

# **Grigeo AB**

**CONSOLIDATED INTERIM REPORT AND CONSOLIDATED AND  
SEPARATE FINANCIAL STATEMENTS FOR THE 6 MONTHS  
PERIOD ENDED 30 JUNE 2022 (UNAUDITED)**

### Translation note:

This version of the accompanying documents is a translation from the original, which was prepared in Lithuanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the accompanying documents takes precedence over this translation.

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## MANAGEMENT REPORT

### A. Executive summary for 6 months of 2022

Over 6 months of 2022, compared to the respective period of previous year:

- The Group's revenue increased by EUR 28.1 million (38.1%), the Company's – increased by EUR 9.4 million (30.4%).
- The Group's EBITDA lower by EUR 0.1 million (1.0%), the Company's – increased by EUR 0.1 million (2.8%).
- The Group's EBT increased by EUR 0.1 million (0.8%), the Company's – increased by EUR 10.1 million (228%).

Indicator, EUR million	Group			Company		
	2022	2021	Change	2022	2021	Change
Revenue	101.8	73.7	38.1%	40.2	30.8	30.4%
EBITDA	13.4	13.5	-1.0%	5.3	5.1	2.8%
Profit before tax (EBT)	8.7	8.6	0.8%	14.5	4.4	228.0%

Significant increase in Company's profit before tax is related to received dividends from the subsidiaries.

More details on reasons of these changes are presented below in a table and comments by business segments.

The management of the Group believes that in the existing circumstances they are taking all necessary measures to ensure sustainability of the Group's business. Although the continuing impact of the unstable business environment is currently hard to assess, the management believes that it will have no significant negative impact on the Group's results.

The Group's revenue, gross profit, and gross margin over 6 months of respective years\*:

Indicator, EUR million	Tissue paper and paper products		Wood fibre boards		Raw materials for corrugated cardboard and related products		Unallocated		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue	34.5	28.2	14.4	9.8	50.6	34.5	2.3	1.2	101.8	73.7
Gross profit	4.1	6.6	2.0	2.4	10.6	8.8	0.4	0.2	17.0	17.9
Gross margin of the segment	11.8%	23.3%	13.8%	24.1%	20.9%	25.5%	17.5%	16.0%	16.7%	24.3%

\*The data is presented after eliminating the impact of transactions between the segments.

**Tissue paper products market.** Over 6 months of 2022 the revenue from tissue paper segment reached EUR 34.5 million and, when compared to respective period of previous year, increased by 22.2%. The main reason for the increase were increasing sales prices. The gross profit of the segment amounted to EUR 4.1 million – 38.3% lower if compared to respective period of previous year. Respectively, the gross margin of the segment decreased from 23.3% to 11.8%. The reasons of the decrease are significant increases in the prices of energy and raw materials.

**Wood products market.** Over 6 months of 2022 the revenues of the segment reached EUR 14.4 million – 47,1% more, when compared to respective period of previous year due to increased sales prices. Gross profit of the segment reached EUR 2.0 million and was 15,9% lower when compared to respective period of previous year. The gross margin has decreased from 24.1% to 13.8%. The main reason of the decrease in the margin was significant increases in the prices of energy and raw materials.

**Raw materials for corrugated cardboard and related products market.** The revenues of this segment reached EUR 50.6 million over 6 months of 2022 and were higher by 46.5% when compared to respective period of previous year due to increased sales prices. The gross profit of the segment reached EUR 10.6 million and was higher by 19.9%. The gross margin of the segment decreased from 25.5% to 20.9% mainly due to higher prices of energy and raw materials.

In May 2022 the Group's company in Ukraine Mena Pak AT has restored the operations. More details about the impact of financial results of Mena Pak AT are disclosed in Note 19.

The Group's and Company's liquidity, capital structure and market value indicators:

Indicator	Group			Company		
	6 months 2022	6 months 2021	6 months 2020	6 months 2022	6 months 2021	6 months 2020
Revenue, EUR million	101.8	73.7	64.9	40.2	30.8	32.5
Net profit, EUR million	7.6	7.2	5.2	14.1	4.0	3.6
EBITDA, EUR million	13.4	13.5	12.3	5.3	5.1	7.1
EBIT, EUR million	8.9	8.7	6.4	14.5	4.5	4.4
<b>Profitability ratios</b>						
Gross margin	16.7%	24.3%	24.2%	10.1%	21.5%	24.5%
EBITDA profitability	13.2%	18.4%	18.9%	13.1%	16.6%	21.8%
EBIT profitability	8.8%	11.9%	9.9%	36.2%	14.5%	13.5%
Net margin	7.4%	9.8%	8.1%	35.1%	13.0%	11.1%
ROE profitability	8.2%	8.1%	6.6%	23.3%	6.8%	6.8%
ROA profitability	5.7%	5.9%	4.3%	18.1%	5.3%	4.9%
ROCE profitability	8.4%	9.2%	6.7%	21.2%	7.5%	6.8%
<b>Liquidity ratios</b>						
Current ratio	1.68	1.54	1.56	1.73	1.25	1.63
Quick ratio	1.19	1.14	1.23	1.35	0.89	1.33
<b>Capital structure ratios</b>						
Debt to equity ratio	0.47	0.37	0.38	0.31	0.27	0.28
Debt to total assets ratio	0.32	0.27	0.27	0.23	0.21	0.22
<b>Market value ratios</b>						
P/E	13.79	17.78	14.85	7.33	31.81	21.55
Earnings per share*, EUR	0.057	0.055	0.040	0.107	0.031	0.027

\*Ratios are adjusted for year 2020 following the Company's authorised share capital increase on 19 May 2021 out of the Company's retained earnings (more information is presented in [Note 12 of year 2021 financial statements](#)).

## B. Main data about the issuer

Company	Data
Company name	Grigeo AB
Code	110012450
Authorised share capital (Note 10)	EUR 38,106,000
LEI	529900YXT3CDTZGS0R43
Address	Vilniaus str. 10, Grigiškės, Vilnius City Municipality, Lithuania
Telephone	+370 5 243 5801
Fax	+370 5 243 5802
E-mail	<a href="mailto:info@grigeo.lt">info@grigeo.lt</a>
Website	<a href="https://www.grigeo.lt/en">https://www.grigeo.lt/en</a>
Legal form	Public limited liability company
Date of registration	23 May 1991
Manager of the register	State enterprise Centre of Registers

## C. Audit information

The interim consolidated information of the Company covering 6 months of 2022 is not audited or checked-up by auditors.

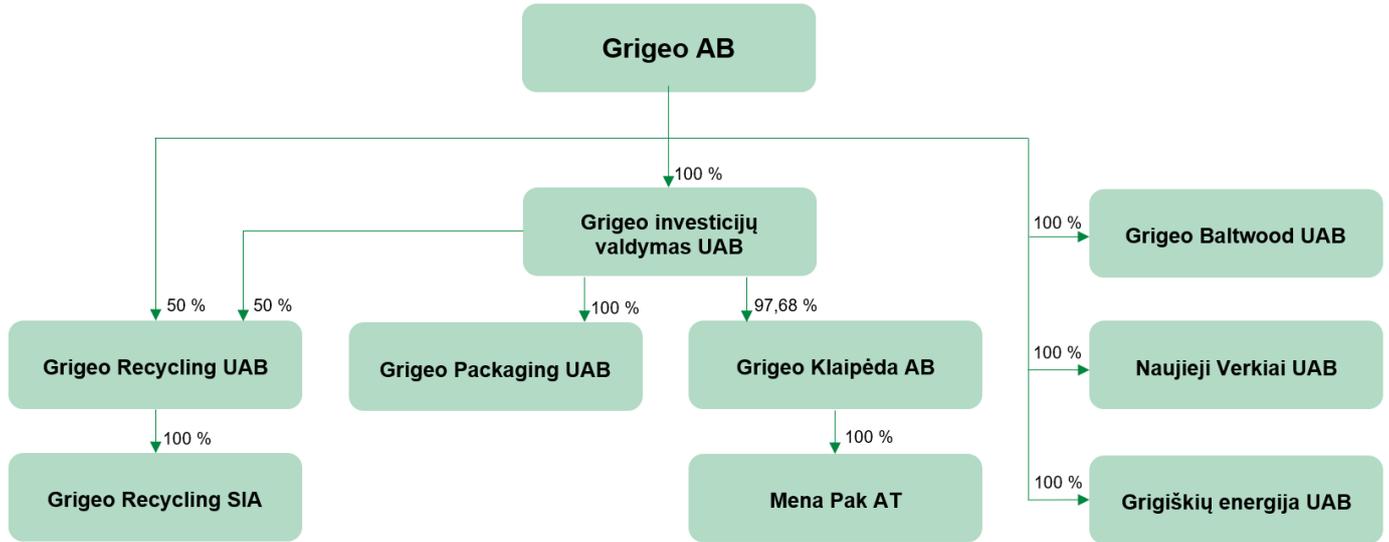
## D. Contracts with intermediaries of public trading in securities and credit institutions

The Company has signed a contract with Šiaulių Bankas AB (telephone No 1813 (+370 37 301337 for calls from abroad), [kc@sb.lt](mailto:kc@sb.lt)) on payment of dividends to the shareholders for the previous financial year.

The Company has signed a contract with Orion Securities UAB FMĮ (A. Tumėno str. 4, Vilnius, telephone No (8~5) 231 3833, [info@orion.lt](mailto:info@orion.lt)) on the handling of securities issued by the Company and on Market Making.

**E. Group companies and their contact details**

On 30 June 2022, the group comprised the Company (Grigeo AB) and nine subsidiaries as specified below.



The contact details of the Company and subsidiaries did not change from those stated in [2021 annual report](#).

**F. Nature of core activities of the group companies**

The main business activity of Grigeo AB is the production of tissue paper.

Grigeo Klaipėda AB manufactures the raw material for the production of corrugated cardboard – testliner (smooth layer cardboard) and fluting (paper for corrugation) as well as paper honeycomb used in the furniture industry.

Grigeo Packaging UAB manufactures corrugated cardboard and corrugated cardboard products.

Grigeo Baltwood UAB manufactures uncoloured hardboard and painted hardboard panels.

Grigeo Recycling UAB collects secondary raw materials and prepares them for recycling.

Grigeo Recycling SIA collects secondary raw materials and prepares them for recycling.

Mena Pak AT (in Ukrainian – акціонерне товариство „МЕНА ПАК“) manufactures corrugated cardboard and corrugated cardboard products.

Grigeo Investicijų Valdymas UAB is engaged in investment activities and management of companies.

Naujieji Verkiai UAB is engaged in construction and development of real estate; the company was dormant during the reporting period.

The activities of Grigiškių Energija UAB are related to heat production and sale; the company was dormant during reporting period.

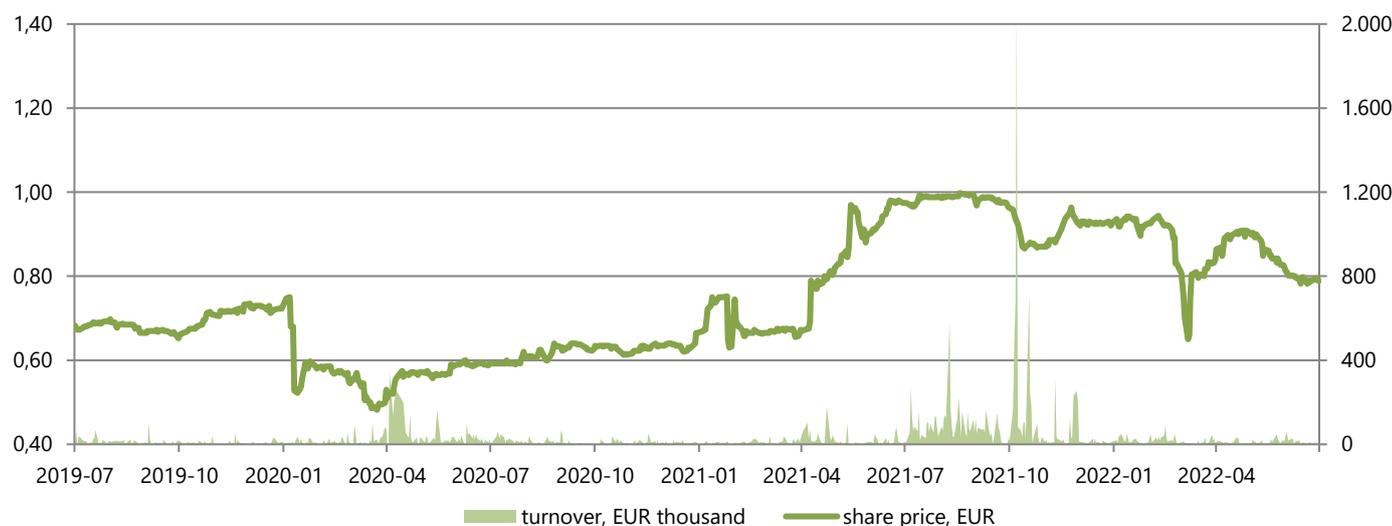
**G. Data about trade in the issuer’s securities in regulated markets**

The ordinary registered shares of Grigeo AB are listed on the Official Baltic List of Nasdaq Vilnius Stock Exchange (trading code of shares is GRG1L).

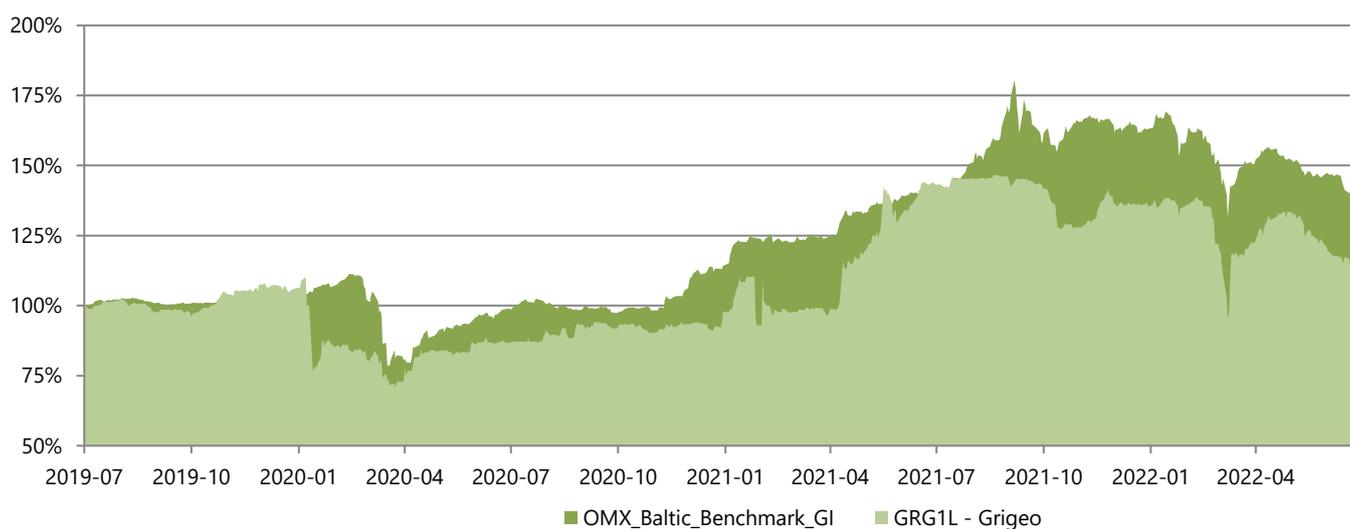
The main characteristics of the Company’s shares:

Date	Type of shares	VP ISIN code	Number of shares, units	Par value, EUR	Total par value, EUR
Until 18/05/2021	Ordinary registered shares	LT0000102030	65,700,000	0.29	19,053,000
From 19/05/2021	Ordinary registered shares	LT0000102030	131,400,000	0.29	38,106,000

Price and turnover of shares 01/07/2019 – 30/06/2022:



Share price benchmarked against the Baltic market index 01/07/2019 – 30/06/2022:



## H. Shareholders

Shareholders owning more than 5% of the authorised capital of the Issuer on the 30 of June 2022 and/or the 31 of December 2021.

Shareholder's name (company's name, type, headquarters address, corporate ID number)	30 June 2022			31 December 2021		
	Number of ordinary registered shares owned by the shareholder	Interest in the authorised capital, %	Votes granted by shares held by the right of ownership, %	Number of ordinary registered shares owned by the shareholder	Interest in the authorised capital, %	Votes granted by shares held by the right of ownership, %
Ginvildos investicija UAB* Turniškių str. 10a-2, Vilnius, 125436533	60,809,151	46.28	46.28	60,809,151	46.28	46.28
Irena Ona Mišeikienė	17,168,342	13.07	13.07	17,168,342	13.07	13.07

\*Gintautas Pangonis owns 100% of the shares of Ginvildos investicija UAB.

## I. Employees

Over the six months of the year 2022 there were no significant changes in the number of employees. Natural staff turnover rates prevailed in Group companies for the reported period.

Number of employees in the Group and in the Company.

	Group		Company	
	2022.06.30	2021.12.31	2022.06.30	2021.12.31
Number of employees	864	844	276	266

The average salary in the Company and in the Group increased for all categories of employees as compared to the year 2021. The growth of the average salary was mostly driven by the consistent salary increase policy and recruitment of workers with higher competences.

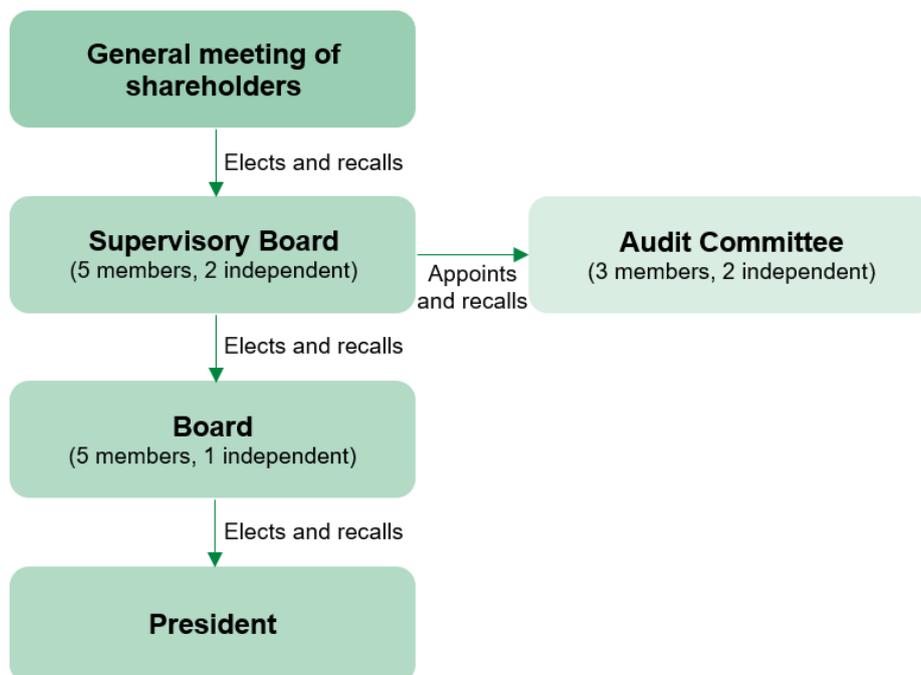
Average salary in the Group and in the Company\*, in euros.

Employees	Group		Company	
	6 months 2022	6 months 2021	6 months 2022	6 months 2021
Workpeople	1,916	1,775	2,070	1,757
Specialists	2,321	2,108	2,503	2,217
Managers	5,667	5,040	6,999	6,341
<b>Total</b>	<b>2,452</b>	<b>2,232</b>	<b>2,747</b>	<b>2,395</b>

\* - information on the average salary does not include Mena Pak AT data in order to show the precise group average salaries unaffected by fluctuations of Ukrainian Hryvnia currency.

## J. Information on the management and supervisory bodies of the issuer

According to the Company's Articles of Association, the Company's bodies are the General Meeting of Shareholders, the collegial supervisory body is the Supervisory Board, the collegial management body is the Board, and the Company's Manager is the President. The Audit Committee is formed, which is the advisory body to the Company's Supervisory Board.



Members of the supervisory council, audit committee, the board, the head of the Company, their education and share of capital and voting rights.

Name, surname	Position	Education	Tenure	Capital share and votes, %
<b>Supervisory Board</b>				
Norimantas Stankevičius	Chairman	Vilnius University, Physicist	Since 26 April 2019 until the General Shareholders' Meeting, to be held in 2023	4.47
Vilius Oškeliūnas	Independent Member	Vilnius University, BA and MA in Economics		-
Romualdas Degutis	Member	Kaunas University of Technology, Telecommunications Engineer		0.03
Normantas Paliokas	Member	Vilnius Gediminas Technical University, Architect		-
Daiva Dukšienė	Independent Member	Vilnius University, Economist		-
<b>Audit Committee</b>				
Daiva Dukšienė	Chairwoman (independent member)	Vilnius University, Economist	Since 26 April 2019 until the General Shareholders' Meeting, to be held in 2023	-
Norimantas Stankevičius	Member	Vilnius University, Physicist		4.47
Vilius Oškeliūnas	Independent Member	Vilnius University, BA and MA in Economics		-
<b>Board</b>				
Gintautas Pangonis	Chairman	Kaunas University of Technology, Telecommunications Engineer	Since 26 April 2019 until the General Shareholders' Meeting, to be held in 2023	Indirectly 46.28*
Algimantas Variakojis	Independent Member (since 13/07/2020)	Vilnius University, Economist		0.16**
Vigmantas Kažukauskas	Member	Kaunas University of Technology, Telecommunications Engineer		0.88
Saulius Martinkevičius	Member	Vilnius University, BA in Economics and Business IT Systems, MA in Business Administration and Management		0.22
Tomas Jozonis	Member	ISM University of Management and Economics, BA in Management and Business Administration; Vilnius University, MA in Business		-
<b>Manager of the Company</b>				
Gintautas Pangonis	President	Kaunas University of Technology, Telecommunications Engineer	-	Indirectly 46.28*

\*Ginvildos investicija UAB holds 46.28% of the Company's shares. 100% of shares of Ginvildos investicija UAB are held by Gintautas Pangonis.

\*\*Board member holds 0.13% directly and 0.03% through 100% owned company Alro kapitalas UAB.

#### K. Information about compliance with governance code

Grigeo AB follows a Corporate Governance Code for the Companies Listed on Nasdaq Vilnius. Information presented in the [Annual Report of 2021](#) has not undergone any changes.

## L. Related party transactions

All transactions with related parties were carried out at market prices in course of ordinary economic activities.

Grigeo Klaipėda AB – subsidiary of Grigeo AB.

Grigeo Baltwood UAB – subsidiary of Grigeo AB.

Mena Pak AT – subsidiary of Grigeo AB.

Grigeo investicijų valdymas UAB – subsidiary of Grigeo AB.

Ginvilodos investicija UAB – major shareholders of Grigeo AB.

Statybų namai UAB, Elnorma UAB – companies related to the members of Supervisory Council.

Grigeo Packaging UAB – subsidiary of Grigeo AB.

Naujieji Verkiiai UAB – subsidiary of the group not subject to consolidation.

Grigeo Recycling UAB – subsidiary of Grigeo AB.

Grigeo Recycling SIA – subsidiary of Grigeo AB.

Grigiškių energija UAB – subsidiary of the group not subject to consolidation.

Company's transactions with related parties over the 6 months of 2022 presented in the table below. Balances of amounts receivable/payable in relation thereto on the 30 June 2022.

Group	Sales of goods and services	Purchases of goods and services	Amounts receivable*	Amounts payable
Companies having significant influence	-	6	-	2
Other related companies	2	-	-	-
<b>TOTAL</b>	<b>2</b>	<b>6</b>	<b>-</b>	<b>2</b>

Company's transactions with related parties over the 6 months of 2022 presented in the table below. Balances of amounts receivable/payable in relation thereto on the 30 June 2022.

Company	Sales of goods and services	Purchases of goods and services	Amounts receivable*	Amounts payable
Companies having significant influence	-	4	-	-
Subsidiaries	4,779	3,835	1,244	764
Other related companies	1	-	-	-
<b>TOTAL</b>	<b>4,780</b>	<b>3,839</b>	<b>1,244</b>	<b>764</b>

\*Receivables include prepayments for goods and services.

## INTERIM FINANCIAL STATEMENTS

### Statements of financial position

	Notes	Group		Company	
		2022.06.30	2021.12.31	2022.06.30	2021.12.31
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	2	72,166	71,564	28,235	29,020
Right-of-use assets	3	4,189	3,969	1,408	1,534
Intangible assets	5	3,499	3,513	359	374
Investment property	4	4,304	4,417	4,304	4,417
Investments in subsidiaries	6	-	-	23,051	23,051
Other amounts receivable	7	3	3	-	-
Deferred income tax assets		-	-	-	123
<b>Total non-current assets</b>		<b>84,161</b>	<b>83,466</b>	<b>57,357</b>	<b>58,519</b>
<b>Current assets</b>					
Inventories	9	16,209	14,428	5,759	4,796
Trade and other amounts receivable	7	25,782	22,340	12,439	10,515
Prepaid income tax		-	128	-	159
Other current assets		1,132	320	360	127
Cash and cash equivalents	8	12,160	12,443	7,646	818
<b>Total current assets</b>		<b>55,283</b>	<b>49,659</b>	<b>26,204</b>	<b>16,415</b>
<b>TOTAL ASSETS</b>		<b>139,444</b>	<b>133,125</b>	<b>83,561</b>	<b>74,934</b>

(Cont'd on the next page)

## Statements of financial position (continued)

	Notes	Group		Company	
		2022.06.30	2021.12.31	2022.06.30	2021.12.31
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	10	38,106	19,053	38,106	19,053
Share premium		1,119	1,119	1,119	1,119
Legal reserve	10	2,066	1,905	2,066	1,905
Reserve for granting shares	11	500	-	500	-
Foreign currency translation reserve		(2,168)	(2,161)	-	-
Retained earnings		54,770	54,607	22,148	15,259
<b>Equity attributable to shareholders of the Company</b>		<b>94,393</b>	<b>93,576</b>	<b>63,939</b>	<b>56,389</b>
Non-controlling interest		788	713	-	-
<b>Total equity</b>		<b>95,181</b>	<b>94,289</b>	<b>63,939</b>	<b>56,389</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	12	5,662	864	2,281	175
Lease liabilities		3,414	3,177	1,151	1,259
Grants		860	939	744	811
Deferred income tax liability		1,030	579	249	-
Long-term employee benefits		198	173	86	71
Other amounts payable		281	282	-	-
<b>Total non-current liabilities</b>		<b>11,445</b>	<b>6,014</b>	<b>4,511</b>	<b>2,316</b>
<b>Current liabilities</b>					
Borrowings	12	2,363	2,094	989	1,380
Lease liabilities		359	360	307	320
Income tax payable		62	-	-	-
Trade and other amounts payable	13	30,034	30,368	13,815	14,529
<b>Total current liabilities</b>		<b>32,818</b>	<b>32,822</b>	<b>15,111</b>	<b>16,229</b>
<b>Total liabilities</b>		<b>44,263</b>	<b>38,836</b>	<b>19,622</b>	<b>18,545</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>139,444</b>	<b>133,125</b>	<b>83,561</b>	<b>74,934</b>

**Statements of comprehensive income**

	Notes	Group		Company	
		6 months 2022	6 months 2021	6 months 2022	6 months 2021
Revenue	14	101,807	73,700	40,194	30,830
Cost of sales		(84,807)	(55,780)	(36,120)	(24,214)
<b>Gross profit</b>		<b>17,000</b>	<b>17,920</b>	<b>4,074</b>	<b>6,616</b>
Selling and distribution expenses		(7,742)	(5,540)	(2,665)	(2,188)
Administrative expenses		(4,589)	(4,015)	(1,823)	(1,637)
Other income	15	308	192	11,621	1,698
Other gains/(losses) – net	16	3,936	189	3,338	(22)
<b>Operating profit</b>		<b>8,913</b>	<b>8,746</b>	<b>14,545</b>	<b>4,467</b>
Finance income		5	6	-	4
Finance costs		(252)	(158)	(53)	(53)
<b>Finance income/(costs) – net</b>		<b>(247)</b>	<b>(152)</b>	<b>(53)</b>	<b>(49)</b>
<b>Profit before income tax</b>		<b>8,666</b>	<b>8,594</b>	<b>14,492</b>	<b>4,418</b>
Income tax		(1,081)	(1,348)	(372)	(395)
<b>PROFIT FOR THE PERIOD</b>		<b>7,585</b>	<b>7,246</b>	<b>14,120</b>	<b>4,023</b>
<b>Profit for the period is attributable to:</b>					
Shareholders of the Company		7,510	7,199	14,120	4,023
Non-controlling interest		75	48	-	-
<b>Other comprehensive income/(expenses)</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>		-	-	-	-
<b>Items that may be reclassified subsequently to profit or loss</b>					
Exchange differences on translation of foreign operations		(7)	157	-	-
Cash flow hedges – effective portion of changes in fair value		-	4	-	3
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>(7)</b>	<b>161</b>	<b>-</b>	<b>3</b>
<b>Other comprehensive income/(expenses) for the period</b>		<b>(7)</b>	<b>161</b>	<b>-</b>	<b>3</b>
<b>Total comprehensive income for the period</b>		<b>7,578</b>	<b>7,407</b>	<b>14,120</b>	<b>4,026</b>
<b>Total comprehensive income for the period is attributable to:</b>					
Shareholders of the Company		7,503	7,359	14,120	4,026
Non-controlling interest		75	48	-	-
Basic and diluted earnings per share (in EUR)	17	0.057	0.055	0.107	0.031

(Cont'd on the next page)

## Statements of comprehensive income (continued)

	Notes	Group		Company	
		II QTR. 2022	II QTR. 2021	II QTR. 2022	II QTR. 2021
Revenue		51,935	38,644	21,291	15,305
Cost of sales		(41,963)	(29,427)	(18,406)	(12,470)
<b>Gross profit</b>		<b>9,972</b>	<b>9,217</b>	<b>2,885</b>	<b>2,835</b>
Selling and distribution expenses		(4,097)	(2,768)	(1,397)	(1,083)
Administrative expenses		(2,395)	(2,012)	(999)	(838)
Other income		156	106	11,462	1,609
Other gains/(losses) – net		2,346	221	1,784	25
<b>Operating profit</b>		<b>5,982</b>	<b>4,764</b>	<b>13,735</b>	<b>2,548</b>
Finance income		3	4	-	3
Finance costs		(147)	(42)	(28)	(25)
<b>Finance income/(costs) – net</b>		<b>(144)</b>	<b>(38)</b>	<b>(28)</b>	<b>(22)</b>
<b>Profit before income tax</b>		<b>5,838</b>	<b>4,726</b>	<b>13,707</b>	<b>2,526</b>
Income tax		(427)	(803)	(330)	(138)
<b>PROFIT FOR THE PERIOD</b>		<b>5,411</b>	<b>3,923</b>	<b>13,377</b>	<b>2,388</b>
<b>Profit for the period is attributable to:</b>					
Shareholders of the Company		5,357	3,885	13,377	2,388
Non-controlling interest		54	38	-	-
<b>Other comprehensive income/(expenses)</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>		-	-	-	-
<b>Items that may be reclassified subsequently to profit or loss</b>					
Exchange differences on translation of foreign operations		148	8	-	-
Cash flow hedges – effective portion of changes in fair value		-	1	-	1
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>148</b>	<b>9</b>	<b>-</b>	<b>1</b>
<b>Other comprehensive income/(expenses) for the period</b>		<b>148</b>	<b>9</b>	<b>-</b>	<b>1</b>
<b>Total comprehensive income for the period</b>		<b>5,559</b>	<b>3,932</b>	<b>13,377</b>	<b>2,389</b>
<b>Total comprehensive income for the period is attributable to:</b>					
Shareholders of the Company		5,505	3,894	13,377	2,389
Non-controlling interest		54	38	-	-
Basic and diluted earnings per share (in EUR)		0.041	0.030	0.102	0.018

**Statements of changes in equity**

Group	Equity attributable to owners of the Company								Non-controlling interest	Total equity
	Share capital	Share premium	Legal reserve	Hedging reserve	Reserve for granting shares	Foreign currency translation reserve	Retained earnings	Total		
<b>At 1 January 2021</b>	<b>19,053</b>	<b>1,119</b>	<b>1,905</b>	<b>11</b>	<b>-</b>	<b>(2,407)</b>	<b>69,278</b>	<b>88,959</b>	<b>596</b>	<b>89,555</b>
Profit for the period	-	-	-	-	-	-	7,199	7,199	48	7,247
Other comprehensive income/(expenses)	-	-	-	4	-	157	-	161	-	161
<b>Total comprehensive income/(expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>157</b>	<b>7,199</b>	<b>7,360</b>	<b>48</b>	<b>7,408</b>
Approved dividends	-	-	-	-	-	-	(7,884)	(7,884)	-	(7,884)
Share capital increase	19,053	-	-	-	-	-	(19,053)	-	-	-
<b>Transactions with the Company's owners</b>	<b>19,053</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(26,937)</b>	<b>(7,884)</b>	<b>-</b>	<b>(7,884)</b>
<b>At 30 June 2021</b>	<b>38,106</b>	<b>1,119</b>	<b>1,905</b>	<b>15</b>	<b>-</b>	<b>(2,250)</b>	<b>49,540</b>	<b>88,435</b>	<b>644</b>	<b>89,079</b>
<b>At 1 January 2022</b>	<b>38,106</b>	<b>1,119</b>	<b>1,905</b>	<b>-</b>	<b>-</b>	<b>(2,161)</b>	<b>54,607</b>	<b>93,576</b>	<b>713</b>	<b>94,289</b>
Profit for the period	-	-	-	-	-	-	7,510	7,510	75	7,585
Other comprehensive income/(expenses)	-	-	-	-	-	(7)	-	(7)	-	(7)
<b>Total comprehensive income/(expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7)</b>	<b>7,510</b>	<b>7,503</b>	<b>75</b>	<b>7,578</b>
Transfer to reserve for granting shares	-	-	-	-	500	-	(500)	-	-	-
Transfer to legal reserve	-	-	161	-	-	-	(161)	-	-	-
Approved dividends	-	-	-	-	-	-	(6,686)	(6,686)	-	(6,686)
<b>Transactions with the Company's owners</b>	<b>-</b>	<b>-</b>	<b>161</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>(7,347)</b>	<b>(6,686)</b>	<b>-</b>	<b>(6,686)</b>
<b>At 30 June 2022</b>	<b>38,106</b>	<b>1,119</b>	<b>2,066</b>	<b>-</b>	<b>500</b>	<b>(2,168)</b>	<b>54,770</b>	<b>94,393</b>	<b>788</b>	<b>95,181</b>

**Statements of changes in equity (continued)**

All amounts are in EUR thousands unless otherwise stated

Company	Share capital	Share premium	Legal reserve	Reserve for granting shares	Hedging reserve	Retained earnings	Total equity
<b>At 1 January 2021</b>	<b>19,053</b>	<b>1,119</b>	<b>1,905</b>	-	(4)	<b>38,980</b>	<b>61,053</b>
Profit for the period	-	-	-	-	-	4,023	4,023
Other comprehensive income/(expenses)	-	-	-	-	3	-	3
<b>Total comprehensive income/(expenses)</b>	-	-	-	-	<b>3</b>	<b>4,023</b>	<b>4,026</b>
Approved dividends	-	-	-	-	-	(7,884)	(7,884)
Share capital increase	19,053	-	-	-	-	(19,053)	-
<b>Transactions with the Company's owners</b>	<b>19,053</b>	-	-	-	-	<b>(26,937)</b>	<b>(7,884)</b>
<b>At 30 June 2021</b>	<b>38,106</b>	<b>1,119</b>	<b>1,905</b>	-	<b>(1)</b>	<b>16,066</b>	<b>57,195</b>
<b>At 1 January 2022</b>	<b>38,106</b>	<b>1,119</b>	<b>1,905</b>	-	-	<b>15,259</b>	<b>56,389</b>
Profit for the period	-	-	-	-	-	14,120	14,120
<b>Total comprehensive income</b>	-	-	-	-	-	<b>14,120</b>	<b>14,120</b>
Approved dividends	-	-	-	-	-	(6,570)	(6,570)
Transfer to legal reserve	-	-	161	-	-	(161)	-
Transfer to reserve for granting shares	-	-	-	500	-	(500)	-
<b>Transactions with the Company's owners</b>	-	-	<b>161</b>	<b>500</b>	-	<b>(7,231)</b>	<b>(6,570)</b>
<b>At 30 June 2022</b>	<b>38,106</b>	<b>1,119</b>	<b>2,066</b>	<b>500</b>	-	<b>22,148</b>	<b>63,939</b>

## Statements of cash flows

	Notes	Group		Company	
		6 months 2022	6 months 2021	6 months 2022	6 months 2021
<b>Cash flows from operating activities</b>					
Profit before income tax		8,666	8,594	14,492	4,418
<b>Adjustments for non-cash items</b>					
Depreciation and amortisation		4,492	4,800	2,018	2,155
Dividends received		-	-	(11,300)	(1,500)
Interest expenses from borrowings and lease		105	109	50	52
(Income)/expenses from other financial activities – net		141	43	4	(3)
Gain on disposal of property, plant and equipment		(150)	(72)	(171)	-
		<b>13,254</b>	<b>13,474</b>	<b>5,093</b>	<b>5,122</b>
<b>Changes in working capital</b>					
Decrease/(increase) in trade and other amounts receivable		(3,442)	(4,060)	(1,923)	(1,098)
(Increase)/decrease in inventories		(1,790)	(1,845)	(972)	(658)
(Increase)/decrease in other assets		(877)	(380)	(234)	(71)
Increase/(decrease) in trade and other amounts payable		(1,024)	3,025	(400)	571
		<b>(7,133)</b>	<b>(3,260)</b>	<b>(3,529)</b>	<b>(1,256)</b>
Interest paid		(65)	(76)	(29)	(42)
Income tax paid		(149)	(457)	-	(318)
<b>Net cash inflow from operating activities</b>		<b>5,907</b>	<b>9,681</b>	<b>1,535</b>	<b>3,506</b>
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment and intangible assets	2 / 5	(4,783)	(4,003)	(1,338)	(2,413)
Acquisition of investment property	4	(88)	(1,118)	(98)	(1,117)
Disposal of property, plant and equipment	2	198	147	183	-
Dividends received		-	-	11,300	1,500
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(4,673)</b>	<b>(4,974)</b>	<b>10,047</b>	<b>(2,030)</b>
<b>Cash flows from financing activities</b>					
Dividends paid		(6,385)	(7,721)	(6,329)	(7,719)
Repayment of borrowings		(1,179)	(3,393)	(885)	(1,298)
Proceeds from borrowings		6,246	-	2,600	-
Lease payments		(199)	(194)	(140)	(152)
<b>Net cash (outflow) from financing activities</b>		<b>(1,517)</b>	<b>(11,308)</b>	<b>(4,754)</b>	<b>(9,169)</b>
<b>Net increase/(decrease) in cash flows</b>		<b>(283)</b>	<b>(6,601)</b>	<b>6,828</b>	<b>(7,693)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>12,443</b>	<b>18,275</b>	<b>818</b>	<b>10,453</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>12,160</b>	<b>11,674</b>	<b>7,646</b>	<b>2,760</b>

## NOTES TO FINANCIAL STATEMENTS

### 1. Basis of preparation

The interim financial statements of the Group and the Company for the three months ended 30 June 2022 are prepared in accordance with IAS 34 Interim Financial Reporting

These financial statements do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and should be read in conjunction with the Group's and Company's interim financial statements for the period ended 30 June 2021 as well as last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted in the preparation of these interim financial statements are consistent with those described in the audited annual financial statements of the Group and Company for the financial year ended 31 December 2021.

These financial statements of the Group and the Company for the 6-month period ended 30 June 2022 have been prepared under the assumption that the Group and the Company will continue as a going concern.

All amounts in these financial statements of the Group and the Company are presented in the euros. Amounts are rounded to the nearest thousand (EUR thousands), unless otherwise stated.

#### **Accounting estimates and assessments**

The preparation of the Group's and Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and judgements are based on the management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant judgements made by management in applying the Group's and Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual audited financial statements for the year ended 31 December 2021.

#### **Useful lives of property, plant and equipment**

The estimation of the useful lives of items of property, plant and equipment is a matter of judgment based on the experience with similar assets. The management assesses the remaining useful lives in accordance with the current technical conditions of the assets and estimated period during which the assets are expected to earn benefits for the Group. In assessing the remaining useful life of property, plant and equipment, the management considers conclusions presented by the employees responsible for technical maintenance of assets.

#### **Impairment of goodwill**

Goodwill is tested for impairment annually by calculating the recoverable value. The recoverable value of goodwill is calculated by discounting future cash flows to their present value. The management tested goodwill of EUR 3,001 thousand, which was recognised upon the acquisition of subsidiary Grigeo Klaipėda AB, for impairment and did not establish any indications of impairment.

#### **Legal processes**

Subsidiary Grigeo Klaipėda AB has received a claim in relation to indemnification for damage to the environment. Based on the management's estimate, the outcome of the claim involves a high degree of uncertainty. More information is presented in [Note 32 of year 2021 financial statements](#).

## 2. Property, plant and equipment

Group	Buildings and structures	Machinery and equipment	Motor vehicles	Other assets	Construction in progress and prepayments	Total
<b>At 1 January 2021</b>						
<b>Cost</b>	<b>46,988</b>	<b>112,980</b>	<b>2,378</b>	<b>2,454</b>	<b>7,613</b>	<b>172,413</b>
<b>Accumulated depreciation</b>	<b>(19,433)</b>	<b>(79,361)</b>	<b>(1,479)</b>	<b>(1,511)</b>	<b>-</b>	<b>(101,784)</b>
<b>Net book amount</b>	<b>27,555</b>	<b>33,619</b>	<b>899</b>	<b>943</b>	<b>7,613</b>	<b>70,629</b>
<b>Opening net book amount at 1 January 2021</b>						
Additions	51	490	171	181	9,956	10,849
Disposals and write-offs	-	(70)	(5)	(1)	-	(76)
Transfer from inventory (to inventory)	-	(15)	-	-	-	(15)
Transfer from construction in progress to property, plant and equipment	328	7,154	35	49	(7,566)	-
Reclassification to investment property	(618)	(9)	-	3	-	(624)
Reclassification between categories	-	15	-	(15)	-	-
Foreign exchange effect	17	55	-	-	15	87
Depreciation charge	(2,241)	(6,419)	(272)	(354)	-	(9,286)
<b>Closing net book amount at 31 December 2021</b>	<b>25,092</b>	<b>34,820</b>	<b>828</b>	<b>806</b>	<b>10,018</b>	<b>71,564</b>
<b>At 31 December 2021</b>						
<b>Cost</b>	<b>46,700</b>	<b>119,730</b>	<b>2,468</b>	<b>2,514</b>	<b>10,018</b>	<b>181,430</b>
<b>Accumulated depreciation</b>	<b>(21,608)</b>	<b>(84,910)</b>	<b>(1,640)</b>	<b>(1,708)</b>	<b>-</b>	<b>(109,866)</b>
<b>Net book amount</b>	<b>25,092</b>	<b>34,820</b>	<b>828</b>	<b>806</b>	<b>10,018</b>	<b>71,564</b>
<b>Opening net book amount at 1 January 2022</b>						
Additions	71	224	288	65	4,105	4,753
Disposals and write-offs	-	(19)	-	-	-	(19)
Reclassification between categories	-	8	-	-	-	8
Transfer from construction in progress to property, plant and equipment	418	6,703	2	98	(7,221)	-
Foreign exchange effect	-	(1)	-	-	(4)	(5)
Depreciation charge	(945)	(2,888)	(132)	(170)	-	(4,135)
<b>Closing net book amount at 30 June 2022</b>	<b>24,636</b>	<b>38,847</b>	<b>986</b>	<b>799</b>	<b>6,898</b>	<b>72,166</b>
<b>At 30 June 2022</b>						
<b>Cost</b>	<b>47,188</b>	<b>126,061</b>	<b>2,613</b>	<b>2,668</b>	<b>6,898</b>	<b>185,428</b>
<b>Accumulated depreciation</b>	<b>(22,552)</b>	<b>(87,214)</b>	<b>(1,627)</b>	<b>(1,869)</b>	<b>-</b>	<b>(113,262)</b>
<b>Net book amount</b>	<b>24,636</b>	<b>38,847</b>	<b>986</b>	<b>799</b>	<b>6,898</b>	<b>72,166</b>

All of the Group's property, plant and equipment are held for its own use.

On the 30 June 2022, the part of the Group's property, plant and equipment with a carrying value of EUR 18,742 thousand (31 December 2021 – EUR 18,249 thousand) is pledged as a security for repayment of the loans granted by banks.

## 2. Property, plant and equipment (continued)

Company	Buildings and structures	Machinery and equipment	Motor vehicles	Other assets	Construction in progress and prepayments	Total
<b>At 1 January 2021</b>						
<b>Cost</b>	<b>16,964</b>	<b>54,035</b>	<b>708</b>	<b>1,086</b>	<b>4,799</b>	<b>77,592</b>
<b>Accumulated depreciation</b>	<b>(6,265)</b>	<b>(41,667)</b>	<b>(354)</b>	<b>(693)</b>	<b>-</b>	<b>(48,979)</b>
<b>Net book amount</b>	<b>10,699</b>	<b>12,368</b>	<b>354</b>	<b>393</b>	<b>4,799</b>	<b>28,613</b>
<b>Opening net book amount at 1 January 2021</b>						
Additions	17	27	-	65	4,963	5,072
Transfer from inventory (to inventory)	-	(15)	-	-	-	(15)
Reclassification between categories	-	15	-	(15)	-	-
Transfer from construction in progress to property, plant and equipment	125	4,422	-	9	(4,556)	-
Reclassification to investment property	(618)	(9)	-	3	-	(624)
Depreciation charge	(864)	(2,923)	(85)	(154)	-	(4,026)
<b>Closing net book amount at 31 December 2021</b>	<b>9,359</b>	<b>13,885</b>	<b>269</b>	<b>301</b>	<b>5,206</b>	<b>29,020</b>
<b>At 31 December 2021</b>						
<b>Cost</b>	<b>16,364</b>	<b>57,714</b>	<b>654</b>	<b>1,028</b>	<b>5,206</b>	<b>80,966</b>
<b>Accumulated depreciation</b>	<b>(7,005)</b>	<b>(43,829)</b>	<b>(385)</b>	<b>(727)</b>	<b>-</b>	<b>(51,946)</b>
<b>Net book amount</b>	<b>9,359</b>	<b>13,885</b>	<b>269</b>	<b>301</b>	<b>5,206</b>	<b>29,020</b>
<b>Opening net book amount at 1 January 2022</b>						
Additions	-	7	184	32	725	948
Disposals and write-offs	-	(11)	-	-	-	(11)
Reclassification between categories	-	8	-	-	-	8
Transfer from construction in progress to property, plant and equipment	223	4,185	-	-	(4,408)	-
Depreciation charge	(343)	(1,271)	(42)	(74)	-	(1,730)
<b>Closing net book amount at 30 June 2022</b>	<b>9,239</b>	<b>16,803</b>	<b>411</b>	<b>259</b>	<b>1,523</b>	<b>28,235</b>
<b>At 30 June 2022</b>						
<b>Cost</b>	<b>16,587</b>	<b>61,321</b>	<b>706</b>	<b>1,051</b>	<b>1,523</b>	<b>81,188</b>
<b>Accumulated depreciation</b>	<b>(7,348)</b>	<b>(44,518)</b>	<b>(295)</b>	<b>(792)</b>	<b>-</b>	<b>(52,953)</b>
<b>Net book amount</b>	<b>9,239</b>	<b>16,803</b>	<b>411</b>	<b>259</b>	<b>1,523</b>	<b>28,235</b>

All of the Company's property, plant and equipment are held for its own use.

On the 30 June 2022, the part of the Company's property, plant and equipment with a carrying value of EUR 11,656 thousand (31 December 2020 – EUR 12,152 thousand) is pledged as a security for repayment of the loans granted by banks.

### 3. Right-of-use assets

Group	Land	Buildings and structures	Machinery and equipment	Total
<b>At 1 January 2021</b>				
<b>Cost</b>	<b>3,945</b>	<b>242</b>	<b>765</b>	<b>4,952</b>
<b>Accumulated depreciation</b>	<b>(469)</b>	<b>(110)</b>	<b>(244)</b>	<b>(823)</b>
<b>Net book amount</b>	<b>3,476</b>	<b>132</b>	<b>521</b>	<b>4,129</b>
<b>Opening net book amount at 1 January 2021</b>	<b>3,476</b>	<b>132</b>	<b>521</b>	<b>4,129</b>
Change in value-in-use	-	175	156	331
Foreign exchange effect	2	-	-	2
Disposals and write-offs	-	-	(58)	(58)
Amortisation charge	(63)	(113)	(259)	(435)
<b>Closing net book amount at 31 December 2021</b>	<b>3,415</b>	<b>194</b>	<b>360</b>	<b>3,969</b>
<b>At 31 December 2021</b>				
<b>Cost</b>	<b>3,948</b>	<b>416</b>	<b>823</b>	<b>5,187</b>
<b>Accumulated depreciation</b>	<b>(533)</b>	<b>(222)</b>	<b>(463)</b>	<b>(1,218)</b>
<b>Net book amount</b>	<b>3,415</b>	<b>194</b>	<b>360</b>	<b>3,969</b>
<b>Opening net book amount at 1 January 2022</b>	<b>3,415</b>	<b>194</b>	<b>360</b>	<b>3,969</b>
Change in value-in-use	-	340	145	485
Foreign exchange effect	-	-	-	-
Disposals and write-offs	-	-	(28)	(28)
Amortisation charge	(33)	(62)	(142)	(237)
<b>Closing net book amount at 30 June 2022</b>	<b>3,382</b>	<b>472</b>	<b>335</b>	<b>4,189</b>
<b>At 30 June 2022</b>				
<b>Cost</b>	<b>3,948</b>	<b>756</b>	<b>911</b>	<b>5,615</b>
<b>Accumulated depreciation</b>	<b>(566)</b>	<b>(284)</b>	<b>(576)</b>	<b>(1,426)</b>
<b>Net book amount</b>	<b>3,382</b>	<b>472</b>	<b>335</b>	<b>4,189</b>

As at 30 June 2022, the part of the Group's land lease rights with the carrying amount of EUR 1,024 thousand (31 December 2021: EUR 477 thousand) were pledged to the banks as security for borrowings.

### 3. Right-of-use assets (continued)

Company	Land lease rights	Buildings and structures	Machinery and equipment	Total
<b>At 1 January 2021</b>				
<b>Cost</b>	<b>1,013</b>	<b>1,154</b>	<b>241</b>	<b>2,408</b>
<b>Accumulated depreciation</b>	<b>(26)</b>	<b>(468)</b>	<b>(81)</b>	<b>(575)</b>
<b>Net book amount</b>	<b>987</b>	<b>686</b>	<b>160</b>	<b>1,833</b>
<b>Opening net book amount at 1 January 2021</b>				
Change in value-in-use	-	-	57	57
Disposals, write-offs	-	-	(29)	(29)
Amortisation charge	(13)	(229)	(85)	(327)
<b>Closing net book amount at 31 December 2021</b>	<b>974</b>	<b>457</b>	<b>103</b>	<b>1,534</b>
<b>At 31 December 2021</b>				
<b>Cost</b>	<b>1,014</b>	<b>1,154</b>	<b>243</b>	<b>2,411</b>
<b>Accumulated depreciation</b>	<b>(40)</b>	<b>(697)</b>	<b>(140)</b>	<b>(877)</b>
<b>Net book amount</b>	<b>974</b>	<b>457</b>	<b>103</b>	<b>1,534</b>
<b>Opening net book amount at 1 January 2022</b>				
Change in value-in-use	-	-	58	58
Disposals, write-offs	-	-	(13)	(13)
Amortisation charge	(7)	(114)	(50)	(171)
<b>Closing net book amount at 30 June 2022</b>	<b>967</b>	<b>343</b>	<b>98</b>	<b>1,408</b>
<b>At 30 June 2022</b>				
<b>Cost</b>	<b>1,014</b>	<b>1,154</b>	<b>243</b>	<b>2,411</b>
<b>Accumulated depreciation</b>	<b>(47)</b>	<b>(811)</b>	<b>(176)</b>	<b>(1,034)</b>
<b>Net book amount</b>	<b>967</b>	<b>343</b>	<b>98</b>	<b>1,408</b>

As at 30 June 2022, the part of the Company's land lease rights with the carrying amount of EUR 357 thousand (31 December 2021: EUR 358 thousand) were pledged to the banks as security for borrowings.

#### 4. Investment property

Group and Company	Buildings	Other assets	Construction in progress and prepayments	Total
<b>At 1 January 2021</b>				
<b>Cost</b>	2,266	-	516	2,782
<b>Accumulated depreciation</b>	(803)	-	-	(803)
<b>Net book amount</b>	1,463	-	516	1,979
<b>Opening net book amount at 1 January 2021</b>	1,463	-	516	1,979
Additions	-	-	1,983	1,983
Transfer from construction	2,171	-	(2,171)	-
Reclassification from property, plant and equipment	623	-	-	623
Depreciation charge	(168)	-	-	(168)
<b>Closing net book amount at 31 December 2021</b>	4,089	-	328	4,417
<b>At 31 December 2021</b>				
<b>Cost</b>	5,203	-	328	5,531
<b>Accumulated depreciation</b>	(1,114)	-	-	(1,114)
<b>Net book amount</b>	4,089	-	328	4,417
<b>Opening net book amount at 1 January 2022</b>	4,089	-	328	4,417
Additions	-	3	7	10
Depreciation charge	(123)	-	-	(123)
<b>Closing net book amount at 30 June 2022</b>	3,966	3	335	4,304
<b>At 30 June 2022</b>				
<b>Cost</b>	5,203	3	335	5,541
<b>Accumulated depreciation</b>	(1,237)	-	-	(1,237)
<b>Net book amount</b>	3,966	3	335	4,304

## 5. Intangible assets

Group	Goodwill	Licences, patents	Software	Other assets, prepayments	Total
<b>At 1 January 2021</b>					
<b>Cost</b>	<b>3,001</b>	<b>158</b>	<b>2,207</b>	<b>531</b>	<b>5,897</b>
<b>Accumulated amortisation</b>	<b>-</b>	<b>(86)</b>	<b>(1,657)</b>	<b>(530)</b>	<b>(2,273)</b>
<b>Net book amount</b>	<b>3,001</b>	<b>72</b>	<b>550</b>	<b>1</b>	<b>3,624</b>
<b>Opening net book amount at 1 January 2021</b>	<b>3,001</b>	<b>72</b>	<b>550</b>	<b>1</b>	<b>3,624</b>
Additions	-	11	38	23	72
Foreign exchange effect	-	1	-	-	1
Amortisation charge	-	(38)	(145)	(1)	(184)
<b>Closing net book amount at 31 December 2021</b>	<b>3,001</b>	<b>46</b>	<b>443</b>	<b>23</b>	<b>3,513</b>
<b>At 31 December 2021</b>					
<b>Cost</b>	<b>3,001</b>	<b>169</b>	<b>2,243</b>	<b>553</b>	<b>5,966</b>
<b>Accumulated amortisation</b>	<b>-</b>	<b>(123)</b>	<b>(1,800)</b>	<b>(530)</b>	<b>(2,453)</b>
<b>Net book amount</b>	<b>3,001</b>	<b>46</b>	<b>443</b>	<b>23</b>	<b>3,513</b>
<b>Opening net book amount at 1 January 2022</b>	<b>3,001</b>	<b>46</b>	<b>443</b>	<b>23</b>	<b>3,513</b>
Additions	-	4	-	58	62
Reclassification from property, plant and equipment	-	-	18	(18)	-
Amortisation charge	-	(19)	(56)	(1)	(76)
<b>Closing net book amount at 30 June 2022</b>	<b>3,001</b>	<b>31</b>	<b>405</b>	<b>62</b>	<b>3,499</b>
<b>At 30 June 2022</b>					
<b>Cost</b>	<b>3,001</b>	<b>162</b>	<b>2,257</b>	<b>592</b>	<b>6,012</b>
<b>Accumulated amortisation</b>	<b>-</b>	<b>(131)</b>	<b>(1,852)</b>	<b>(530)</b>	<b>(2,513)</b>
<b>Net book amount</b>	<b>3,001</b>	<b>31</b>	<b>405</b>	<b>62</b>	<b>3,499</b>

## 5. Intangible assets (continued)

Company	Licences, patents	Software	Other assets, prepayments	Total
<b>At 1 January 2021</b>				
<b>Cost</b>	<b>158</b>	<b>998</b>	<b>10</b>	<b>1,166</b>
<b>Accumulated amortisation</b>	<b>(86)</b>	<b>(641)</b>	<b>(9)</b>	<b>(736)</b>
<b>Net book amount</b>	<b>72</b>	<b>357</b>	<b>1</b>	<b>430</b>
<b>Opening net book amount at 1 January 2021</b>	<b>72</b>	<b>357</b>	<b>1</b>	<b>430</b>
Additions	11	27	23	61
Amortisation charge	(37)	(79)	(1)	(117)
<b>Closing net book amount at 31 December 2021</b>	<b>46</b>	<b>305</b>	<b>23</b>	<b>374</b>
<b>At 31 December 2021</b>				
<b>Cost</b>	<b>169</b>	<b>1,025</b>	<b>33</b>	<b>1,227</b>
<b>Accumulated amortisation</b>	<b>(124)</b>	<b>(720)</b>	<b>(9)</b>	<b>(853)</b>
<b>Net book amount</b>	<b>46</b>	<b>305</b>	<b>23</b>	<b>374</b>
<b>Opening net book amount at 1 January 2022</b>	<b>46</b>	<b>305</b>	<b>23</b>	<b>374</b>
Additions	5	-	41	46
Reclassification from property, plant and equipment	-	18	(18)	-
Amortisation charge	(20)	(40)	(1)	(61)
<b>Closing net book amount at 30 June 2022</b>	<b>31</b>	<b>283</b>	<b>45</b>	<b>359</b>
<b>At 30 June 2022</b>				
<b>Cost</b>	<b>162</b>	<b>1,039</b>	<b>56</b>	<b>1,257</b>
<b>Accumulated amortisation</b>	<b>(131)</b>	<b>(756)</b>	<b>(10)</b>	<b>(897)</b>
<b>Net book amount</b>	<b>31</b>	<b>283</b>	<b>45</b>	<b>359</b>

## 6. Investments in subsidiaries

	Company	
	2022.06.30	2021.12.31
Grigeo Baltwood UAB	2,555	2,555
Grigeo investicijų valdymas UAB	19,427	19,427
Grigeo Packaging UAB	-	-
Grigeo Recycling UAB	1,066	1,066
Grigiškių energija UAB	3	3
<b>Total investments in subsidiaries</b>	<b>23,051</b>	<b>23,051</b>

## 7. Amounts receivable

	Group		Company	
	2022.06.30	2021.12.31	2022.06.30	2021.12.31
Trade receivables – gross	23,190	19,217	10,233	8,184
Loss allowance	(146)	(146)	(72)	(72)
<b>Trade receivables – net</b>	<b>23,044</b>	<b>19,071</b>	<b>10,161</b>	<b>8,112</b>
Amounts receivable from related parties	-	-	1,244	1 294
Amount receivable of the recovery of a part of the PSO* service fee	456	900	314	314
VAT receivable	2,053	2,040	571	551
Other amounts receivable – gross	232	332	149	244
<b>Total trade and other amounts receivable – net</b>	<b>25,785</b>	<b>22,343</b>	<b>12,439</b>	<b>10,515</b>
Of which:				
<b>Non-current amounts receivable</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>
<b>Current amounts receivable</b>	<b>25,782</b>	<b>22,340</b>	<b>12,439</b>	<b>10,515</b>

\*PSO – services under public service obligation scheme.

As at 30 June 2022 and 31 December 2021, the Company and subsidiaries Grigeo Packaging UAB and Grigeo Baltwood UAB had pledged current accounts and future inflows to secure the repayment of bank borrowings.

## 8. Cash and cash equivalents

	Group		Company	
	2022.06.30	2021.12.31	2022.06.30	2021.12.31
Cash at bank	12,160	12,443	7,646	818
Cash on hand	-	-	-	-
<b>TOTAL</b>	<b>12,160</b>	<b>12,443</b>	<b>7,646</b>	<b>818</b>

## 9. Inventories

	Group		Company	
	2022.06.30	2021.12.31	2022.06.30	2021.12.31
Materials	7,742	6,593	2,119	1,690
Work in progress	1,826	1,838	1,236	1,169
Finished products	6,432	5,600	2,370	1,880
Inventories in transit	-	289	-	38
Prepayments	208	108	33	19
<b>Total</b>	<b>16,209</b>	<b>14,428</b>	<b>5,759</b>	<b>4,796</b>

As at 30 June 2022, the acquisition value (cost) of the Group's and the Company's inventories was decreased by respectively EUR 838 thousand and EUR 305 thousand (31 December 2021: EUR 776 thousand and EUR 298 thousand respectively) to net realisable value. The net realisable value adjustment was accounted for under cost of sales.

## 9. Inventories (continued)

As at 30 June 2022, the Group and the Company had pledged inventories with a carrying amount of respectively EUR 1,158 thousand and EUR 1,158 thousand (31 December 2021: EUR 1,158 thousand and EUR 1,158 thousand respectively) as security for bank borrowings.

## 10. Share capital and legal reserve

On 30 of June 2022 and on 31 December 2021 share capital of the Company consisted of 131,400,000 ordinary shares at a par value of EUR 0.29 each. All shares were fully paid.

The Company has one class of ordinary shares which carry no right to fixed income.

The legal reserve is a compulsory reserve under Lithuanian legislation. Annual contributions of 5% of the net profit are required until the mandatory reserve reaches 10% of the statutory capital.

On 30 of June 2022 the Company's legal reserve amounts 5,4% of the statutory capital.

## 11. Reserve for granting shares

The Company and the Group are implementing long term strategic goals and are aiming that the employees who are implementing the strategy are motivated through long term motivational programs. Due to this on 29 April 2022 the Annual General Meeting of Shareholders has approved the rules for granting shares of the Company. The rules stipulate the conditions and procedure for granting Company's shares (free of charge) to the employees of the Company and its subsidiaries.

Not earlier than after 3 years the employees who concluded the transactions shall be entitled to the right to receive shares of the Company free of charge.

On 29 April 2022 the Annual General Meeting of Shareholders has approved the appropriation of the profit of the Company where EUR 500 thousand have been transferred to the reserve for granting shares.

At the end of the reporting period of these interim financial statements the Company has concluded the transactions with 22 senior management employees for the option of granting (free of charge) 1,660,000 Company's shares.

## 12. Non-current and current borrowings

	Group		Company	
	2022.06.30	2021.12.31	2022.06.30	2021.12.31
<b>Non-current borrowings:</b>				
Bank borrowings	5,662	864	2,281	175
	<b>5,662</b>	<b>864</b>	<b>2,281</b>	<b>175</b>
<b>Current borrowings:</b>				
Bank borrowings	2,363	2,094	989	1,380
	<b>2,363</b>	<b>2,094</b>	<b>989</b>	<b>1,380</b>
<b>TOTAL</b>	<b>8,025</b>	<b>2,958</b>	<b>3,270</b>	<b>1,555</b>

## 13. Trade and other payables

	Group		Company	
	2022.06.30	2021.12.31	2022.06.30	2021.12.31
Trade payables	22,966	25,270	10,938	12,614
Wages and salaries and social security contributions	4,631	3,224	1,751	1,236
Advance amounts received	389	187	142	29
Accrued expenses	606	332	150	47
Other amounts payable	1,442	1,355	834	603
<b>TOTAL</b>	<b>30,034</b>	<b>30,368</b>	<b>13,815</b>	<b>14,529</b>
Of which:				
Attributable to financial liabilities	25,014	26,957	11,922	13,264
Not attributable to financial liabilities	5,020	3,411	1,893	1,265

#### 14. Segment information

For decision making purposes, the Group is organised into three operating business units based on its products produced and has three reportable segments: paper and paper products, wood fibre boards and wood products, raw materials for corrugated cardboard and related products. The Group analyses segment information only up to gross profit, as other operating income and finance income and expenses are not attributed to any segment. Assets and liabilities of the Group are not divided into segments for decision-making purposes. However, information about property, plant and equipment and intangible assets, investment property and right-of-use assets is disclosed according to the segments.

Segment information about these three business segments is presented below:

Group 6 months 2022	Paper and paper products	Wood fibre boards	Raw materials for corrugated cardboard and related products	Total reportable segments	Unallocated	Elimination	TOTAL
Sales	34,489	14,414	50,575	99,478	2,329	-	101,807
Inter-segment sales	(2,812)	(483)	(16,746)	(20,041)	(4,837)	24,878	-
Unconsolidated segment sales	37,299	14,898	67,322	119,519	7,166	(24,878)	101,807
Cost of sales	(30,436)	(12,430)	(40,020)	(82,886)	(1,921)	-	(84,807)
<b>Gross profit</b>	<b>4,053</b>	<b>1,984</b>	<b>10,555</b>	<b>16,592</b>	<b>408</b>	<b>-</b>	<b>17,000</b>
Depreciation and amortisation	1,642	338	2,171	4,151	420	-	4,571
Property, plant and equipment of the segment	25,361	5,369	37,921	68,651	3,515	-	72,166
Intangible assets of the segment	289	-	136	425	73	-	498
Investment property of the segment	-	-	-	-	4,304	-	4,304
Right-of-use assets of the segment	255	877	2,005	3,137	1,052	-	4,189
Goodwill	-	-	3,001	3,001	-	-	3,001
Investments of the segment	772	767	2,895	4,434	391	-	4,825

Group 6 months 2021	Paper and paper products	Wood fibre boards	Raw materials for corrugated cardboard and related products	Total reportable segments	Unallocated	Elimination	TOTAL
Sales	28,216	9,796	34,513	72,525	1,175	-	<b>73,700</b>
Inter-segment sales	(2,639)	(386)	(11,787)	(14,812)	(2,178)	16,990	-
Unconsolidated segment sales	30,854	10,182	46,302	87,338	3,352	(16,990)	73,700
Cost of sales	(21,650)	(7,436)	(25,707)	(54,793)	(987)	-	(55,780)
<b>Gross profit</b>	<b>6,566</b>	<b>2,360</b>	<b>8,806</b>	<b>17,732</b>	<b>188</b>	<b>-</b>	<b>17,920</b>
Depreciation and amortisation	1,870	371	2,317	4,558	346	-	4,904
Property, plant and equipment of the segment	25,376	3,486	36,893	65,755	3,090	-	68,845
Intangible assets of the segment	304	1	162	467	94	-	561
Investment property of the segment	-	-	-	-	3,565	-	3,565
Right-of-use assets of the segment	185	893	1,873	2,951	1,004	-	3,955
Goodwill	-	-	3,001	3,001	-	-	3,001
Investments of the segment	1,872	691	720	3,283	1,172	-	4,455

**14. Segment information (continued)**

	Group		Company	
	6 months 2022	6 months 2021	6 months 2022	6 months 2021
<b>Domestic market (Lithuania)</b>	<b>36,736</b>	<b>24,942</b>	<b>16,055</b>	<b>9,877</b>
<b>Foreign market</b>				
Poland	13,275	12,491	4,105	5,368
Estonia	8,927	6,046	2,754	1,814
Latvia	8,479	6,855	4,396	4,274
Finland	5,812	4,034	2,597	1,640
Denmark	5,114	3,757	4,155	2,982
Ukraine	4,309	4,858	660	969
Sweden	3,918	2,926	1,968	1,549
The Netherlands	2,660	1,294	1,616	769
Algeria	2,505	-	-	-
Norway	1,078	690	979	585
Germany	1,064	816	311	170
Italy	896	9	-	-
Belgium	823	256	127	122
Austria	816	399	61	32
Great Britain	696	509	-	14
Trinidad	610	-	-	-
Belarus	552	2,117	104	327
Guatemala	543	135	-	-
Sri Lanka	539	-	-	-
Russia	432	710	127	228
United Arab Emirates	358	-	-	-
Czech Republic	272	162	-	-
Republic of Mauritius	268	-	-	-
Other markets	1,125	694	179	110
<b>Foreign market total</b>	<b>65,071</b>	<b>48,758</b>	<b>24,139</b>	<b>20,953</b>
<b>TOTAL</b>	<b>101,807</b>	<b>73,700</b>	<b>40,194</b>	<b>30,830</b>

**15. Other income**

	Group		Company	
	6 months 2022	6 months 2021	6 months 2022	6 months 2021
Rental income	308	192	321	198
Dividend income	-	-	11,300	1,500
<b>TOTAL</b>	<b>308</b>	<b>192</b>	<b>11,621</b>	<b>1,698</b>

**16. Other gains/(losses) – net**

	Group		Company	
	6 months 2022	6 months 2021	6 months 2022	6 months 2021
Net gain from turnover of emission allowances	3,771	110	3,152	(52)
Result of disposal of assets	185	61	171	-
Other gains/(losses)	(20)	18	15	30
<b>TOTAL</b>	<b>3,936</b>	<b>189</b>	<b>3,338</b>	<b>(22)</b>

## 17. Basic and diluted earnings per share

The Company has no instruments that could affect the number of shares, therefore the basic and diluted earnings per share are equal. The calculation of the basic and diluted earnings per share is presented below:

	Group	
	6 months 2022	6 months 2021
Net profit for the period attributable to the Company's shareholders	7,510	7,199
Weighted average number of ordinary shares	131,400,000	131,400,000
<b>Earnings per share (in EUR)</b>	<b>0.057</b>	<b>0.055</b>

	Company	
	6 months 2022	6 months 2021
Net profit for the period attributable to the Company's shareholders	14,120	4,023
Weighted average number of ordinary shares	131,400,000	131,400,000
<b>Earnings per share (in EUR)</b>	<b>0.107</b>	<b>0.031</b>

## 18. Court and arbitration proceedings

In 2021 the pre-trial investigation regarding the wastewater management of Grigeo Klaipėda AB, a subsidiary company of Grigeo AB (hereinafter - the Subsidiary), was completed by the Klaipėda District Prosecutor's Office of Klaipėda County Prosecutor's Office and the criminal case was referred to court. The first court hearing is to be held in September 2022.

The Subsidiary is charged in criminal case under Articles 270(2), 228(2) and 300(3) of the Criminal Code of the Republic of Lithuania. The Subsidiary received a Civil Claim of the Environmental Protection Department in criminal case regarding compensation of damage caused to the environment in the amount of EUR 48,257,676.57 from the Klaipėda District Prosecutor's Office of Klaipėda County Prosecutor's Office on 26 January 2021. There were no other material events related to this trial over 2022 and until the date of signing these interim financial statements.

More information is presented in [Note 32 of year 2021 financial statements](#).

Over 6 months of 2022 the Group and the Company were not involved in other court or arbitration proceedings which would have a material impact on the financial position of Grigeo AB.

## 19. Material uncertainties

Russia's invasion of Ukraine on 24 February 2022 has a negative impact over the Group's financial performance for the year 2022. The Group's subsidiary Grigeo Klaipėda AB has investments in Ukrainian subsidiary Mena Pak AT, which ceased its operations completely after the start of the war. The operations were restored in May 2022.

### Uncertainties related to the investment in Mena Pak AT

The Group's statement of financial position includes the following consolidated assets and liabilities of Mena Pak AT:

Mena Pak AT	2022.06.30	2021.12.31
Non-current assets	701	786
Current assets	2,219	2,308
<b>TOTAL ASSETS</b>	<b>2,920</b>	<b>3,094</b>
Shareholders' equity	2,645	2,670
Non-current liabilities	15	17
Current liabilities	260	407
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,920</b>	<b>3,094</b>

## 20. Material uncertainties (continued)

The Group's statement of comprehensive income for 6 months of 2022 includes the following consolidated results of Mena Pak AT:

Mena Pak AT	6 months 2022
Revenue	1,914
Profit before tax	(17)
Net profit	(17)
EBITDA	104

Mena Pak AT did not incur any damage during the war and has restored operations in May 2022. However, the Group's management estimates that a high uncertainty exists in relation to Mena Pak AT's assets of EUR 2.8 million and liabilities of EUR 0.3 million due to the ongoing war and high uncertainty of future events.

## 20. Events after the end of the reporting period

There were no material or otherwise significant events after the end of the reporting period.

## **CONFIRMATION OF RESPONSIBLE PERSONS**

In accordance with the Law on Securities of the Republic of Lithuania, and the Rules on the Disclosure of Information by the Bank of Lithuania, we, president Gintautas Pangonis and finance director Martynas Nenėnas hereby confirm that, to the best of our knowledge, unaudited interim consolidated financial statements of Grigeo AB for the six months period ended 30 June 2022, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of assets, liabilities, financial position, profit or loss and cash flows of Grigeo AB and the Group, and also that the unaudited interim consolidated report shows fair business environment as well as description of the company's performance.

President of Grigeo AB

Gintautas Pangonis

Finance director of Grigeo AB

Martynas Nenėnas