

Interim Report January-March 2026



LATVIAN FOREST CO

Latvian Forest Company is a public Swedish limited liability company that acquires and manages forest properties and conducts forestry in Latvia and Lithuania. The business is based on the fact that the forest is a safe investment and that forestry creates value in the long term.

Interim Report January-March 2026

Period January-March 2026

- Net sales were TEUR 313.8 (138.1)
- Operating EBIT was TEUR –158.8 (-181.5)
- Operating loss was TEUR -1,756.0 (-2,587.3)
- Change in value forest amounted to TEUR -1,597.2 (-2,405.9)
- Loss after tax amounted to TEUR -1,720.4k (-2,574.9)
- Earnings per share EUR -0.043 (-0.064)
- The book value of non-current assets amounted to TEUR 41,483.7 (38,925.9)
- Equity amounts to EUR 0.875 (0.874) per share
- The property holdings amount to 8,279 (7,891) hectares
- The timber volume is estimated at 1,081,705 (1,091,401) cubic meters

Highlights of the first quarter of 2026

- During the first quarter, the company acquired 32 hectares of land. Of these, 17 hectares were forest land, 14 hectares agricultural land and 1 hectare was other land. The total growing stock was just over 4,701 cubic meters.
- During the first quarter, the company felled just over 8,000 cubic meters through the sale of standing forest timber. The average selling price was approximately EUR 42 per cubic meter.
- The company cleared 23 hectares during the first quarter.

This is Latvian Forest Company

Latvian Forest Company AB (publ) is a Swedish listed company that invests in and conducts forestry on favourably valued forests in Latvia and Lithuania. The three main foundations of the business are, in addition to the fact that forest is a sought-after real resource that grows by its own strength;

- an expected increase in the price levels of Latvian and Lithuanian forest and agricultural properties.
- to create value added through active forest management.
- to create value by building up a larger property portfolio.

The expansion is financed by carrying out new issues in stages as properties are acquired and the business develops. Through Latvian Forest Company, shareholders become shareholders in many properties instead of an individual one, which provides a good spread of risk. The operations conducted in the day-to-day forestry create the turnover needed to cover the company's costs over time and in the long term generate a surplus.

Latvian Forest Company AB has Euro as its accounting and functional currency, which is why all reporting is done in Euro. Trading in the shares on NGM Nordic SME is in Swedish kronor.

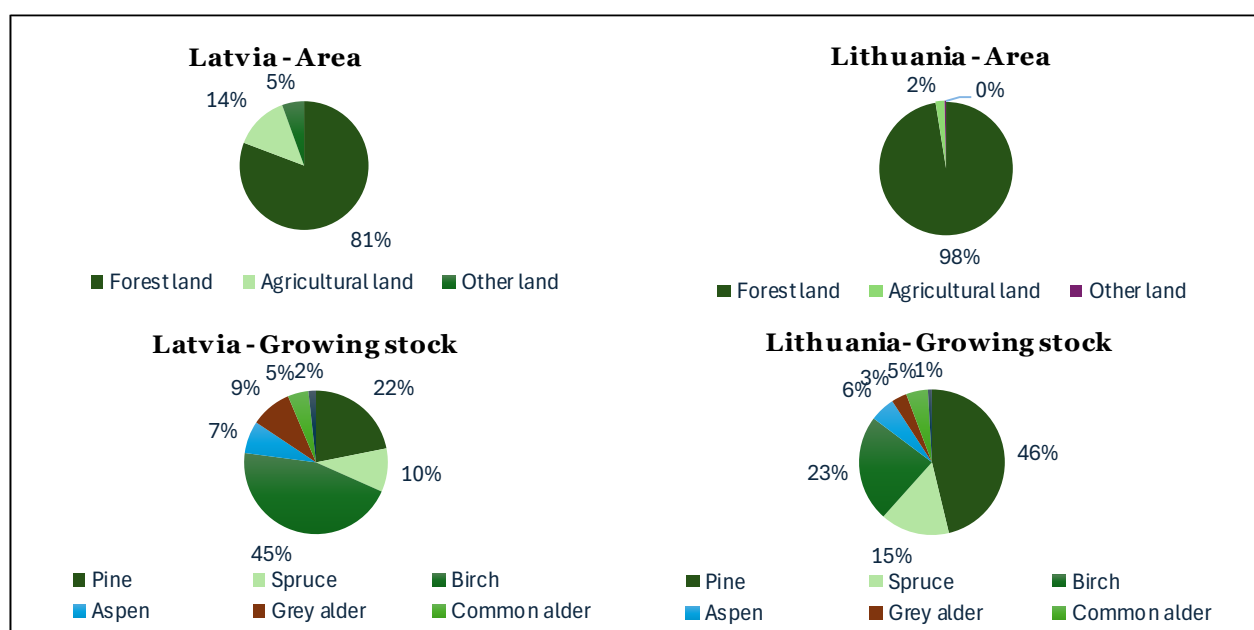


Forest holdings and development of land resources

Portfolio summary

The company's land holdings on 31/03/2026 amounted to 8,279 hectares with 1,081,705 cubic meters of standing forest. Around 80% of the timber supply consists of the three most important types of wood: birch, pine and spruce.

CONSOLIDATED PORTFOLIO (LATVIA & LITHUANIA)				
		Group	Latvia	Lithuania
TOTAL AREA (ha)	100%	8 279	6 585	1 694
Forest land	84%	6 967	5 314	1 652
<i>Standing forest</i>		6 125	4 634	1 491
<i>Bare forest land</i>		430	318	111
<i>Other forest</i>		439	388	50
Agricultural land	12%	954	919	35
<i>Wherof leased</i>		362		
Other land	4%	358	352	6
		Group	Latvia	Lithuania
Growing stock (cubic meter)	100%	1 081 705	748 060	335 678
Pine	30%	320 221	165 944	154 277
Spruce	12%	126 178	74 519	51 659
Birch	38%	416 241	338 062	78 179
Aspen	7%	73 128	54 339	18 789
Grey alder	7%	79 196	67 749	11 447
Common alder	5%	50 898	34 594	16 304
Other forest	1%	15 843	12 853	2 990
Immediately fellable	19%	200 592	134 008	66 584



Only about 4% of the company's timber supply is restricted due to nature conservation reasons.

Age distribution, forest land*			
Age group	Growing stock (m3)	Area, ha	m3/ha
1-10	19 749	1 604	12
11-20	56 232	701	80
21-30	122 403	824	149
31-40	78 103	429	182
41-50	77 198	373	207
51-60	114 619	540	212
61-70	194 161	790	246
71-80	150 896	603	250
81-90	98 631	384	257
91-100	54 817	193	284
101+	114 896	396	290
TOTAL	1 081 705	6 837	158

* The total area in the above table amounts to 6,837 hectares, which differs from the table on the previous page for the consolidated portfolio's forest land which is 6,967 hectares. The difference of 130 hectares is due to differences in methodology in Latvia and Lithuania for the classification of land included in the age distribution.

Growth

The soils in the Baltic States generally have good quality ratios, i.e. high estimated average growth over a rotation period. 82% of the company's holdings consist of land types corresponding to quality classes IA, I and II (corresponding site indices G34/G36, G32, G28). A quality index or quality class is used in forestry to describe the soil's production capacity, i.e. how good the soil is at producing timber and thus indicates how much the trees can grow under normal conditions, where quality class IA is the quality class with the highest production capacity.

BONITY CLASSES				
Area, ha*		Group	Latvia*	Lithuania**
IA	29%	1 829	1 225	604
I	33%	2 032	1 436	596
II	20%	1 274	976	298
III	10%	633	552	81
IV	5%	285	268	17
V	2%	139	136	2
Va	1%	42	41	1
TOTAL	100%	6 233	4 634	1 599

* Latvia ha refers to standing forest

** Lithuania ha refers to standing forest and bare forest land

Acquisitions

During the first quarter, the company acquired 32 hectares of land for a total of TEUR 129.4. Of these, 17 hectares were forest land, 14 hectares agricultural land and 1 hectare other land. The total growing stock was just over 4,701 cubic meters.

Sales

The company did not make any sales during the first quarter.

Felling

During the first quarter, the company has felled just over 8,000 cubic meters through the sale of standing timber. The average selling price was approximately EUR 42 per cubic meter.

	2022	2023	2024	2025	1Q26
Felling m3	39 419	34 372	33 008	23 162	7 964
Price/m3	53	40	36	42	42

Clearing and planting

During the first quarter, the company cleared approximately 23 hectares.

During the first quarter, the company did not carry out any plantings.

	2022	2023	2024	2025	1Q26
Clearing ha	77	142	233	45	23
Planting ha	65	12	138	89	0

Net sales and profit

Net sales in the first quarter were TEUR 313.8 (138.1), which mainly relates to income from the sale of standing items.

Operating EBIT for the first quarter was TEUR -158.8 (-181.5). Operating profit is affected by, for example, costs for clearing and planting, property measurements, inventories and stamping of stands prior to felling, as well as commission for the sale of standing items.

Operating loss for the first quarter amounted to TEUR -1,756.0 (-2,587.3). The negative operating profit is mainly explained by changes in the value of the biological asset.

External costs largely consist of other purchased services in connection with forest management, consulting services such as accounting, auditing, legal advice, as well as costs for travel, rent, transport and more. Variable costs for purchase commissions etc. have to some extent been booked as part of the acquisition cost for the individual properties and in these cases do not burden earnings.

The total net result for the first quarter amounted to TEUR -1,720.4 (-2,574.9).

Accounting policies

Latvian Forest Company AB (publ) applies International Financial Reporting Standards (IFRS) as adopted by the EU and RFR1, Supplemental Accounting Rules for Groups. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

Timber and forest property market

Background

Both Latvia and Lithuania have a favourable structure in the real estate market for the business and favourable price levels compared to other markets in the region. Many small and fragmented property holdings have made it possible for smaller players such as the Latvian Forest Company to actively contribute to a consolidation that is not current or practicable for larger players.

Development

The market for wood and pulpwood was relatively stable in the first quarter of 2026, with prices largely unchanged. At the same time, there are indications that market conditions may change in the future. In the pulp market, cautiously positive signals can be noted, including SCA's reporting a pulp price of USD 1,710 per tonne for March, which corresponds to an increase of 13 percent compared to the fourth quarter last year.

The cautious optimism is also supported by global trends pointing to a reduced supply of raw materials, especially in Southeast Asia and South America. Similar developments can be observed in the forest fuel market. The rising price levels for oil and gas following the outbreak of the conflict in the Middle East have contributed to increased demand for alternative energy sources. Demand for timber is also expected to increase in the countries around the Baltic Sea as a result of lower felling volumes in Central Europe.

Overall, the market in the Baltic Sea region is expected to be affected by the increased inflation rate in 2026, driven by general price increases linked to global uncertainty. In the longer term, demand for wood, pulpwood and other forest products is expected to continue to increase. In addition, the value of forest assets is expected to increase as the carbon credit market develops and matures.

Timber market in the Baltic countries

In the previous year, exports of wood products from Latvia and Lithuania developed weakly. The beginning of the year was characterized by some optimism, while the market weakened in the second half of the year. On a full-year basis, exports of wood increased by about 5 percent. A similar development was noted for veneer and plywood.

By contrast, exports of pulpwood, energy wood and other unprocessed roundwood from Latvia and Lithuania decreased by around 8 percent. This can partly be explained by a weaker market economy, but also by extensive investments in the wood processing industry in the Baltic countries. The long-term trend indicates that a larger proportion of the unprocessed roundwood will be processed locally in the region, which is expected to reduce exports of these ranges in the future.

Price development

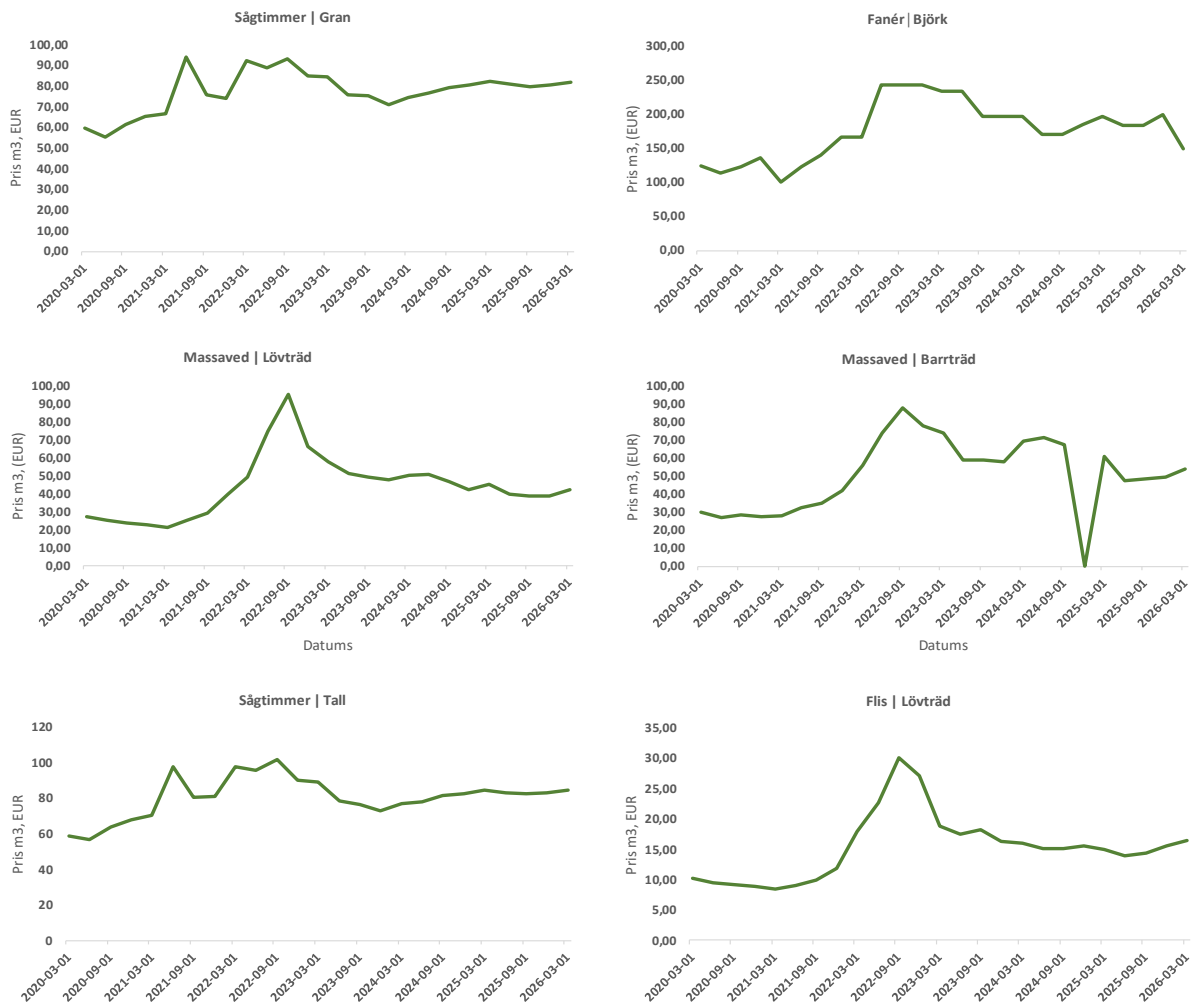
The purchase price of softwood timber in the first quarter of 2026 has remained stable at levels around EUR 82-85/m³ in both Latvia and Lithuania, which is in line with the corresponding period last year.

Hardwood pulpwood purchase prices fell in the fourth quarter of 2025 to around EUR 38/m³, but started to increase again in the first quarter of 2026 and stood at around EUR 42.5/m³ at the end of the quarter. A similar development was also noted for softwood pulpwood, where the price level rose to approximately EUR 53/m³ at the end of the quarter.

The price of birch veneer logs continued to decrease in the first quarter of 2026 and amounted to around 150 EUR/m³ for the premium range, which is about 25 percent lower than the previous year's record levels of around 200 EUR/m³. Prices for other grades also developed weaker during the period.

The continued geopolitical uncertainty has mainly affected the price levels for energy wood and wood chip raw materials. The price rose to around 17 EUR/m³ at the beginning of 2026, which is the highest level since 2023. This development reflects changes in the oil and gas markets.

Price development in the Baltics



Source: Latvianwood database

Sägtimmer Gran = Sawlog Spruce
 Sägtimmer Tall = Sawlog Pine
 Massaved Barrträd = Pulpwood Softwood

Flis Lövträd = Hardwood chips
 Fanér Björk = Veneer Birch
 Massaved Lövträd = Pulpwood Hardwood

Asset valuation

The company reports in accordance with IFRS, which means that the forest assets are booked at an estimated market value. The book value of growing forest has been calculated on the assets that were in the company as of March 31, 2026. The value is calculated by discounting a 100-year series of estimated felling volumes/sales revenues and forest management costs at a discount rate of 7.25%.

The Group's forest assets

The book value of the fixed assets in the balance sheet for agricultural land and other land, forest land and biological assets, growing forest amounts to TEUR 41,242.6 (38,579.8). Changes in the estimated value of the fixed assets can mainly be attributed to the fact that the company has had properties felled, acquired or divested, as well as the average estimate of the long-term price level of sawlogs and pulpwood.

The company's total land holdings are 8,279 hectares with approximately 1,081,705 cubic meters of growing forest. The valuation corresponds to an average of EUR 4,981 per hectare or EUR 35.7 per cubic meter. As of March 31, the land holding in Latvia amounts to 6,585 hectares with a growing stock of approximately 748,000 cubic meters and is valued at MEUR 28.4. As of March 31, the land holding in Lithuania amounts to 1,694 hectares with a growing stock of approximately 333,600 cubic meters and is valued at MEUR 12.8.

2026-03-31	Group	Latvia	Lithuania
Agricultural land and other land (TEUR)	2 625	2 542	83
Forest land (TEUR)	14 839	10 708	4 131
Biological assets, growing forest (TEUR)	23 779	15 145	8 633
TOTAL (TEUR)	41 243	28 395	12 847
Total area, hectare	8 279	6 585	1 694
Total growing stock, cubic meter	1 081 705	748 060	333 645
Value per hectare (EUR)*	4 981	4 312	7 585
Value per cubic meter (EUR)**	35,7	34,6	38,3

* Estimated on total assets

** Estimated on forest land and the biological asset

Financing

Financing strategy

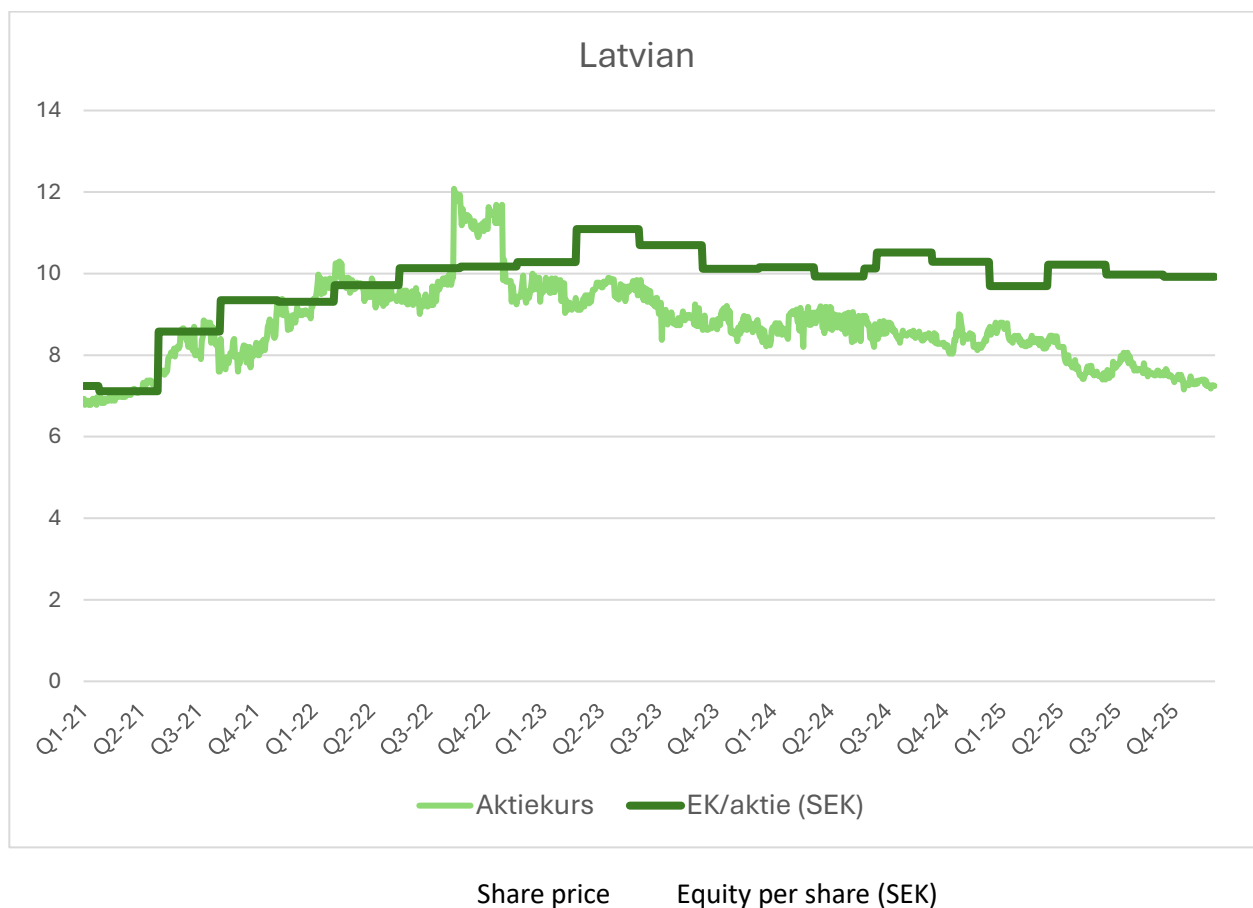
The Board of Directors has decided, following comments from and sounding out among shareholders and potential investors, that future financing in the form of share issues will primarily be made with priority for existing shareholders. However, this does not prevent directed issues from being carried out, for example, in connection with acquisitions of property portfolios or in special situations where a directed issue may be required. However, the intention is that existing shareholders will not be disadvantaged if a directed share issue is carried out.

The share

The share

At the end of the period, the share capital amounted to EUR 4,479,749 divided into 39,996,568 Class B shares. Each share has a quota value of 0.112 Euro. The five largest shareholders in terms of voting control about 67% of the capital and votes.

Reported equity per share and share price development



Next report

The interim report for the second quarter of 2026 is scheduled to be published on August 20, 2026.

About this report

This report has not been subject to special review by the company's auditor.

Stockholm, 2026-05-20

Board of Directors

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Financial figures

CONSOLIDATED INCOME STATEMENT, TEUR	Jan - March 2026	Jan - March 2025	Full year 2025
Net sales	313,8	138,1	1 012,0
Other income	5,0	7,8	98,4
Total revenue	318,8	145,9	1 110,4
Raw materials and supplies	-288,9	-168,0	-697,5
Other external costs	-149,2	-125,6	-580,5
Personnel costs	-39,0	-32,3	-171,7
Depreciation	-0,5	-1,5	-5,2
Operating profit	-158,8	-181,5	-344,4
Change in value of land assets	0,0	0,0	251,7
Change in the value of biological assets	-1 597,2	-2 405,8	-6 315,7
Capital gains property sales	0,0	0,0	154,3
Operating profit	-1 756,0	-2 587,3	-6 254,2
Financial income	1,6	1,2	8,1
Financial costs	-70,3	-94,3	-328,8
Net financial items	-68,7	-93,1	-320,7
Profit before tax	-1 824,7	-2 680,3	-6 574,9
Tax	104,3	105,4	25,6
PROFIT FOR THE YEAR	- 1 720,4	-2 574,9	-6 549,3

STATEMENT OF COMPREHENSIVE INCOME, TEUR	Jan-March 2026	Jan-March 2025	Full year 2025
Profit for the year	-1 720,4	-2 574,9	-6 549,30
Other comprehensive income			
Items that should not be recognised in the income statement			
Change in value of land assets	-229,9	0	7 294,9
Tax on changes in value of land assets	-9,0	0	-433
Total comprehensive income for the year	-1 959,3	-2 574,9	312,6
<i>Comprehensive income attributable to parent company shareholders</i>	-1 959,3	-2 574,9	312,6
Earnings per share before and after dilution	-0,043	-0,064	-0,164
Total income per share before and after dilution	-0,049	-0,064	0,008
Number of shares before and after dilution	39 996 568	39 996 568	39 996 568

STOCK DATA	Jan-March 2026	Jan-March 2025	Full year 2025
Average number of shares	39 996 568	39 996 568	39 996 568
Number of shares	39 996 568	39 996 568	39 996 568
Equity per share, EUR	0,875	0,874	0,924
Cash flow from operating activities per share, EUR	-0,009	-0,004	0,052

GROUP CHANGE IN EQUITY, TEUR

	Share capital	Other capital con- tributed	Reserve	Balanced and profit for the year	Total
Opening equity January 1, 2024	4 106,4	8 160,7	0,0	21 163,6	33 430,7
New share issue	373,3	1 939,9			2 313,2
Profit for the year				1 787,2	1 787,2
Closing equity December 31, 2024	4 479,7	10 100,6	0,0	22 950,8	37 531,1
Opening equity January 1, 2025	4 479,7	10 100,6	0,0	22 950,8	37 531,1
Dividend				-901,5	-901,5
Deferred tax revaluation reserve			-433,0		-433,0
Revaluation reserve for land resources			7 294,9		7 294,9
Profit for the year				-6 549,3	-6 549,3
Closing equity December 31, 2025	4 479,7	10 100,6	6 861,9	15 500,0	36 942,2
Opening equity January 1, 2026	4 479,7	10 100,6	6 861,9	15 500,0	36 942,2
Deferred tax revaluation reserve			-9,0		-9,0
Revaluation reserve for land resources			-229,9		-229,9
Profit for the period				-1 720,4	-1 720,4
Closing equity March 31, 2026	4 479,7	10 100,6	6 622,9	13 779,6	36 982,8

CONSOLIDATED BALANCE SHEET, TEUR

	Jan-March 2026	Jan-March 2025	Full year 2025
ASSETS			
Agricultural land and other land	2 625,0	2 162,9	2 599,7
Forest land	14 838,8	7 023,5	14 801,4
Biological resources, growing forests	23 778,8	29 393,4	25 499,6
Buildings	0,0	94,6	0,0
Inventory	28,8	18,8	23,2
Financial fixed assets			
Blocked funds bank	5,0	5,0	5,0
Long-term financial receivables	207,3	227,7	207,3
Total fixed assets	41 483,7	38 925,9	43 136,2
Accounts receivable	152,4	114,6	9,2
Current receivables	51,8	186,0	71,3
Deferred expenses and accrued income	40,6	0,0	46,5
Cash and cash equivalents	1 383,0	3 378,9	1 844,4
Total current assets	1 627,8	3 679,5	2 011,4
TOTAL ASSETS	43 111,5	42 605,4	45 147,6
EQUITY AND LIABILITIES			
Equity	34 982,8	34 960,4	36 942,2
Interest-bearing long-term liabilities	6 611,8	4 937,1	6 611,8
Interest-bearing current liabilities	0,0	1 472,0	0,0
Deferred tax liability	1 317,2	904,4	1 412,4
Trade payables	54,7	51,5	51,5
Other liabilities, non-interest-bearing	57,7	65,0	20,2
Accrued expenses and deferred income	87,3	215,0	109,5
Total liabilities	8 128,7	7 645,0	8 205,4
TOTAL EQUITY, PROVISIONS AND LIABILITIES	43 111,5	42 605,4	45 147,6
Collateral provided	5,0	5,0	5,0
Equity ratio	81,1%	83,7%	79,4%
Debt/equity ratio	23%	18%	25%

CONSOLIDATED CASH FLOW STATEMENT, TEUR	Jan-March 2026	Jan-March 2025	Full year 2025
Operating profit	-1 755,9	-2 587,3	-6 254,2
Adjustment for items not included in cash flow:			
- Depreciation of fixed assets	0,5	1,5	5,2
- Capital gain on the sale of land	0,0	0,0	-154,3
- Changes in value biological resources and forest land	1 597,2	2 405,8	6 064,0
Interest received	1,6	1,2	8,1
Interest paid	-70,3	-94,3	-328,8
Taxes paid	0,0	0,0	-2,1
Cash flow from operating activities before changes in working capital	-226,9	-273,1	-662,1
Change in operating receivables	-158,6	59,9	2 826,7
Change in operating liabilities	19,1	42,8	-104,7
Cash flow from operating activities	-366,4	-170,4	2 059,9
<u>Investment activities</u>			
Sale of other property, plant and equipment	0,0	0,0	86,4
Acquisition of other property, plant and equipment	-5,6	0,0	0,0
Sale of agricultural land	0,0	0,0	110,6
Acquisition of agricultural land	-16,0	0,0	-504,8
Sale of forest assets	0,0	1 918,1	634,5
Acquisition of forest assets	-113,4	0,0	-1 455,0
Reduction of long-term receivables	0,0	0,0	20,4
Cash flow from investing activities	-135,0	1 918,1	-1 107,9
<u>Financing activities</u>			
Increase in long-term liabilities	0,0	0,0	263,0
Reduction of long-term liabilities	0,0	-10,4	-70,7
Dividend	0,0	0,0	-901,5
Cash flow from financing operations	0,0	-10,4	-709,2
CASH FLOW FOR THE YEAR	-501,4	1 737,3	242,8
Cash and cash equivalents at the beginning of the year	1 889,4	1 646,6	1 646,6
Cash flow for the year as described above	-501,4	1 737,3	242,8
Cash and cash equivalents at the end of the period	1 388,0	3 383,9	1 889,4

Jan-March 2026 Jan-March 2025 Full year 2025

PARENT COMPANY'S INCOME STATEMENT, TEUR

Net sales	20,0	20,0	80,0
Other income	0,3	0,3	1,0
Other external costs	-53,1	-57,6	-258,9
Personnel costs	0,0	0,0	-40,4
Operating profit	-32,8	-37,2	-218,3
Financial income	159,8	170,5	640,8
Financial costs	-0,9	-0,3	-7,7
Net financial items	158,9	170,2	633,1
Profit after financial items	126,1	133,0	414,8
PROFIT FOR THE PERIOD	126,1	133,0	414,8

PARENT COMPANY'S BALANCE SHEET, TEUR	Jan-March 2026	Jan-March 2025	Full year 2025
ASSETS			
Shares in subsidiaries	12 835,5	12 835,5	12 835,5
Receivables from group companies	9 088,2	9 761,4	8 928,6
Total fixed assets	21 923,7	22 596,9	21 764,1
Current receivables from group companies	337,1	20,0	317,1
Other current receivables	6,7	9,2	8,3
Deferred expenses and accrued income	2,6	4,8	1,5
Cash and bank	59,0	193,9	114,2
Total current assets	405,4	227,9	441,1
TOTAL ASSETS	22 329,1	22 824,8	22 205,2
EQUITY AND LIABILITIES			
Equity	22 303,8	22 797,4	22 177,7
Trade payables	5,3	7,9	7,5
Accrued expenses and deferred income	20,0	19,5	20,0
Total current liabilities	25,3	27,4	27,5
Total equity and liabilities	22 329,1	22 824,8	22 205,2
Equity ratio	99,9%	99,9%	99,9%

PARENT COMPANY'S CASH FLOW STATEMENT, TEUR	Jan-March 2026	Jan-March 2025	Full year 2025
Operating profit	-32,8	-37,2	-218,3
Adjustment for items not included in cash flow:			
- currency fluctuations	0,0	0,0	-7,7
Interest paid	-0,9	0,0	0,0
Cash flow from operating activities before changes in working capital	-33,7	-37,2	-226,0
Change in operating receivables	-19,3	399,3	-81,9
Change in operating liabilities	-2,2	-17,2	-16,8
Cash flow from operating activities	-55,2	344,9	-324,7
<u>Investment activities</u>			
Additional receivables from group companies	0,0	-221,4	-180,0
Repaid receivables in group companies	0,0	0,0	1 450,0
Cash flow from investing activities	0,0	-221,4	1 270,0
<u>Financing activities</u>			
Dividend	0,0	0,0	-901,5
Cash flow from financing operations	0,0	0,0	-901,5
CASH FLOW FOR THE YEAR	-55,2	123,5	43,8
Cash and cash equivalents at the beginning of the year	114,2	70,4	70,4
Cash flow for the year as described above	-55,2	123,5	43,8
Cash and cash equivalents at the end of the period	59,0	193,9	114,2



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