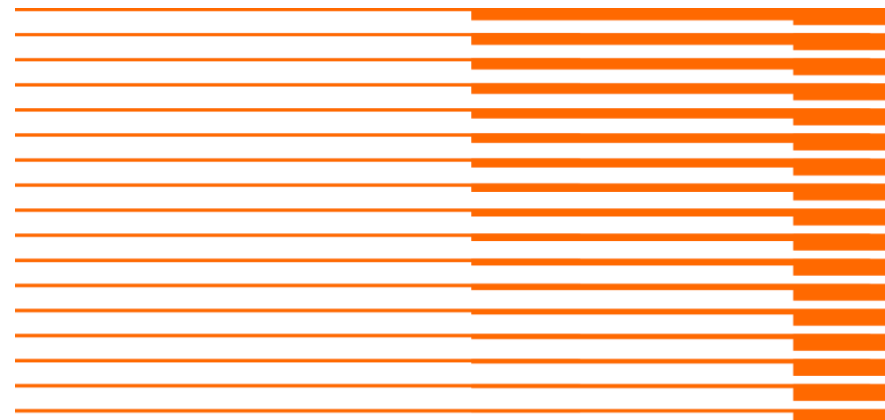


Welcome to Latvijas Finieris Group

Forestry Management Delegation Visit from Ukraine

- Lignums Mill, 19 March 2025



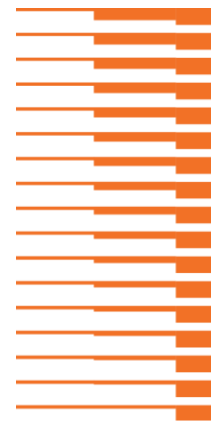


Latvijas Finieris in a Nutshell

■ CORE BUSINESS – BIRCH PLYWOOD



- Sales to **60 countries** worldwide (12 RigaWood Offices)
- Mills in Latvia, Lithuania, Estonia, Finland, processing close to **1 million m3** of birch roundwood
- Turnover **~€ 400 million** per annum, **~2 400 employees**
- Also active in forestry, adhesives and engineering (owner of over **14 thousand ha** of forest land)





Balanced Birch Procurement System

Local Processing in 4 Countries

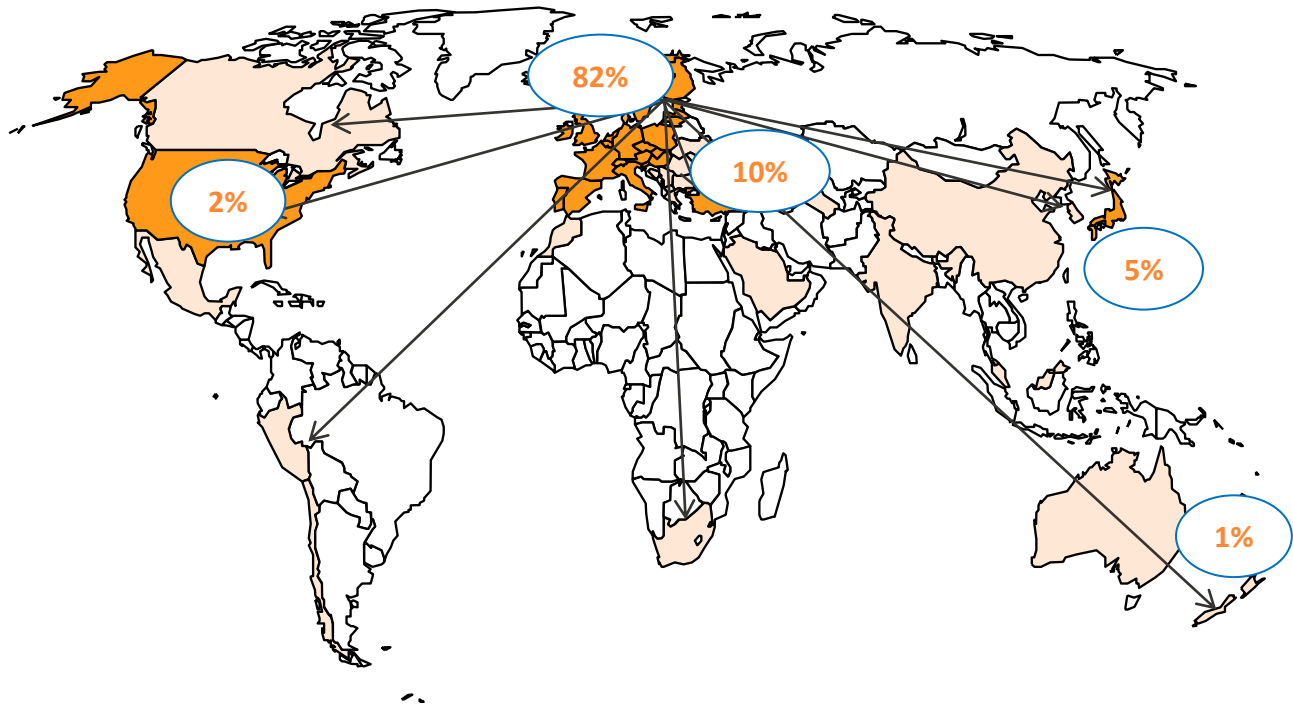
- Latvijas Finieris has developed a well-balanced supply system for birch in the Baltic Sea Region, with target to purchase **1 million m³** birch veneer logs:
 - ✓ ~500 thousand m³ in Latvia
 - ✓ ~500 thousand m³ combined in Finland, Estonia and Lithuania
- Roughly half of wood in the Baltics comes from state forests, giving stability over business cycles





Global Sales and Delivery Network

1 100 Destinations in 60 Countries



Riga Wood 
Latvijas Finieris Group

-  Sales through *Riga Wood* offices
-  Sales from HQ in Riga

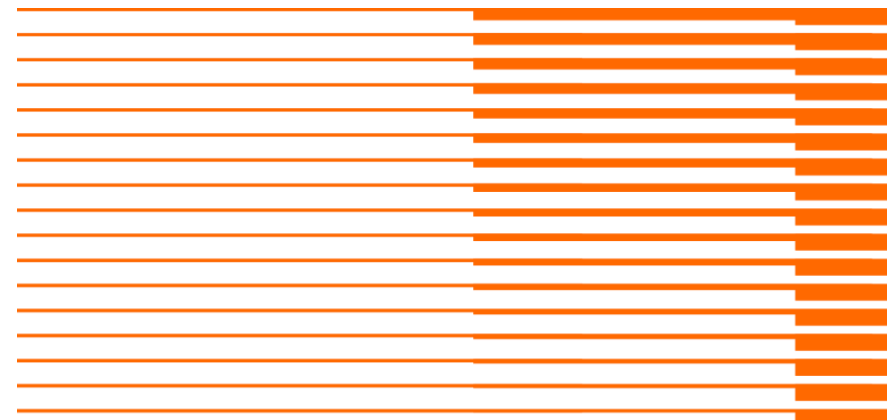




2025

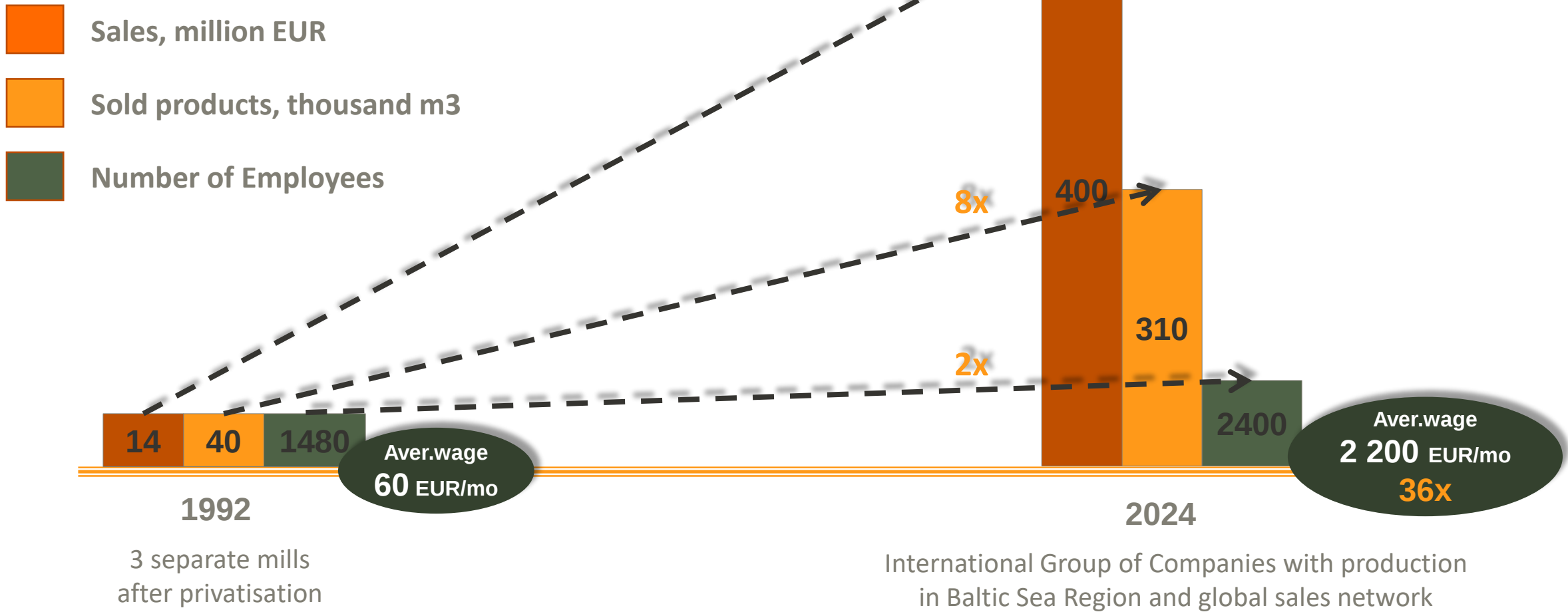


1992



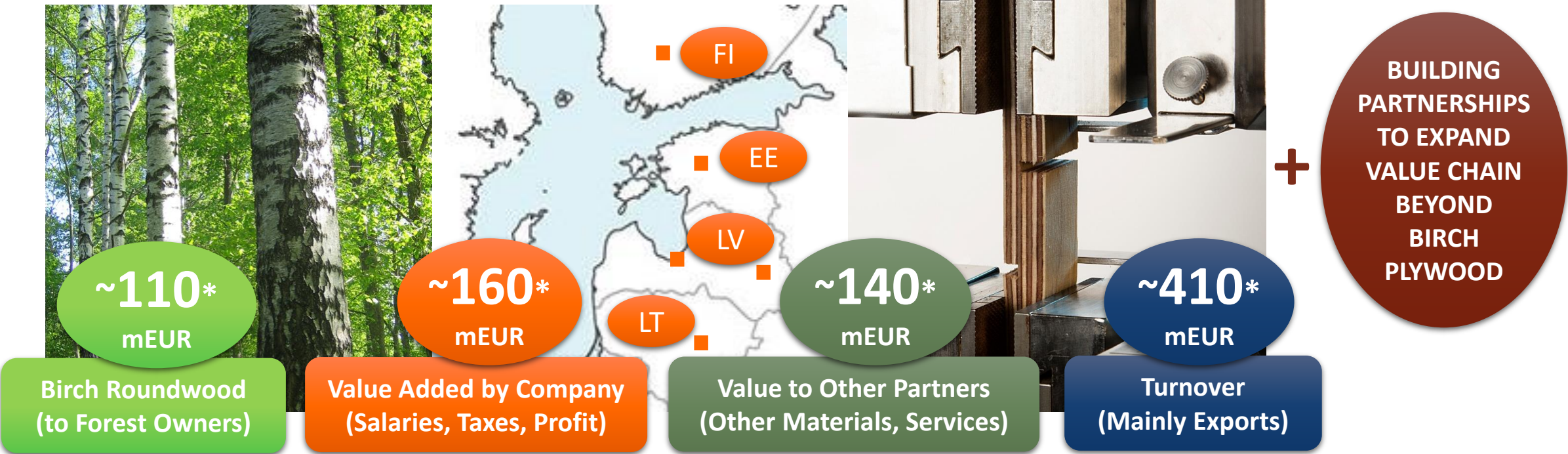


Gradual Growth in 30+ Years





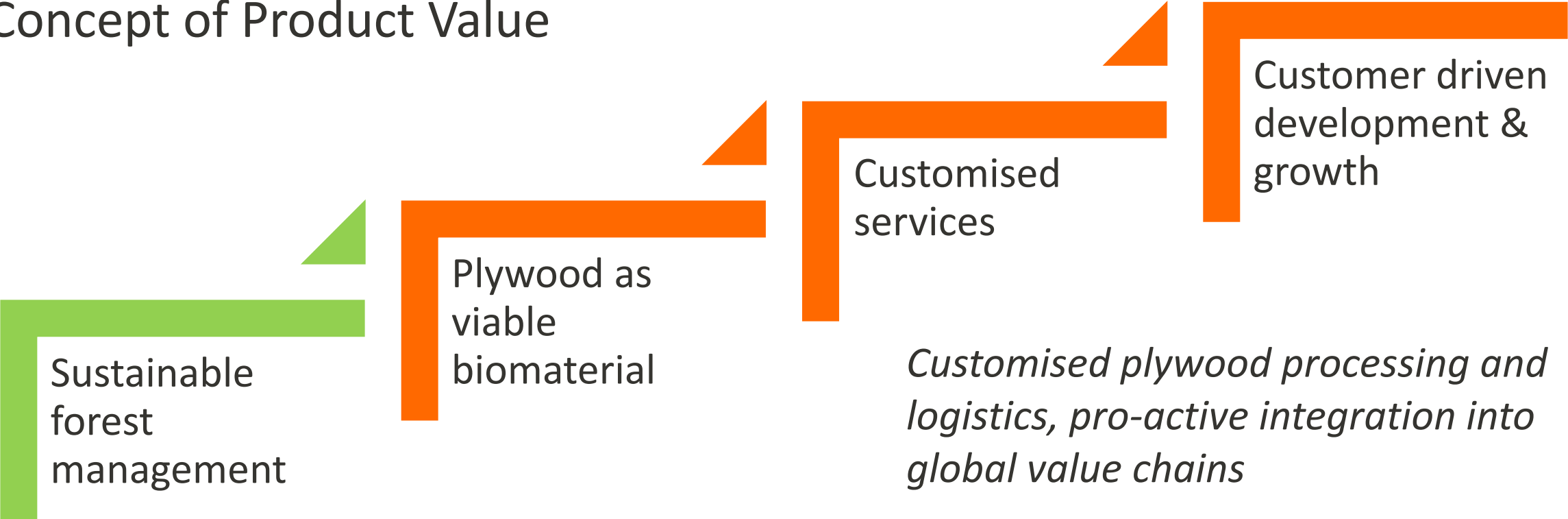
Value Creation Responding to Future Challenges (Sustainability)



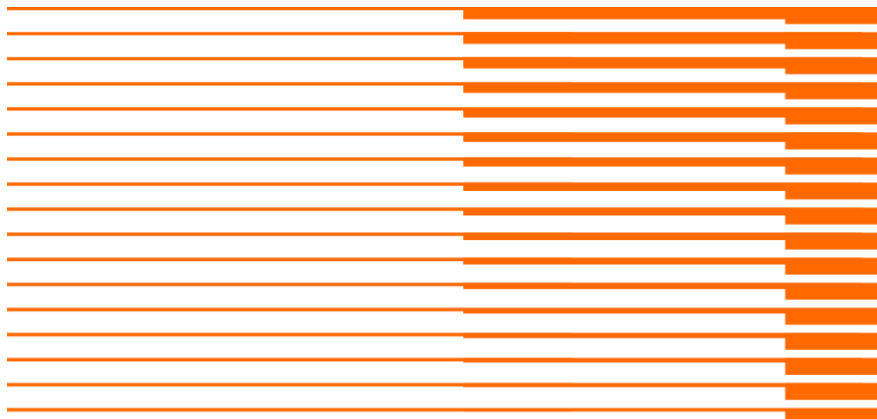
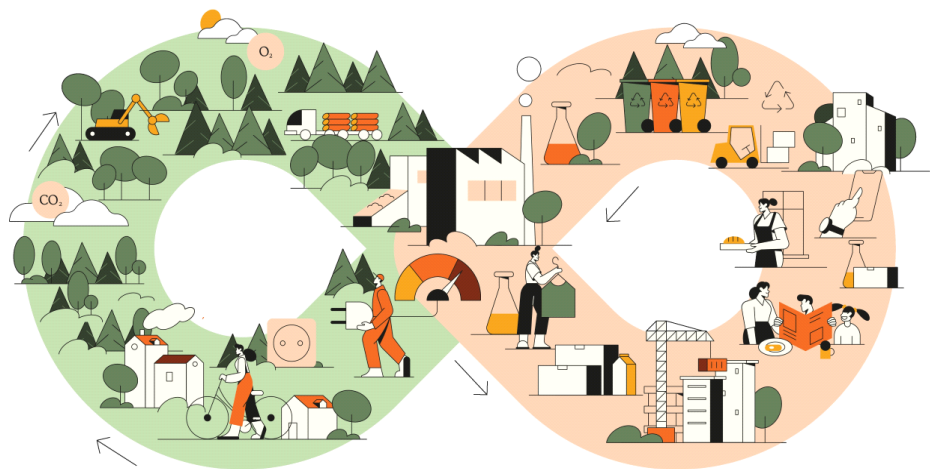
* 2024 figures



Concept of Product Value



Customised plywood processing and logistics, pro-active integration into global value chains





Delivering Value to 33 Demanding Industries



HEAVY BUILDING

- FORMWORK SYSTEMS
- PRECASTING
- LOOSE SHUTTERING
- SCAFFOLDING



LIGHT BUILDING

- OUTDOOR SOLUTIONS
- HIGH-END FLOORING
- PARQUET
- STAGE SYSTEMS & INDUSTRIAL FLOORING
- INDUSTRIAL WALL & CEILING LININGS
- DECORATIVE WALL & CEILING LININGS
- PANELS FOR OVERLAYING
- JOINERY & FURNITURE & SHOP FITTING



ROAD TRANSPORT

- HEAVY COMMERCIAL VEHICLES
- LIGHT COMMERCIAL VEHICLES
- HEAVY TRAILERS
- LIGHT TRAILERS
- REEFER TRAILERS
- SPECIALITY TRAILERS
- BUSES
- PASSENGER CARS



SEA TRANSPORT

- LNG TANKERS
- CARGO SHIPS
- CONTAINERS
- YACHTS & BOATS



RAIL TRANSPORT

- PASSENGER WAGONS
- CARGO WAGONS



AIR TRANSPORT

- SPECIFIC AIR SOLUTIONS
- FLIGHT CASES



PACKAGING

- DIE BOARDS
- HIGH-END PACKAGING



WHOLESALE & DISTRIBUTION

- WOOD PANEL SPECIALISTS
- WOOD PRODUCT SPECIALISTS
- GENERALISTS & BUILDERS MERCHANTS





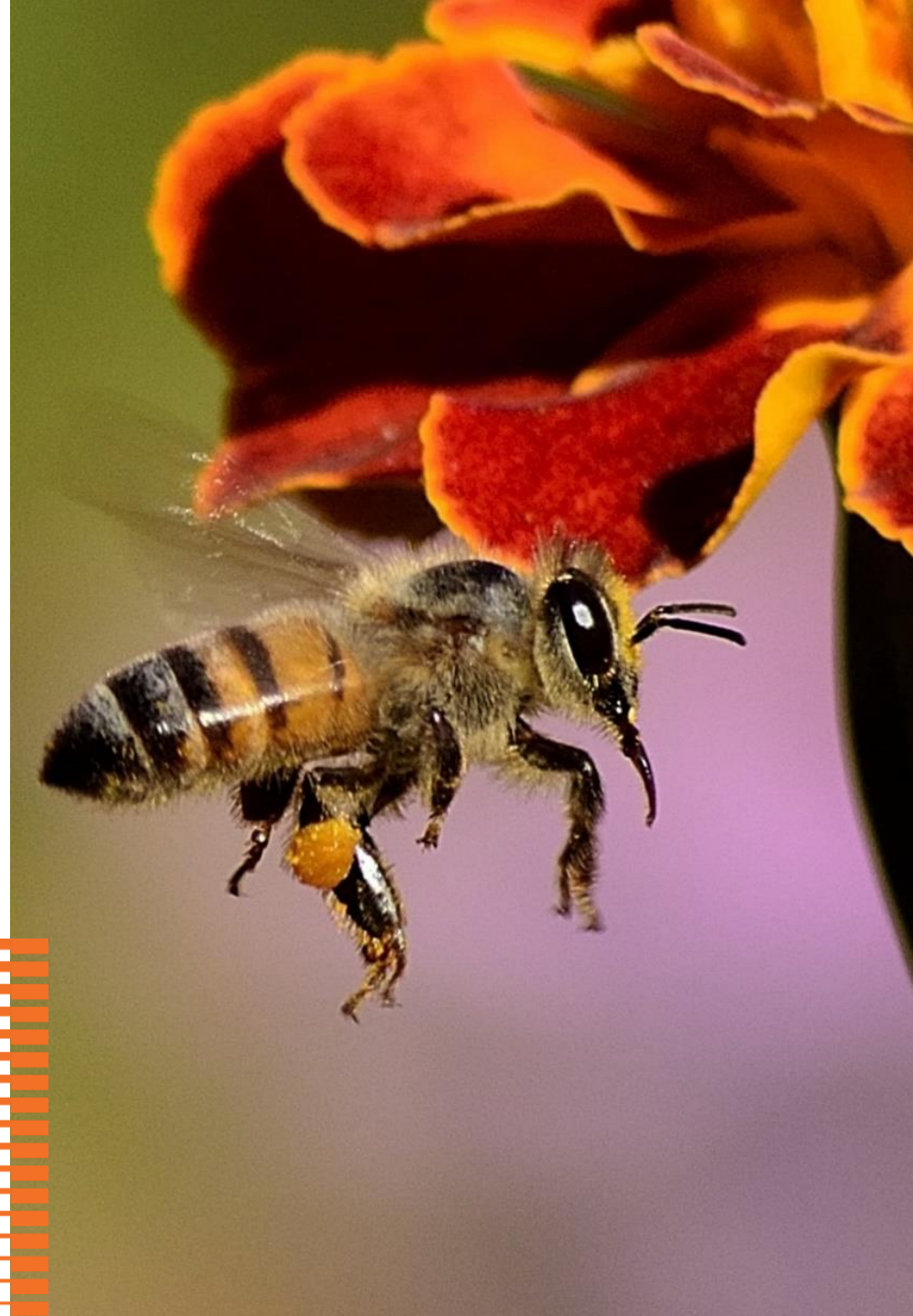
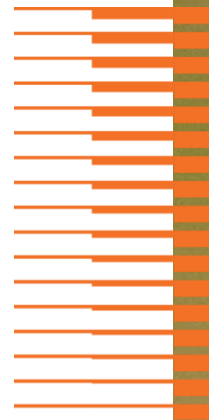
Birch Plywood Solutions – from Traditional to Amazing





Latvijas Finieris Sustainability Policy

- We respect the diverse interests of **environment, society and business**, balancing of which lays the foundation for our sustainable practices
- Corporate Sustainability Policy expresses attitude towards our customers, employees, partners, owners and society at large: **work, earn and invest responsibly**





Latvijas Finieris Group Values



SAFETY

We create a safe environment and act in a sustainable manner



RESPECT

We respect each other and promote honesty, loyalty and mutual trust



LEADERSHIP

We proactively seek for opportunities and take initiative to get the job done



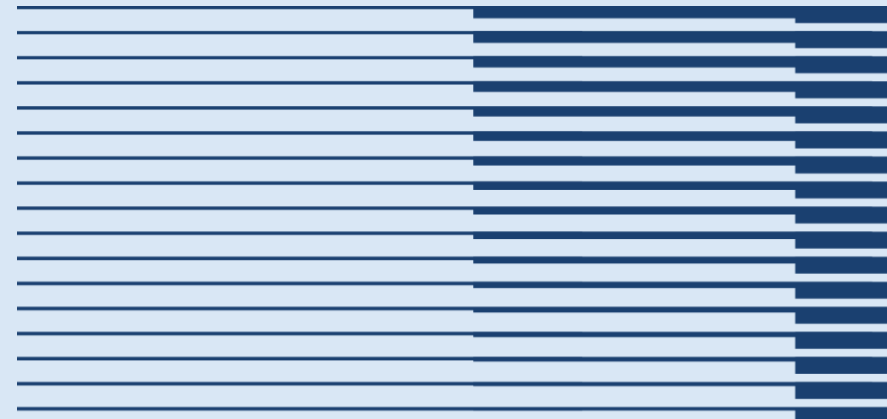
DEVELOPMENT

We strive for self improvement and encourage the growth of others





Europe as Key Driver





European Values and Business Model

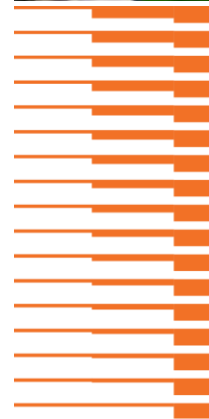
- EU bio&circular economy calls for predictable rules in sustainable wood resource availability:
 - ✓ Both from **public** and **private** forests
 - ✓ Key challenge – keep balance between the needs of **society**, **environment** and **business**





EU & Nordics – Opinion Leaders on Sustainability

- **Responsible and efficient bioeconomy** – with a science-based approach to societal well-being and ecosystem maintenance
- **Role of circular economy** – changing consumer behavior and developing recycling technologies
- **Climate neutrality** – reducing fossil emissions and total GHG concentrations in the atmosphere
- **Collaborative and inclusive society** – discussing & agreeing on how to achieve goals
- **Ethical considerations** – managing speed of change and disparities in levels of well-being





EU FOREST-BASED INDUSTRIES 2050:

A vision of sustainable choices for a climate-friendly future

<http://www.cepf-eu.org/news/forest-based-industries-vision-2050>

WHERE DO WE LIVE?



We provide resilient, reusable and recyclable products that can be disassembled from building systems at end of life.

Using wood-based products from sustainably managed forests instead of fossil-based or GHG-intensive materials, reduces fossil-based emissions.

WHAT DO WE EAT?



We reinvent food packaging and the food industry thanks to Forest-Based flavourings, stabilisers, wood-based packaging materials, Forest-Based biomass converted into edible proteins and other nutrients.

Sustainable production of food and food packaging is essential to a climate friendly lifestyle.

HOW DO WE SHOP?



We provide smart, resistant, compostable, light weight, reusable and recyclable packaging.

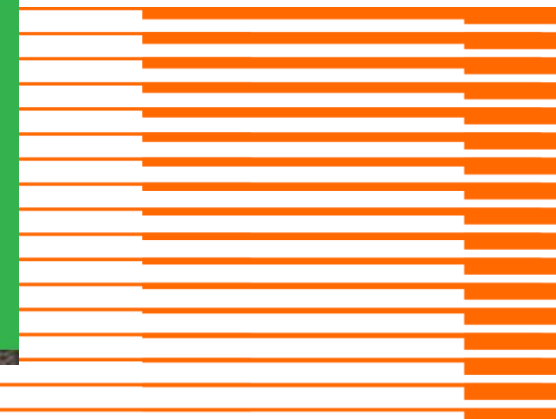
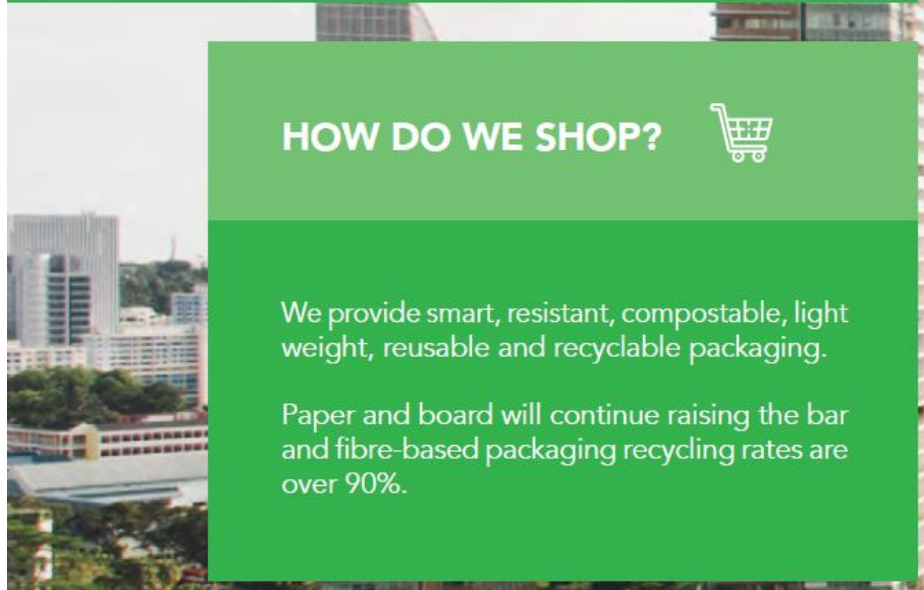
Paper and board will continue raising the bar and fibre-based packaging recycling rates are over 90%.

WHAT DO WE WEAR?



We produce textiles made from wood fibre with little environmental impact.

Wood-based textiles is the area where material substitution is expected to deliver most benefits.





EU FOREST-BASED INDUSTRIES 2050:

A vision of sustainable choices for a climate-friendly future

<http://www.cepf-eu.org/news/forest-based-industries-vision-2050>

HOW DO WE STAY HEALTHY?



We make groundbreaking advancements in nanocellulose-, lignin-, and biochemicals-based material for new applications in the health and hygiene areas.

Forest-Based products provide the building blocks for novel health and care technologies.

HOW DO WE SPEND OUR LEISURE TIME?



We offer continued use of printed materials for leisure and education purposes.

Forest-Based products are recyclable and their circularity is maximized thanks to boosting of recycling and collection.

HOW DO WE POWER OUR WAY OF LIFE?



Renewable heat, steam and electricity, as well as secondary heat supplied to other users, biofuels for vehicles, boats and planes from by-products, side-streams and low quality biomass from sustainably managed forests as a source of bioenergy.

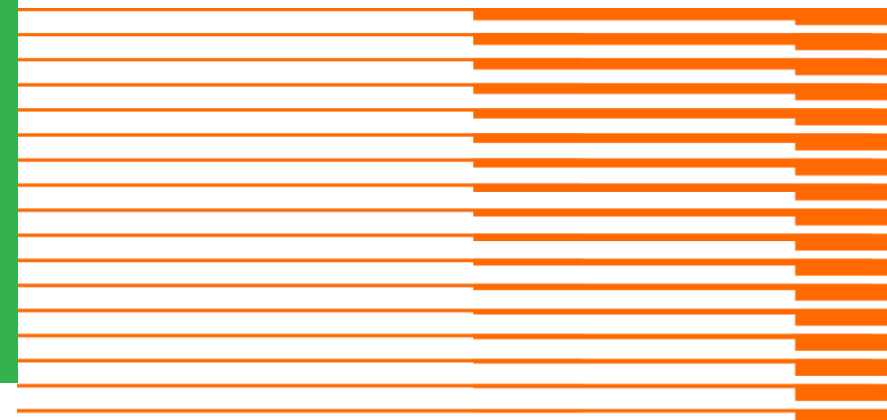
Renewable energy sources and energy efficiency applied to heat to minimise our emissions and for a 100% renewable based European economy.

HOW DO WE CREATE JOBS?



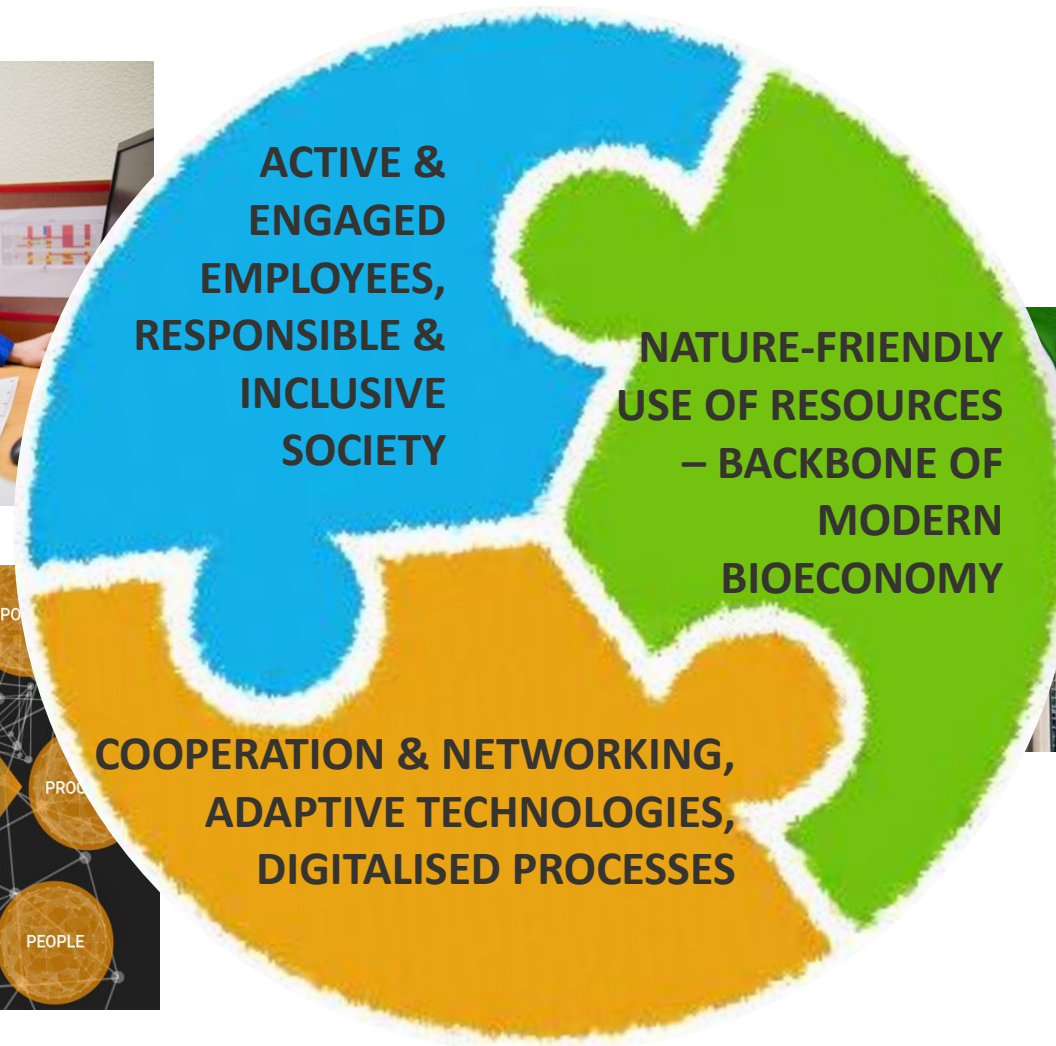
The Forest-Based Industries and their value chains are a green and attractive sector, with the potential to create sustainable and decent jobs.

Properly designed and implemented climate mitigation options will have substantial co-benefits in terms of employment and income generation opportunities, leading to new jobs and adding more value to the economy but also requiring completely new skills.





Sustainability Principles in Action





True Sustainability – How to Measure & Balance it?



Nature closer to people
(good coverage & availability)



Society understands
and accepts the
necessity for regulation



Give nature
its share

10%, 20%

Serve the diverse needs of society,
reaching agreement on core values
and origin of funds for providing these

Manage & regulate
the process in a
sustainable way

BASIS FOR
MORE
BALANCED
DECISIONS ON
LAND-USE

70%

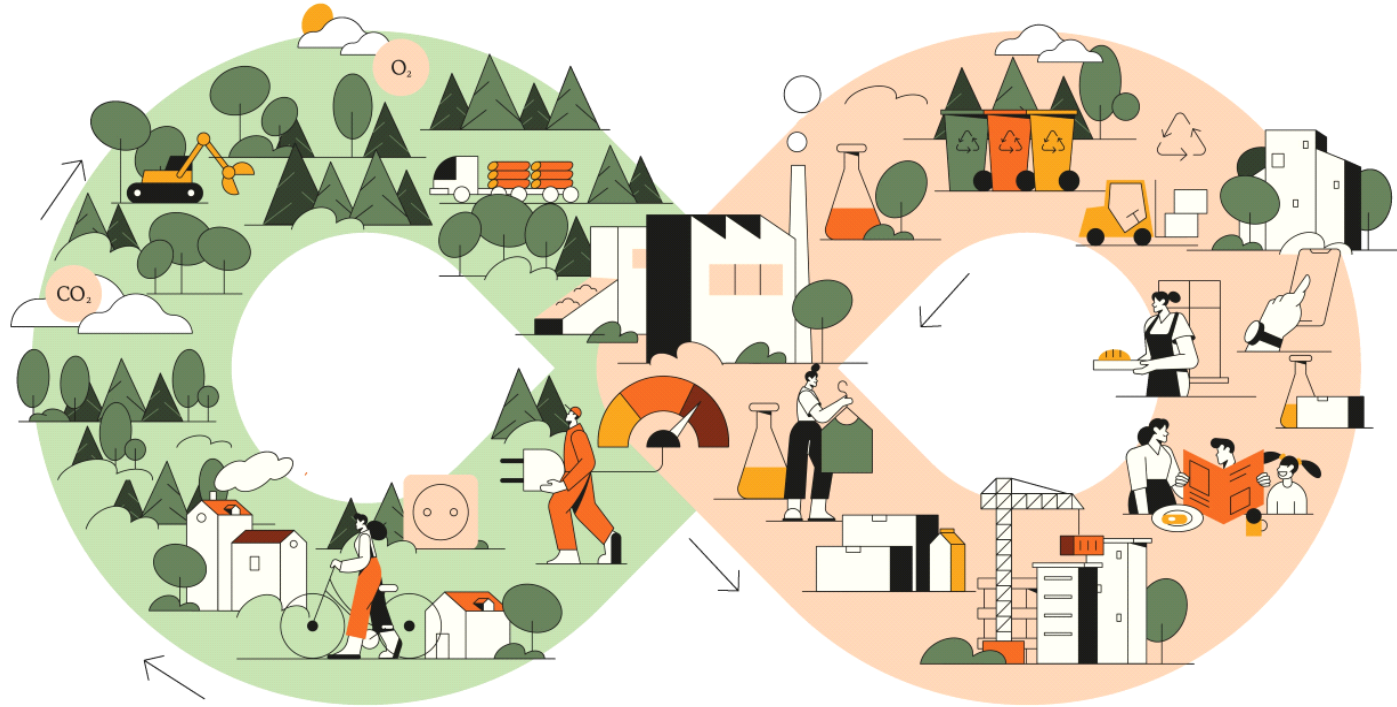
Smart («knowledge-intensive») business in other territories,
thereby securing money for ESG mechanism as a whole





Modern Bioeconomy Needs Access to Sustainably Managed Resources

**SUSTAINABLE
USE OF LAND**



**ADVANCED
BIOMATERIALS**

BALANCED – FOR NATURE, LANDSCAPE AND WELFARE ∞ IN PARTNERSHIP WITH EDUCATION & SCIENCE

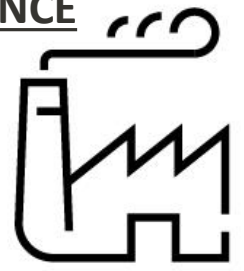
10%
Strict
Nature
Protection

+

20%
Multi-
Functional
Areas

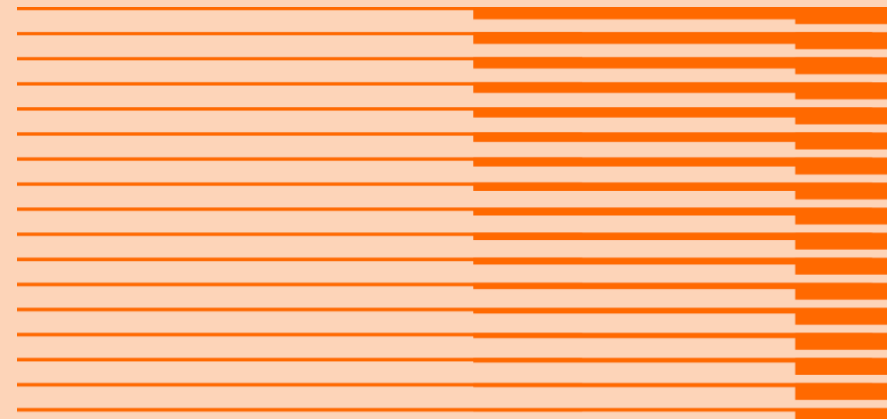
+

70%
Knowledge-
Intensive
Productivity





ESG Risks & Security





Main Challenges – Green Extremism and External Security Threats

- **Substantially reduced availability of forest biomass**, due to inadequate demands for biological diversity
- **Longer transition period necessary** for productivity gains in other forests to compensate the lost volumes from «traditional» forests



Source: Google



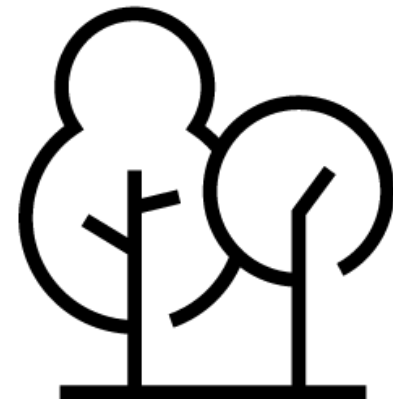
Source: Wikipedia

- **Europe's economic resilience can be strengthened**, if forest & bio-based industry is seen as integral part of the EU geopolitical strategy
- EU policy focus areas – **reasonable sustainability** and **fair competition in the further value chain**



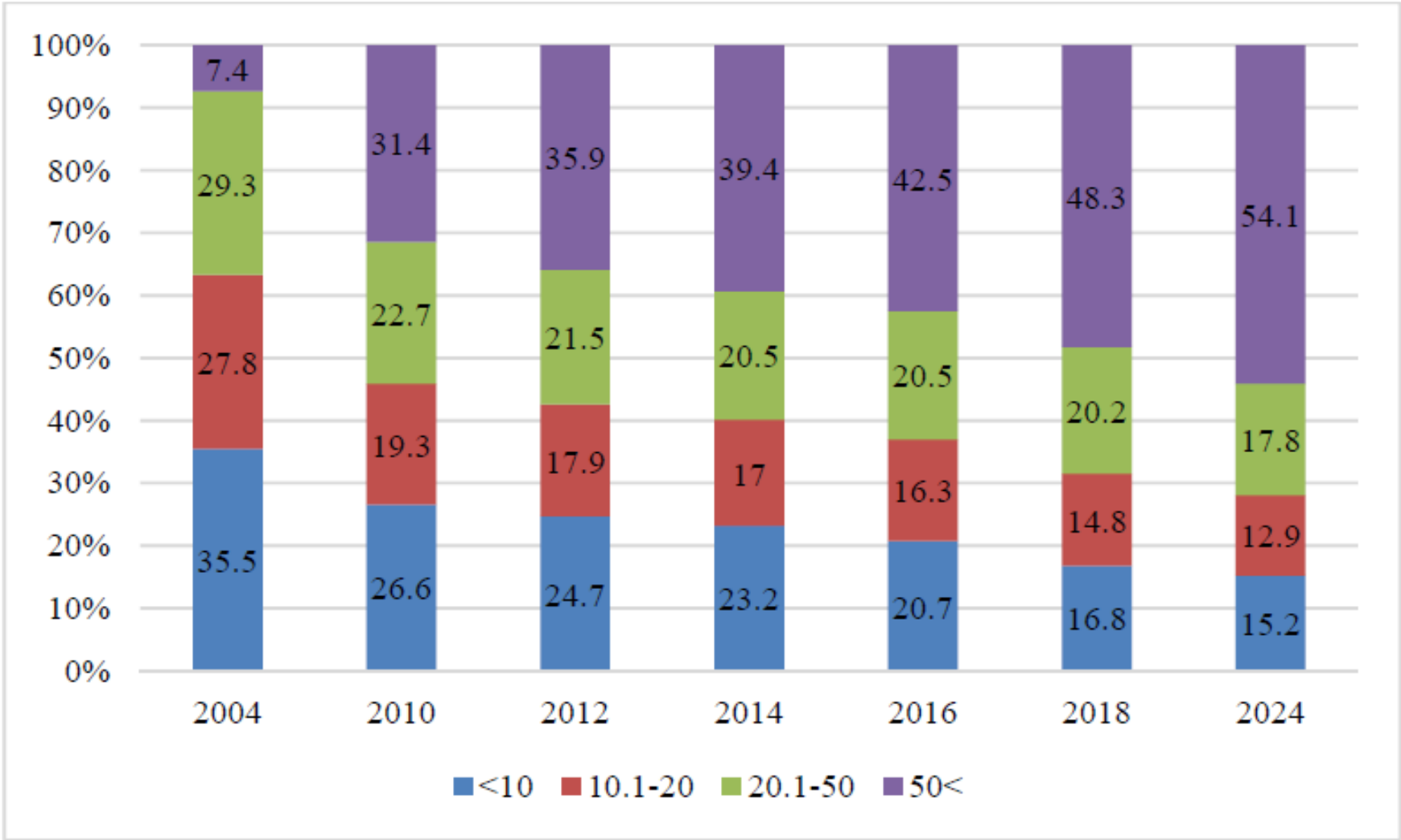
Crucial Role of Smart and Prosperous Land Owners

- **Modern forest management requires continuous education** to apply the latest scientific methods for reaching the best results in the most sustainable way
- For example, regular thinning of young forest stands, combined with correct drainage and soil enrichment (ashes etc.) gives much **more carbon sequestration**, thereby **increasing overall land productivity**
- This can **compensate for more nature protection areas** in «traditional» forests, if done **step-by-step in a balanced way**





Consolidation of Private Forest Areas in Latvia – More Responsibility



«Large owners»
50%+



New "3 Pillars" for Adequate Competitiveness and Pricing

PERFORMANCE, SUSTAINABILITY AND SECURITY



«REASONABLE SUSTAINABILITY IN SECURE EUROPE»



LATVIJAS FINIERIS SUPPORT TO UKRAINE 2022 - 2024

Riga Wood 
Latvijas Finieris Group

**Latvijas
Finieris**

*** Including the corporate
income tax calculated
in accordance with the
law, which means that
by supporting Ukraine,**

**WE ARE ALSO
STRENGTHENING
OUR COUNTRIES.**



FOR CIVILIANS AND
WAR REFUGEES



FOR THE ARMED
FORCES



FOR RESCUERS AND
FIREFIGHTERS



FOR UKRAINIAN AND
LATVIAN MEDICS

**10
million €***

FOR THE PRESERVATION AND
RESTORATION OF CULTURAL
AND HISTORICAL HERITAGE



FOR THE CIRCULATION
OF INDEPENDENT AND
HIGH-QUALITY INFORMATION



FOR THE OPERATION
OF NON-GOVERNMENTAL
ORGANISATIONS THAT
MAINTAIN DEMOCRACY
AND UNITY



**KOHILA
VINEER**



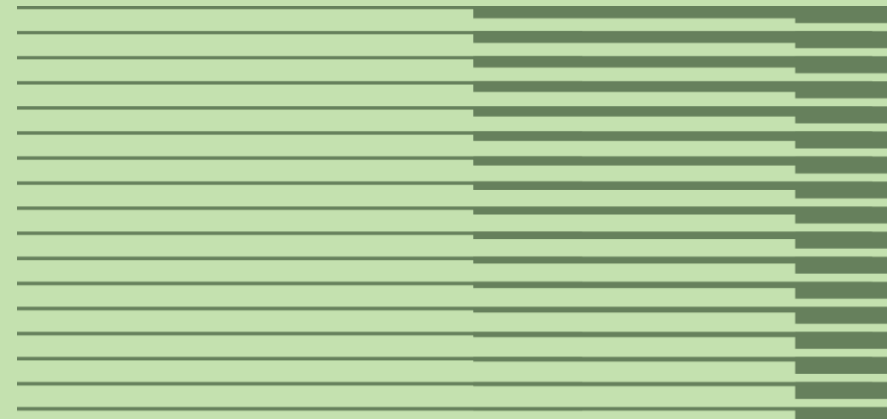
**Riga Wood
Finland Oy**

TOGETHER WE WILL WIN!





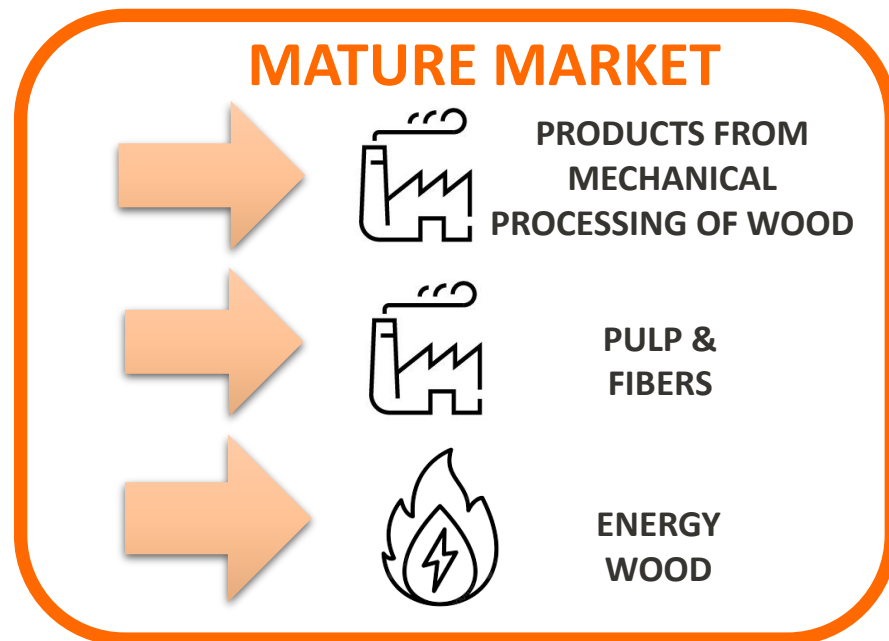
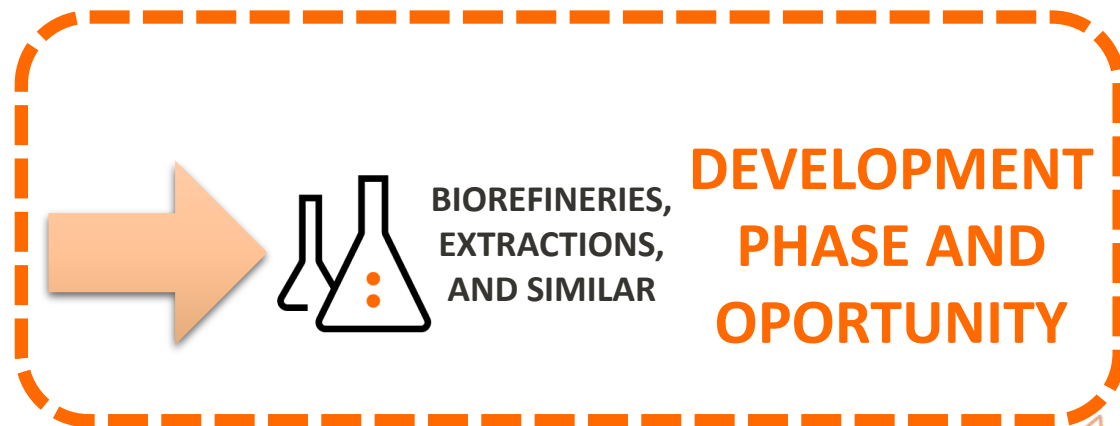
Knowledge Based Approach





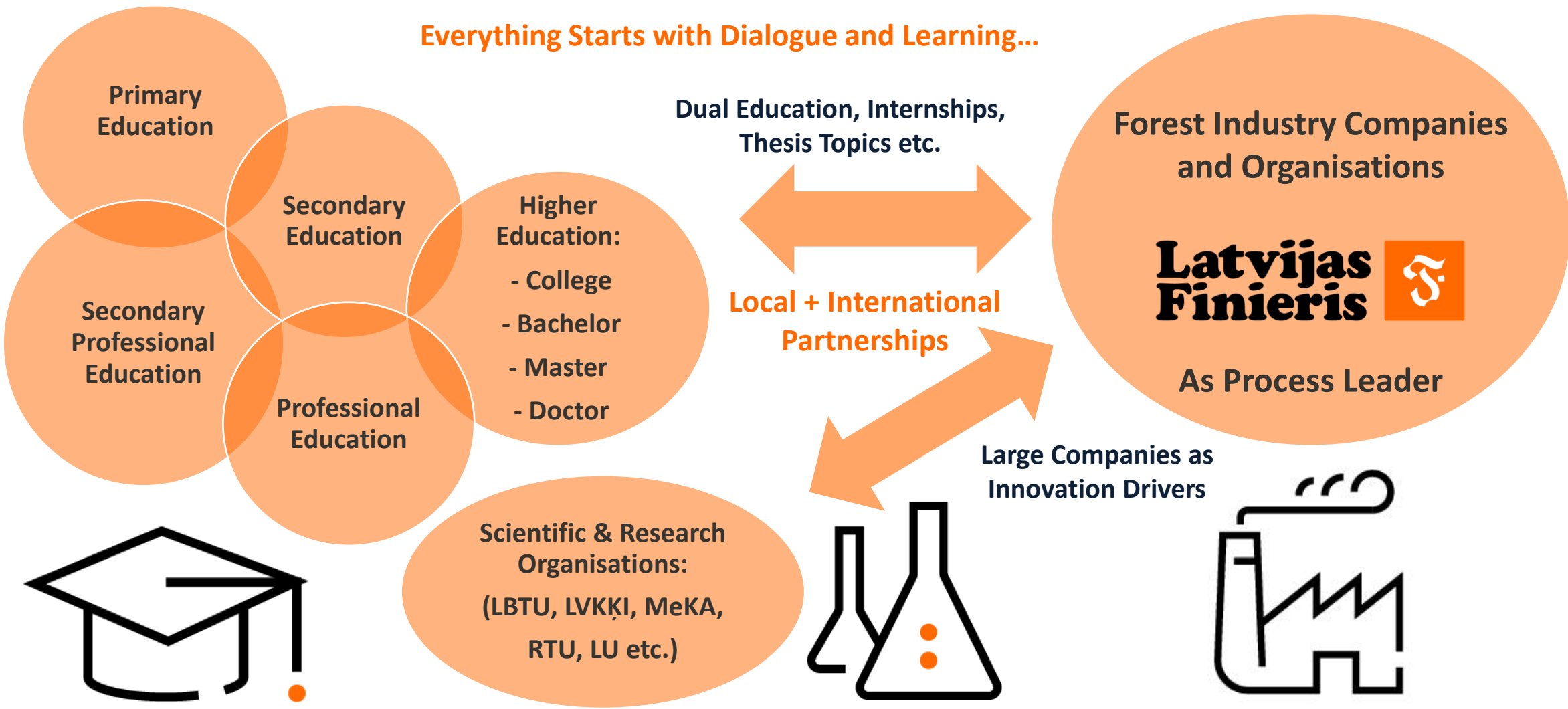
WOOD CAN BE A LOT...

Added value of wood in bioeconomy – according to Latvijas Finieris experience





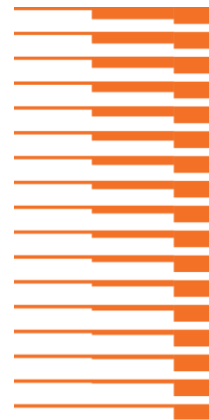
Mutually Beneficial Partnership with Education & Science Sector





Latvijas Finieris – Leader in International Research Consortium VIOBOND

- Project goal: Actively search for opportunities to completely stop using fossil resources in our production until 2050





Betulin – Example of Future Products from Birch Wood

- Betulin is a valuable antioxidant derived from birch bark, with potential for use in food additives, cosmetics, pharma
- In cooperation with Wood Chemistry Institute (2016)
- Industrial Betulin Lab opened in 2022, for further scaling of technology to obtain the demanded quality of betulin

Betulin Lab



Food



Pharmacy



Oral care



Cosmetics



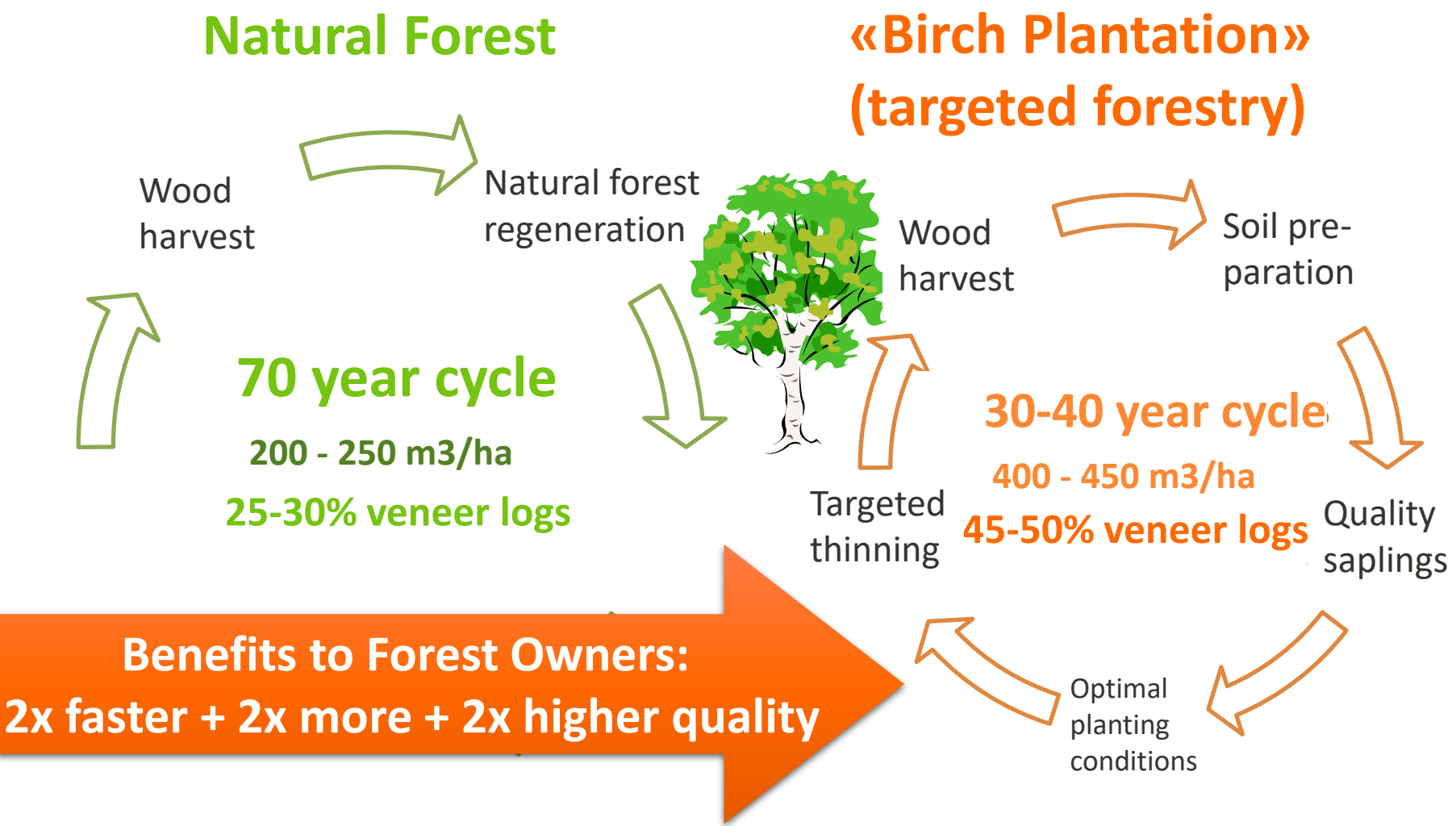
Other

Betulin Lab
Latvijas Finieris Group



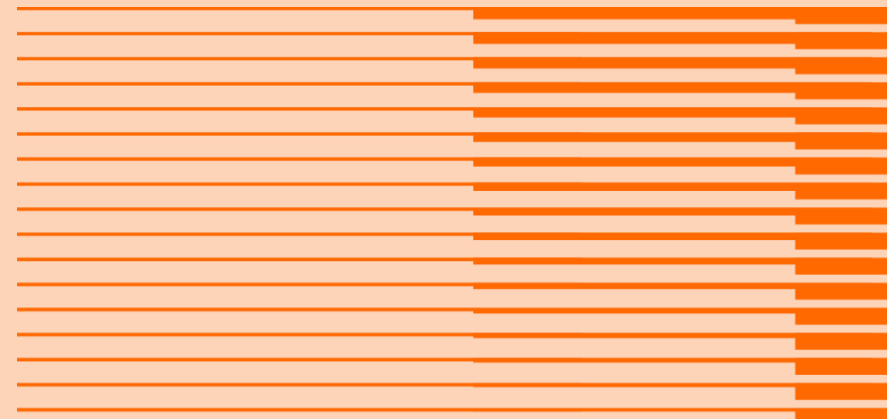


Benefits of Knowledge-Based Forestry – Example of Latvijas Finieris





LVM as Our Key Partner





LVM (Latvian State Forests) – Long-term Partner for 25+ years

LVM mission and vision

LVM's mission is to actively participate in the sustainable prosperity of the Latvian state, strengthening security and improving the quality of life of the inhabitants. We believe that the connection with nature is an essential part of Latvia's identity code.

Efficient and rational management and enhancement of natural capital provides raw materials for other sectors of the economy and makes it possible to increase competitiveness in global supply chains with high added value products. At the same time, a prosperous Latvia is unthinkable without purposeful care for nature and the preservation of its diversity.



Mission

We are building a thriving Latvia!



Vision

Europe's leader in forward-looking management and enhancement of natural capital



LVM Role in Supply of Birch Logs to Latvijas Finieris

Long-standing and well-established track record

260 th.m3 **32%**
(2024)



LATVIJAS VALSTS MEŽI
KOKSNE • STĀDI • ATPŪTA

2011. - 2015.	38%
2016. - 2020.	31%
2021. - 2024.	32%

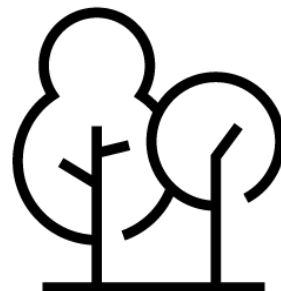
- **LATVIJAS VALSTS MEŽI** is our main partner of wood supply in Latvia
- Latvijas Finieris has developed a diversified base of wood suppliers in the Baltic Sea Region





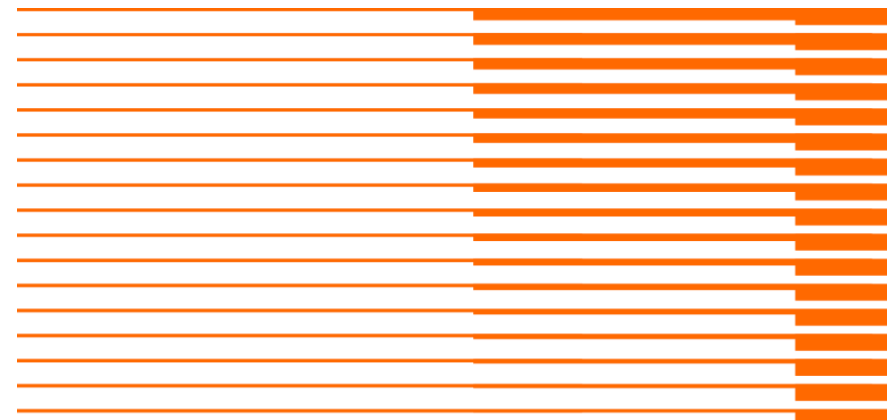
Our 2 Main Expectations from LVM

- **Stable Supplier of Timber**
- **Driver of Innovations**



LATVIJAS VALSTS MEŽI

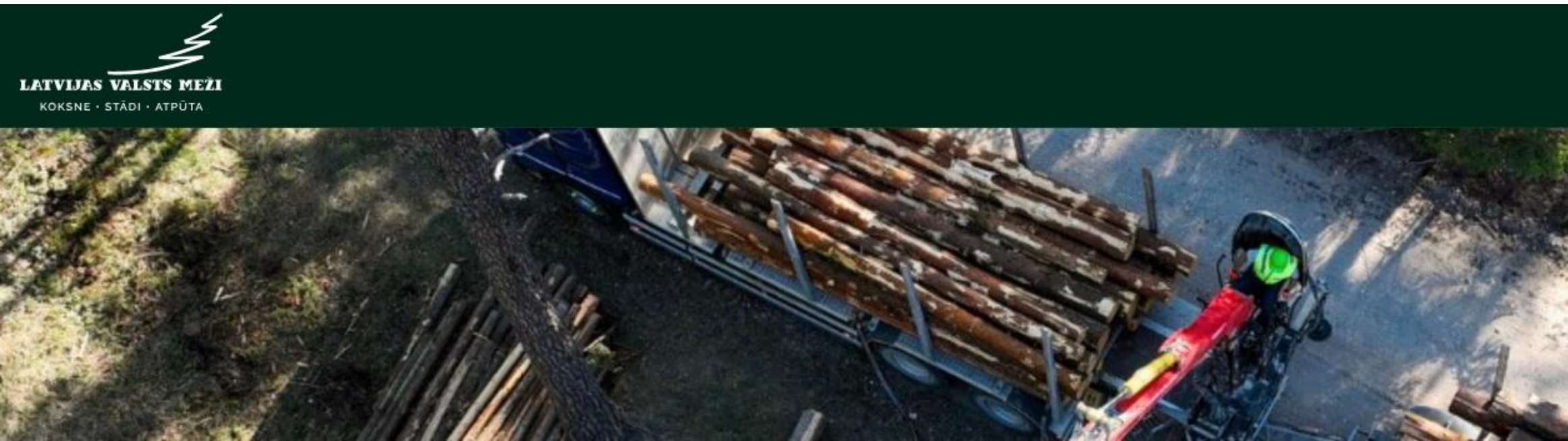
KOKSNE • STĀDI • ATPŪTA





Stability of Timber Supplies

- Predictable terms & conditions
- Preference to sustainable & responsible business (criteria for «premium cooperation»)
- Opportunity for seasonal adjustments to wood delivery schedule





Driving Innovation – More Value from Wood

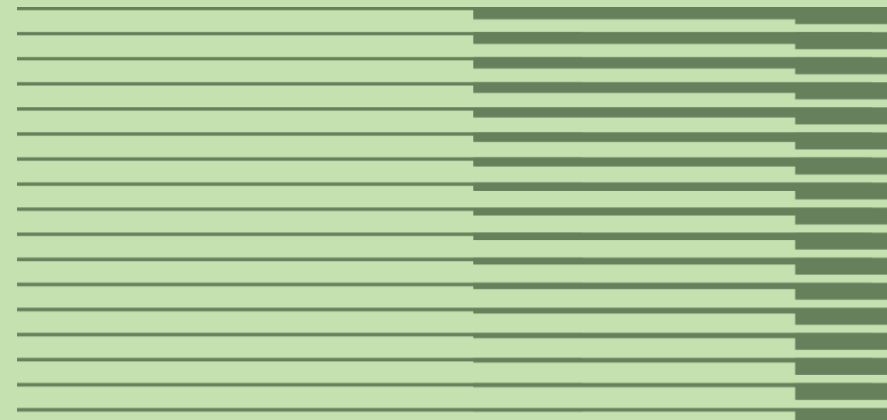
- **Forestry practices – productivity & sustainability**, in close partnership with **education & science**
- **Studying industry trends and developing new products** in bioeconomy – strong support from education & science (long term duty to use proceeds from wood sales to **expand forest industry value chain**, develop society welfare and **reinvest in forest ecosystem**)
- Example of good practice – Latvijas Finieris representative in the LVM Scientific Board


LATVIJAS VALSTS MEŽI
KOKSNE • STĀDI • ATPŪTA





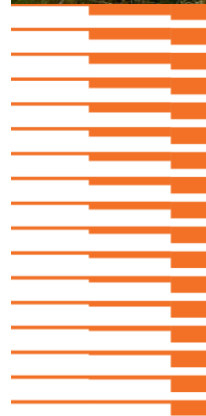
Our Birch Program





Creation of Joint Development Platforms «Birch Program»

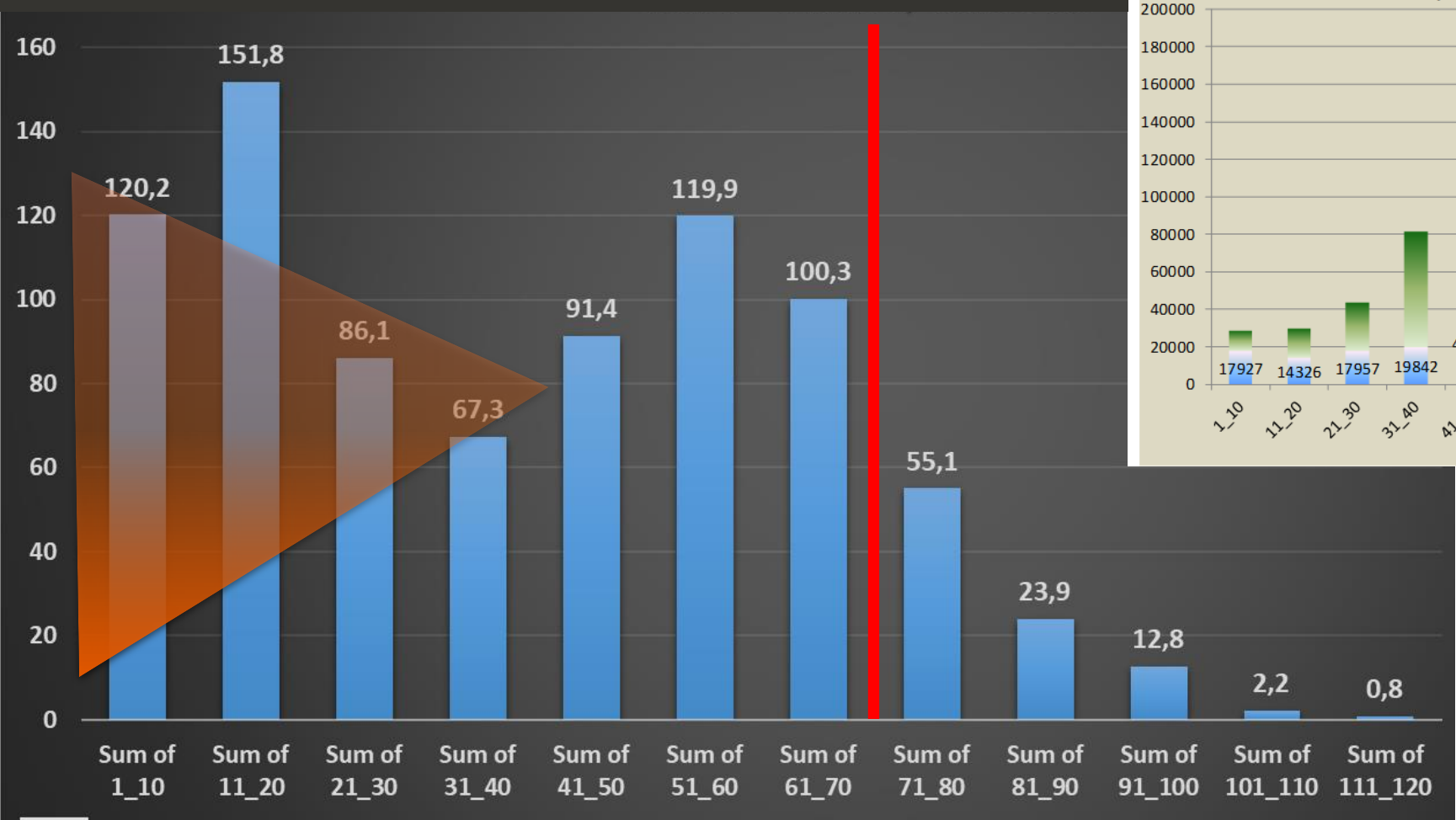
- In 1996, Latvijas Finieris initiated **Birch Program**, a common platform for land owners, scientists, professionals from forest industry and beyond
- It strengthened the conviction to be united, to discuss together, to set goals & work for achieving them
- Over the years, working together has developed **close mutual trust**



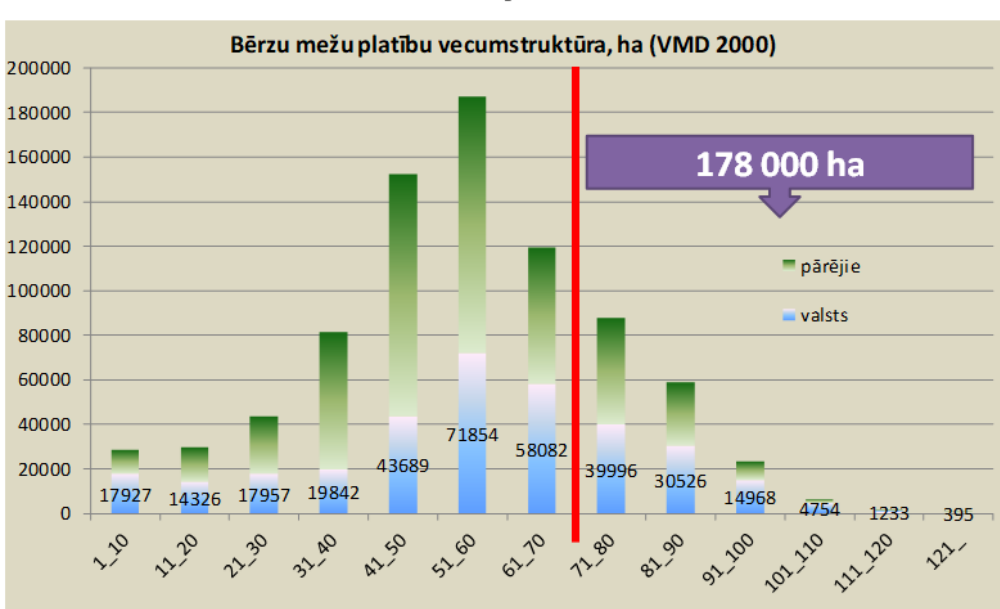


Stabilising Birch Availability in 30 Years – Critical Role of Joint Partnership

Birch Resources, Thousand Hectares (Silava 2020)



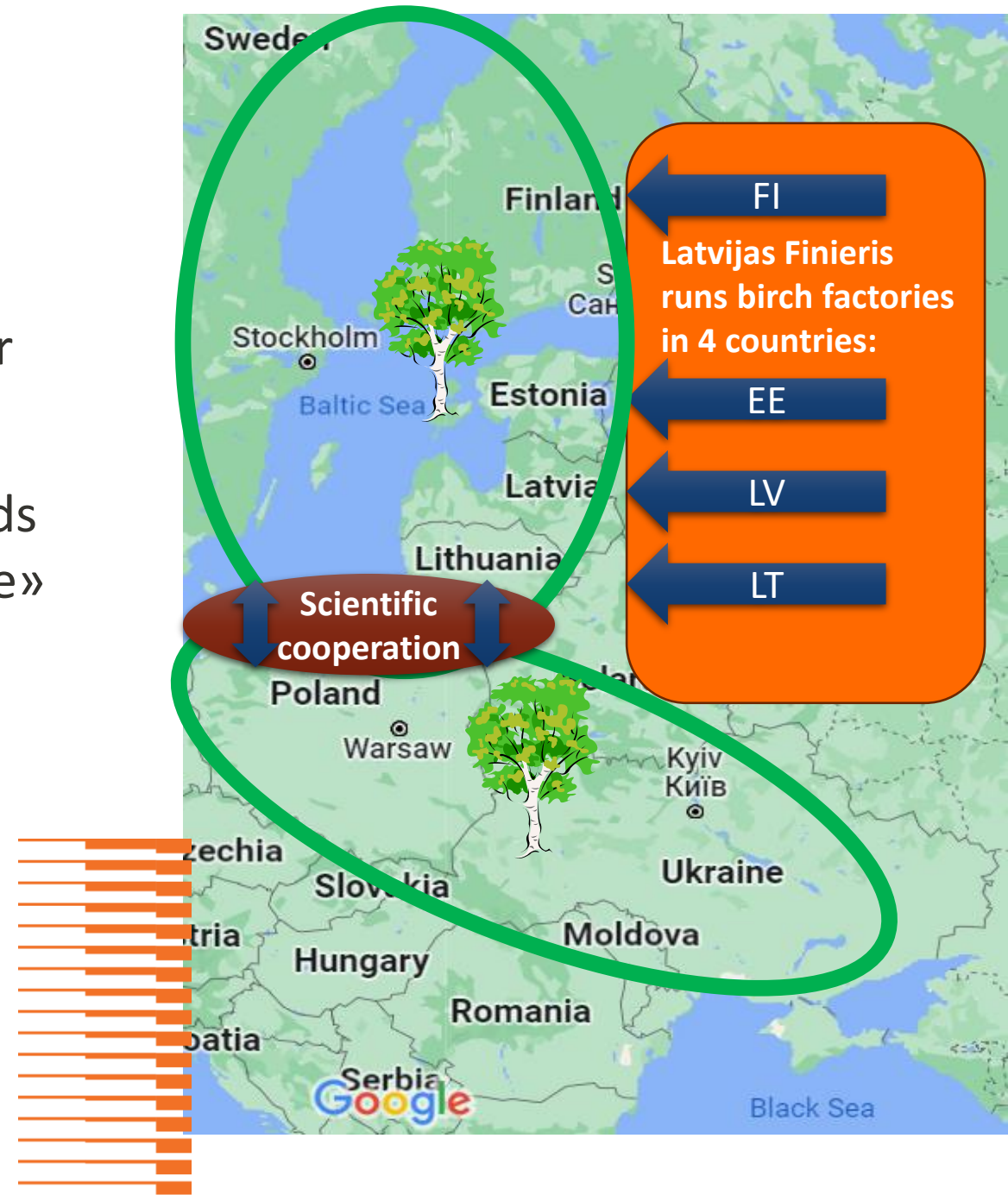
Birch resources in Latvia by the end of ~90 -ies





Birch and Climate Change

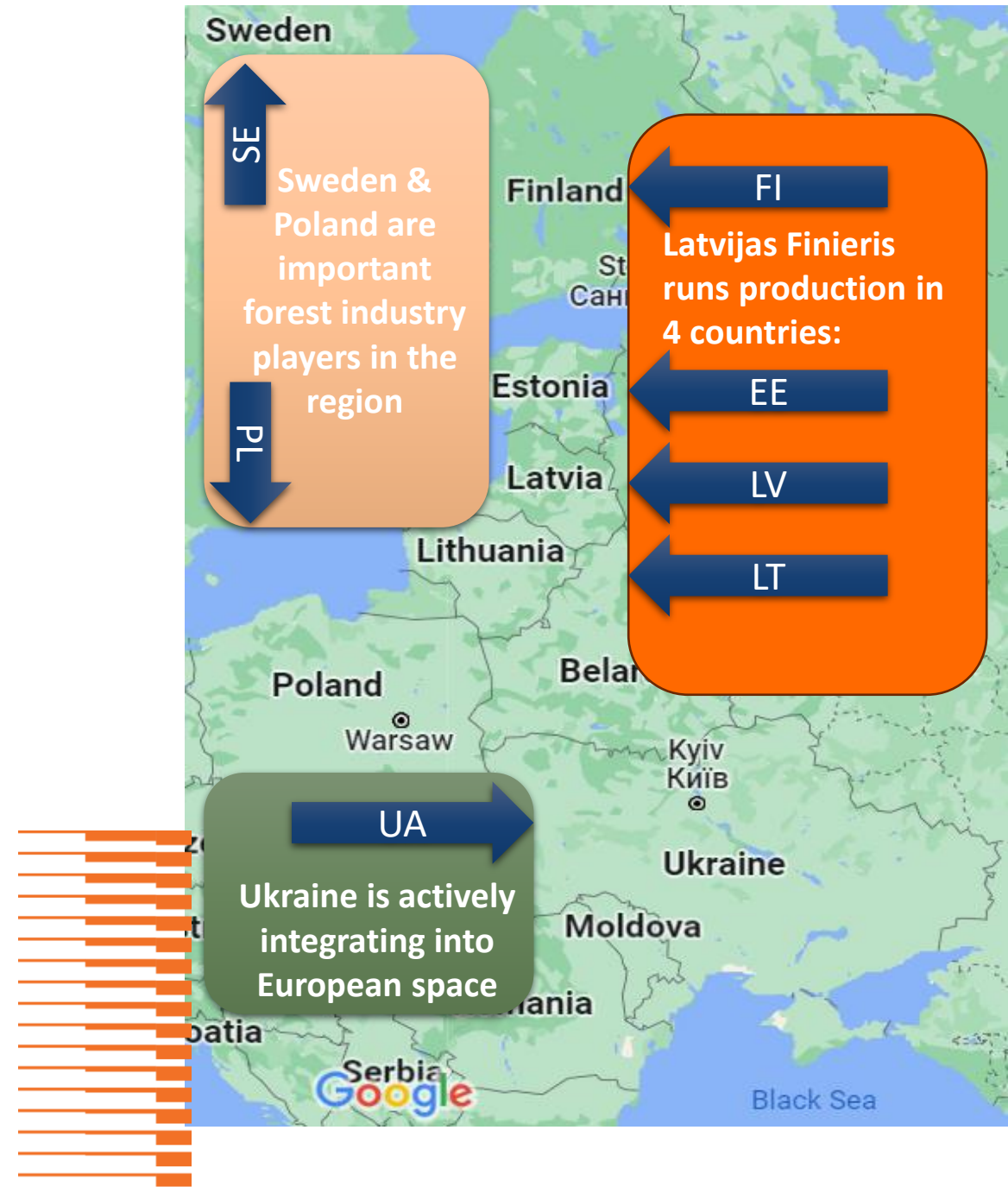
- Climate change opens up new opportunities for «southern birch coming to northern forests»
- At the same time, long-tested northern methods can be applied in growing «best birch anywhere»
- Scientific cooperation needed to ensure best sustainable results
- Adapting business models for traditional mills consuming «northern or southern birch»





Potential For Cooperation

- North-Eastern Europe is a major holder of forest resources
- Combined with sustainable forestry practices, this presents a huge future potential in the light of the European Green Deal
- Full synergy can be realised in close cooperation between the partners in the whole value chain
- Latvijas Finieris is ready to extend international cooperation in future projects, including Ukraine





More information will follow in the afternoon...



Latvijas Finieris

Promises delivered. Naturally.

