials, materials ir consumables	1 082 590	1 124 048
Production and work in progress	183 674	177 333
Finished goods	1 603 579	548 601
Goods for resale	23 292	1 049
Biological assets		
Fixed tangible assets held for sale		
Advance payments	2 518 489	576 488
AMOUNTS RECEIVABLE WITHIN ONE YEAR	**3 577 477**	**4 110 328**
Trade debtors	2 051 755	2 323 839
Amounts owed by entities of the entities group	536 880	688 766
Amounts owed by associates entities		
Other debtors	988 842	1 097 723
SHORT-TERM INVESTMENTS		
Shares in entities of the entities group		
Other investments		
CASH AND CASH EQUIVALENTS	2 399 977	128 675
PREPAYMENTS AND ACCRUED INCOME	**97 402**	**150 563**
TOTAL ASSETS	**24 197 741**	**17 421 595**

EQUITY AND LIABILITIES

Article	Notes No.	2026 II Q	2025 Y
EQUITY		**7 676 178**	**5 869 897**
CAPITAL		**172 720**	**137 836**
Authorised (subscribed) or primary capital		172 720	137 836
Subscribed capital unpaid (–)			
Own shares (–)			
SHARE PREMIUM ACCOUNT		2 965 140	
REVALUATION RESERVE			
RESERVES		13 784	10 000
Compulsory reserve or emergency (reserve) capital		13 784	10 000
Reserve for acquiring own shares			
Other reserves			
RETAINED PROFIT (LOSS)		4 524 534	5 722 061
Profit (loss) for the reporting year		(1 193 743)	(100 305)
Profit (loss) brought forward		5 718 277	5 822 366
GRANTS, SUBSIDIES		**3 261 754**	**1 963 345**
PROVISIONS			
Provisions for pensions and similar obligations			
Provisions for taxation			
Other provisions			

EQUITY AND LIABILITIES

Article	Notes No.	2025 II Q	2024 Y
AMOUNTS PAYABLE AND OTHER LIABILITIES		**13 154 164**	**9 481 674**
AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER LONG-TERM LIABILITIES		8 211 148	4 614 723
Debenture loans		110 605	127 533
Amounts owed to credit institutions		100 543	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		8 000 000	4 000 000
AMOUNTS PAYABLE WITHIN ONE YEAR AND OTHER SHORT-TERM LIABILITIES		4 943 016	4 866 951
Debenture loans		184 708	194 435
Amounts owed to credit institutions		1 240 963	1 384 686
Payments received on account		141 804	318 384
Trade creditors		2 831 735	2 368 986
Amounts payable under the bills and checks			
Amounts payable to the entities of the entities group			
Amounts payable to the associated entities			129 827
Liabilities of tax on profit			
Liabilities related to employment relations		540 727	457 523
Other amounts payable and short-term liabilities		3 079	13 110
ACCRUALS AND DEFERRED INCOME		**105 645**	**106 679**
TOTAL EQUITY AND LIABILITIES		**24 197 741**	**17 421 595**

Changes in Equity
(Reporting period 2026.01.01 - 2026.06.30)

	Paid up authorised or primary capital	Share premium account	Own shares (-)	Revaluation reserve		Legal reserve		Other reserves	Retained profit (loss)	Total
				Fixed tangible assets	Financial assets	Compulsory reserve or emergency (reserve) capital	Reserve for acquiring own shares			
Balance at the end of the reporting (yearly) period before previous	**100 000**					**290**			**5 832 076**	**5 932 366**
Result of changes in accounting policies										
Result of correcting material errors										
Recalculated balance at the end of the reporting (yearly) period before previous	**100 000**					**290**			**5 832 076**	**5 932 366**
Increase (decrease) in the value of fixed tangible assets										
Increase (decrease) in the value of effective hedging instruments										
Acquisition (sale) of own shares										
Profit (loss) not recognised in the profit (loss) account									(61 854)	**(61 854)**
Net profit (loss) of the reporting period									**(38 451)**	**(38 451)**
Dividends										
Other payments										
Formed reserves						9 710			(9 710)	
Used reserves										
Increase (decrease) of authorised capital or shareholders' contributions ('shares repayment)	37 836									**37 836**
Increase (decrease) of other authorised or primary capital										
Contributions to cover losses										

Changes in Equity
(Reporting period 2026.01.01 - 2026.06.30)

	Paid up authorised or primary capital	Share premium account	Own shares (-)	Revaluation reserve		Legal reserve		Other reserves	Retained profit (loss)	Total
				Fixed tangible assets	Financial assets	Compulsory reserve or emergency (reserve) capital	Reserve for acquiring own shares			
Balance at the end of the previous reporting (yearly) period	**137 836**					**10 000**			**5 722 061**	**5 869 897**
Increase (decrease) in the value of fixed tangible assets										
Increase (decrease) in the value of effective hedging instruments										
Acquisition (sale) of own shares										
Profit (loss) not recognised in the profit (loss) account										
Net profit (loss) of the reporting period									(1 193 743)	**(1 193 743)**
Dividends										
Other payments										
Formed reserves						3 784			(3 784)	
Used reserves										
Increase (decrease) of authorised capital or shareholders' contributions ('shares repayment)	34 884	2 965 140								**3 000 024**
Increase (decrease) of other authorised or primary capital										
Contributions to cover losses										
Balance at the end of the reporting period	**172 720**	**2 965 140**				**13 784**			**4 524 534**	**7 676 178**

Cash Flows

Article	Notes No.	2026 II Q	2025 Y
Cash flows from operating activities			
Net profit (loss)		(1 193 743)	(38 451)
Depreciation and amortisation expenses		1 142 579	2 207 445
Elimination of results of disposals of fixed tangible and intangible assets			(38 893)
Elimination of results of financing and investing activities		(991 200)	49 234
Elimination of results of other non-cash transactions		69 059	139 740
Decrease (increase) in amounts receivable from entities of the entities group and the associated entities			
Decrease (increase) in other amounts receivable after one year		3 739	189 778
Decrease (increase) in assets of the deferred tax on profit			(184 037)
Decrease (increase) in stocks, except advance payments		(1 161 295)	(314 440)
Decrease (increase) in advance payments		(1 942 001)	(203 365)
Decrease (increase) in trade debtors		272 084	(171 640)
Decrease (increase) in amounts owed by entities of the entities group and associated entities		151 886	(214 442)
Decrease (increase) in other debtors		76 264	(875 376)
Decrease (increase) in short-term investments			
Decrease (increase) in prepayments and accrued income		53 161	(42 688)
Increase (decrease) in provisions			
Increase (decrease) in trade of long-term creditors and prepayments received on account			
Increase (decrease) in amounts payable under the bills and checks after one year			
Increase (decrease) in long-term amounts payable for entities of the entities group and associated entities			
Increase (decrease) in trade with short-term creditors and prepayments received on account		286 169	(745 899)
Increase (decrease) in amounts payable under the bills and checks within one year			

Cash Flows

Article	Notes No.	2026 II Q	2025 Y
Increase (decrease) in short-term amounts payable for entities of the entities group and associated entities		(129 827)	129 827
Increase (decrease) in liabilities of tax on profit			
Increase (decrease) in liabilities related to employment relations		25 636	29 855
Increase (decrease) in other amounts payable and liabilities		(40 031)	(947 062)
Increase (decrease) in accruals and deferred income		(1 034)	30 082
Net cash flows from operating activities		**(3 378 554)**	**(1 000 332)**
Cash flows from investing activities			
Acquisition of fixed assets (excluding investments)		(3 130 966)	(2 636 345)
Disposal of fixed assets (excluding investments)			38 893
Acquisition of long-term investments			
Disposal of long-term investments		18 214	
Loans granted			(13 000)
Loans recovered			
Dividends and interest received			
Other increases in cash flows from investing activities			
Other decreases in cash flows from investing activities			
Net cash flows from investing activities		**(3 112 752)**	**(2 610 452)**

Cash Flows

Article	Notes No.	2026 II Q	2025 Y
Cash flows from financing activities			
Cash flows related to entity's owners		3 000 024	37 836
Issue of shares		3 000 024	37 836
Owner's contributions to cover losses			
Purchase of own shares			
Dividends paid			
Cash flows related to other financing sources		5 762 584	3 622 656
Increase in financial debts		4 000 000	4 000 000
Loans received			
Issue of bonds		4 000 000	4 000 000
Decrease in financial debts		(766 794)	(1 546 994)
Loans returned		(462 930)	(990 668)
Redemption of bonds			
Interest paid		(247 209)	(450 901)
Finance leases payments		(56 655)	(105 425)
Increase in other liabilities of the entity		3 170 427	2 500 000
Decrease in other liabilities of the entity		(3 237 867)	(2 633 442)
Other increases in cash flows from financing activities		2 596 818	1 303 092
Other decreases in cash flows from financing activities			
Net cash flows from financing activities		**8 762 608**	**3 660 492**
Adjustments due to changes in exchange rates on the balance of cash and cash equivalents			
Increase (decrease) of net's cash flows		**2 271 302**	**49 708**
Cash and cash equivalents at the beginning of the period		**128 675**	**78 967**
Cash and cash equivalents at the end of the period		**2 399 977**	**128 675**

Notes to the Financial Statements

1. Sales revenue

Sales revenue for the financial year consisted to:

	2026 II Q	2025 II Q
Sales in Lithuania	1 060 517	(11 420)
Exports to third countries	2 910 238	3 323 663
Dispatches to the European Union	5 752 554	4 976 429
Total	**9 723 309**	**8 288 672**

Sales revenue for the first half of 2026 increased by EUR 1,435 thousand compared to the first half of 2025, mainly due to higher production capacity.

2. General and administrative cost

Name	2026 II Q	2025 II Q
General and administrative costs	**1 110 374**	**897 615**
Wages and social security	491 329	479 525
Consulting, training, and professional development expenses	100 613	65 611
Land and premises rental and operating expenses	109 088	95 144
Passenger car rental, repair, and operating expenses	42 891	23 535
Insurance costs	60 348	48 966
Depreciation and amortisation of non-current assets	68 643	67 929
Costs on operating tax	16 369	7 258
Bank fees	112 816	30 987
Other costs	108 277	78 660

3. Financial and investment activities

Indicators	2026 II Q	2025 II Q
a) INCOME FROM FINANCING AND INVESTING ACTIVITIES:	**6 926**	**7 819**
Breakdown of amounts:		
loan interest	6 334	6 223
positive effect of exchange rate changes	592	218
fines, default interest		1 378
b) COSTS OF FINANCING AND INVESTING ACTIVITIES	**398 912**	**256 940**
Breakdown of amounts:		
interest paid to leasing companies	6 607	10 205
factoring interest and acceptance fees		37 816
loan and credit interest	70 602	126 190
bond interest	230 000	
other financial and investment activity costs	89 369	80 070
fines, default interest	2 334	2 659
c) RESULT OF THE FINANCIAL AND INVESTMENT ACTIVITY (a - b)	**(391 986)**	**(249 121)**

4. Loans and borrowings

The table below reflects transactions with related companies during the first half of 2026:

Related party	Procurements	Sales	Receivables 2026-06-30	Payables	Loans granted	Interest on loan granted
OD Sverige AB	(2 653)	212 626	106 676			
*Good Wood Distribution Ltd		156 302	385 704		44 500	1 335
Total	**(2 653)**	**368 928**	**492 380**		**44 500**	**1 335**

**The loan repayment deadline - until 31 December, 2026. The loan agreement stipulates an annual interest rate of 6.05%.*

The table below reflects transactions with related companies during the first half of 2025:

Related party	Procurements	Sales	Receivables 2025-06-30	Payables	Loans granted	Interest on loan granted
Santo Cajetan Energy Ltd			9 528			
OD Sverige AB		176 558	152 071			
Good Wood Distribution Ltd	17 119	231 310	297 675		44 500	1 335
Total	**17 119**	**407 868**	**459 274**		**44 500**	**1 335**

Borrowings and debt to credit institutions

As of 30 June 2026, the Company's financial liabilities amounted to:

	2026 II Q	2025 Y
Financial liabilities to credit institutions by maturity:		
Within the first year	1 240 963	1 384 686
Within the second to fifth years	100 543	487 190
After five years		
Total financial liabilities	**1 341 506**	**1 871 876**
Lease (finance lease) liabilities by maturity:		
Within the first year	124 708	164 435
Within the second to fifth years	110 605	127 533
After five years		
Total lease (financial lease) liabilities	**235 313**	**291 968**

The agreements are based on a variable interest rate, with EURIBOR as the interest rate base and a 6-month interest period. The assets pledged as collateral for the loans, with a carrying amount of EUR 3,822,371 as of 30 June 2026 (31 December 2025 – EUR 4,556,642)

The credit limit of the credit line was increased to EUR 3.5 million and the agreement was extended for one year.

An agreement with AB Artea Bankas was concluded for the financing of a new production facility in the amount of EUR 16.1 million.

UAB VLI Timber issued bonds to finance its expansion. The second issue comprised 4,000 bonds with a nominal value of EUR 1,000 each, amounting to EUR 4 million. Interest is calculated and paid quarterly. The redemption date of the bonds is 30 March 2028.

Post-reporting events

At the end of July 2026, the shareholders adopted a decision to increase the share capital. At the time these interim financial statements were being prepared, the proceeds had already been received and the new Articles of Association were being registered.

Signed on behalf of Vli Timber, UAB
on 28 August 2026 by:

Darius Lackus
CEO

Sigita Mikutienė
Responsible Accountant

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