

Grigeo AB

**CONSOLIDATED INTERIM REPORT AND CONSOLIDATED AND
SEPARATE FINANCIAL STATEMENTS FOR THE 3 MONTHS
PERIOD ENDED 31 MARCH 2023 (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 the 3 months of 2023

The changes in key indicator over 3 months of 2023, compared to the respective period of previous year:

- The Group's revenue increased by EUR 4.2 million (8.5%), the Company's – increased by EUR 8.7 million (46.3%).
- The Group's EBITDA increased by EUR 6.9 million (135%), the Company's – increased by EUR 6.6 million (369%).
- The Group's EBT increased by EUR 6.8 million (242%), the Company's – increased by EUR 6.6 million (841%).

Indicator, EUR million	Group			Company		
	2023	2022	Change	2023	2022	Change
Revenue	54.1	49.9	8.5%	27.7	18.9	46.3%
EBITDA (Note 18)	12.0	5.1	135%	8.4	1.8	369%
Profit before tax (EBT)	9.7	2.8	242%	7.4	0.8	841%

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

The Group's revenue, gross profit and gross margin over 3 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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue	24.3	16.0	8.4	6.6	20.0	26.0	1.4	1.3	54.1	49.9
Gross profit	7.3	1.1	1.0	0.8	4.2	4.9	0.4	0.3	12.9	7.0
Gross margin	30.1%	6.9%	11.5%	11.7%	21.1%	18.8%	30.9%	21.9%	23.9%	14.1%

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

Tissue paper products market. Over 3 months of 2023 the revenue from tissue paper segment reached EUR 24.3 million and, when compared to respective period of previous year, increased by 51.9%. The main reason for the increase were increasing sales prices as well as higher sales of final products. The gross profit of the segment amounted to EUR 7.3 million – almost 6 times higher if compared to respective period of previous year. Respectively, the gross margin of the segment decreased from 6.9% to 30.1%. The increase in gross margin was significantly influenced by decreased prices of energy resources.

Wood products market. Over 3 months of 2023 the revenues of the segment reached EUR 8.4 million – 27.5% more, when compared to respective period of previous year. The revenues increased due to higher sales prices. Gross profit of the segment reached EUR 1.0 million and was 25.0% higher when compared to respective period of previous year. The gross margin has slightly decreased from 11.7% to 11.5%.

Raw materials for corrugated cardboard and related products market. The revenues of this segment reached EUR 20.0 million over 3 months of 2023 and were lower by 23% when compared to respective period of previous year. The revenues' decrease was driven by decreasing sales prices. The gross profit of the segment reached EUR 4.2 million and was lower by 13.5%. The gross margin of the segment increased from 18.8% to 21.1%.

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

Indicator	Group			Company		
	3 months 2023	3 months 2022	3 months 2021	3 months 2023	3 months 2022	3 months 2021
Revenue, EUR million	54.1	49.9	35.1	27.7	18.9	15.5
Net profit, EUR million	8.2	2.2	3.3	6.3	0.7	1.6
EBITDA, EUR million (Note 18)	12.0	5.1	6.4	8.4	1.8	3.0
EBIT, EUR million	9.7	2.9	4.0	7.4	0.8	1.9
Profitability ratios						
Gross margin	23.9%	14.1%	24.8%	26.9%	6.3%	24.4%
EBITDA profitability	22.3%	10.3%	18.2%	30.4%	9.5%	19.3%
EBIT profitability	18.0%	5.9%	11.4%	26.8%	4.3%	12.4%
Net margin	15.1%	4.3%	9.4%	22.8%	3.9%	10.5%
ROE profitability	8.1%	2.3%	3.8%	9.7%	1.2%	2.8%
ROA profitability	5.8%	1.6%	2.7%	7.6%	1.0%	2.2%
ROCE profitability	8.4%	2.7%	4.0%	9.7%	1.3%	2.9%
Liquidity ratios						
Current ratio	2.16	1.75	1.74	2.46	1.26	1.80
Quick ratio	1.65	1.33	1.40	1.98	0.92	1.49
Capital structure ratios						
Debt to equity ratio	0.36	0.44	0.35	0.25	0.33	0.25
Debt to total assets ratio	0.27	0.31	0.26	0.20	0.25	0.20
Market value ratios						
P/E	13.81	51.29	26.68	17.95	148.55	54.05
Earnings per share, EUR	0.062	0.016	0.025	0.048	0.006	0.012
Diluted earnings per share, EUR	0.061	0.016	0.025	0.047	0.006	0.012

The above-mentioned indicators have been calculated in accordance with the formulas recommended by Nasdaq Vilnius AB. The formulas are presented in [Note 2.2. of year 2022 consolidated annual report](#).

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
E-mail	info@grigeo.lt
Website	https://www.grigeo.lt/en
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 3 months of 2023 is not audited by independent auditor.

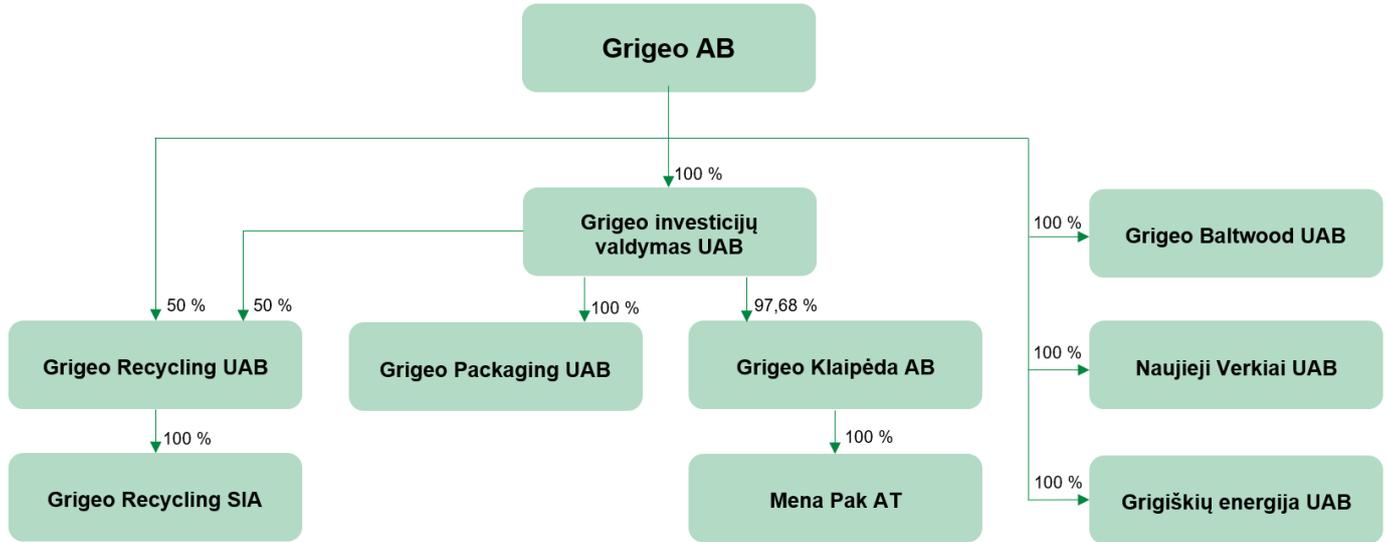
D. Contracts with intermediaries of public trading in securities and credit institutions

The Company has signed a contract with Šiaulių Bankas AB (telephone No 1813 (+370 37 301337 for calls from abroad), kc@sb.lt) 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 +370 231 3833, info@orion.lt) on the handling of securities issued by the Company and on Market Making.

E. Group companies and their contact details

On 31 March 2023, 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 [2022 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.

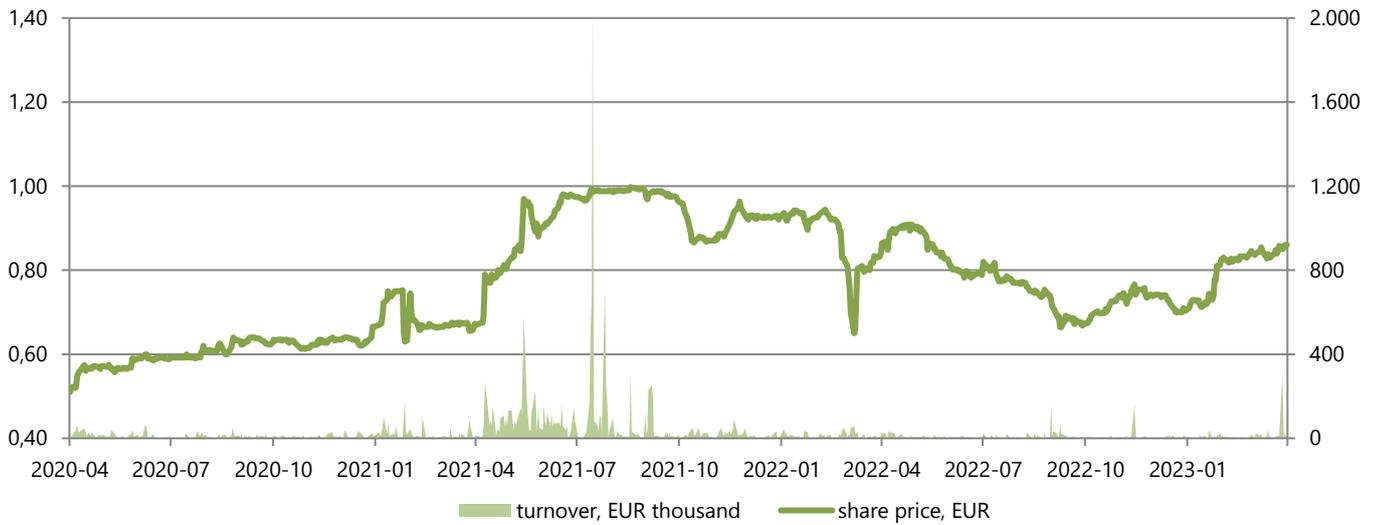
G. Data about trade in the issuer’s securities in regulated markets

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).

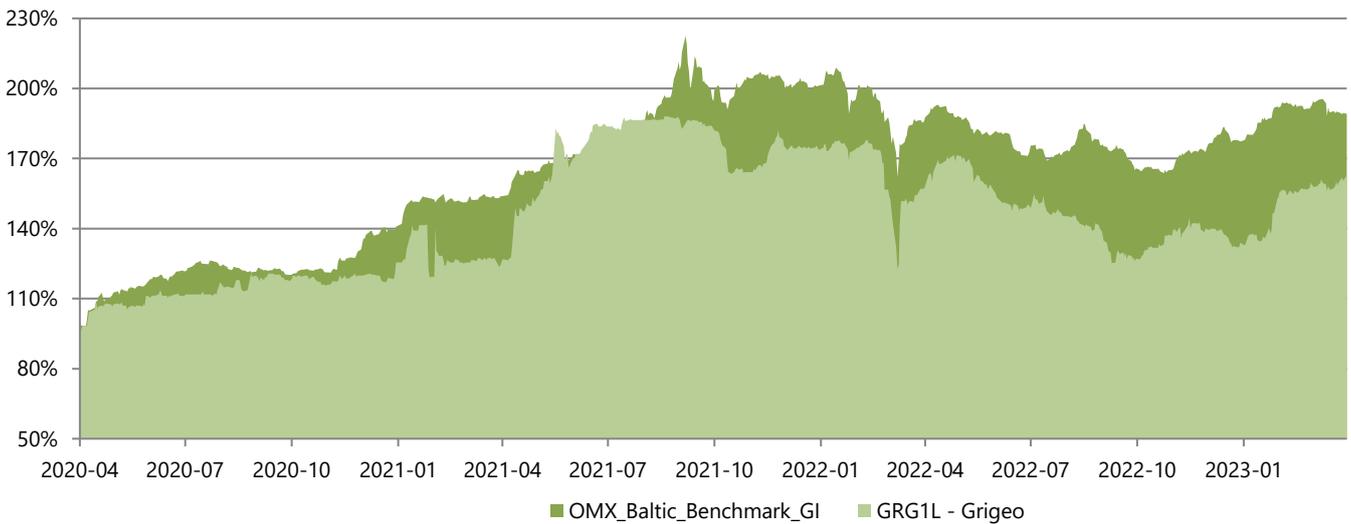
The main characteristics of the Company’s shares:

Type of shares	VP ISIN code	Number of shares, units	Par value, EUR	Total par value, EUR
Ordinary registered shares	LT0000102030	131,400,000	0.29	38,106,000

Price and turnover of shares 01/04/2020 – 31/03/2023:



Share price benchmarked against the Baltic market index 01/04/2020 – 31/03/2023:



H. Shareholders

Shareholders owning more than 5% of the authorised capital of the Issuer on the 31 of March 2023 and/or the 31 of December 2022.

Shareholder's name (company's name, type, headquarters address, corporate ID number)	31 March 2023			31 December 2022		
	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	17,578,342	13.38	13.38	17,578,342	13.38	13.38

*67.00% of shares of Ginvildos investicija UAB are owned by Gintautas Pangonis.

I. Employees

Over the three months of the year 2023 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	
	2023.03.31	2022.12.31	2023.03.31	2022.12.31
Number of employees	851	863	281	280

The average salary in the Company and in the Group increased for all categories of employees as compared to the year 2022. The growth of the average salary was mostly driven by the consistent salary increase policy and recruitment of workers with higher competences.

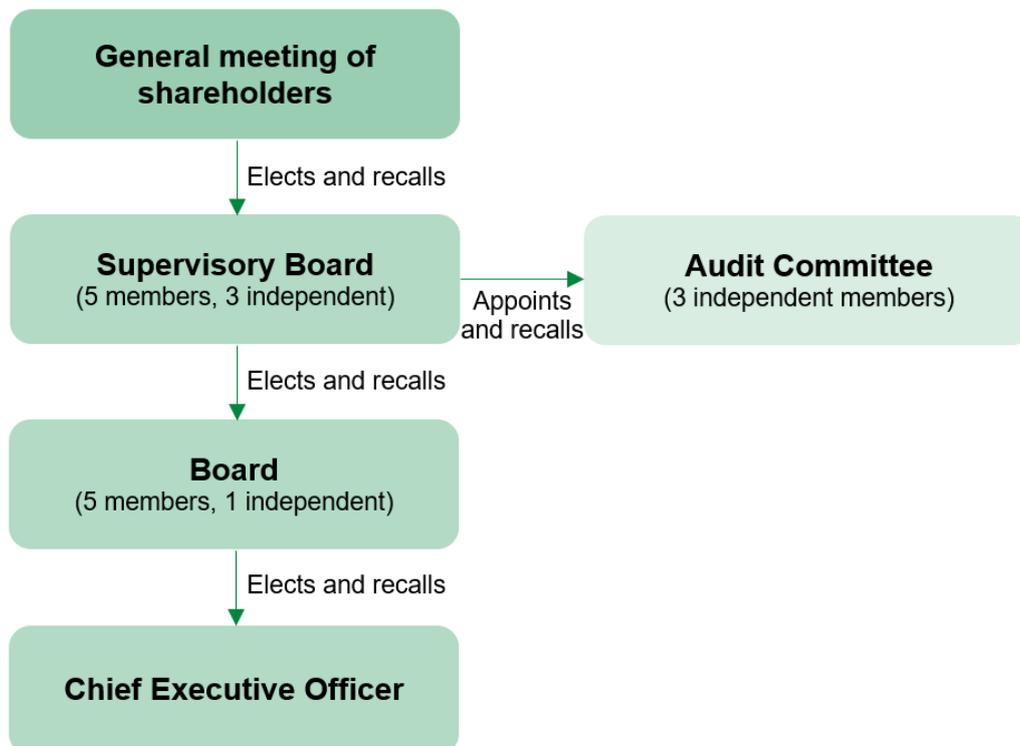
Average salary in the Group and in the Company*, in euros:

Employees	Group		Company	
	3 months 2023	3 months 2022	3 months 2023	3 months 2022
Workpeople	2,199	1,854	2,435	2,020
Specialists	2,489	2,309	2,721	2,459
Managers	7,879	7,564	10,629	8,950
Total	2,936	2,624	3,476	2,932

* information on the average salary does not include Mena Pak AT data 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 Chief Executive Officer. 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, %
Supervisory Board				
Vilius Oškeliūnas	Independent Member, Chairman	Vilnius University, BA and MA in Economics	Since 28 April 2023 until the General Shareholders' Meeting, to be held in 2027	-
Marius Stankevičius	Member	University of Liverpool, MA in Management of Information Systems		2.92
Ignas Degutis	Independent Member	ISM University of Management and Economics, MA in Economics		-
Arūnas Pangonis	Member	Vilnius Gediminas Technical University, MA in Industrial Engineering		Indirectly*
Daiva Duksienė	Independent Member	Vilnius University, Economist		-
Audit Committee				
Daiva Duksienė	Independent Member, Chairwoman	Vilnius University, Economist	Since 28 April 2023	-
Norimantas Stankevičius	Independent member	ISM University of Management and Economics, MA in Economics	until the General Shareholders' Meeting, to be held in 2027	-
Vilius Oškeliūnas	Independent Member	Vilnius University, BA and MA in Economics	held in 2027	-
Board				
Gintautas Pangonis	Chairman	Kaunas University of Technology, Telecommunications Engineer	Since 28 April 2023 until the General Shareholders' Meeting, to be held in 2027	Indirectly*
Algimantas Variakojis	Independent Member	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		0.24
Tomas Jozonis	Member	ISM University of Management and Economics, BA in Management and Business Administration; Vilnius University, MA in Business		-
Manager of the Company				
Tomas Jozonis	Chief Executive Officer	ISM University of Management and Economics, BA in Management and Business Administration; Vilnius University, MA in Business	-	-

*Ginvildos investicija UAB holds 46.28% of the Company's shares. 67.00% of shares of Ginvildos investicija UAB are owned by Gintautas Pangonis and 10,00% by Arūnas 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 2022](#) 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 3 months of 2023 presented in the table below. Balances of amounts receivable/payable in relation thereto on the 31 March 2023.

Group	Sales of goods and services	Purchases of goods and services	Amounts receivable*	Amounts payable
Companies having significant influence	-	-	-	-
Other related companies	1	-	-	-
TOTAL	1	-	-	-

Company's transactions with related parties over the 3 months of 2023 presented in the table below. Balances of amounts receivable/payable in relation thereto on the 31 March 2023.

Company	Sales of goods and services	Purchases of goods and services	Amounts receivable*	Amounts payable
Companies having significant influence	-	-	-	-
Subsidiaries	2,548	2,389	3,406	897
Other related companies	-	-	-	-
TOTAL	2,548	2,389	3,406	897

*Receivables include prepayments for goods and services.

INTERIM FINANCIAL STATEMENTS

Statements of financial position

	Notes	Group		Company	
		2023.03.31	2022.12.31	2023.03.31	2022.12.31
ASSETS					
Non-current assets					
Property, plant and equipment	2	70,659	71,194	26,517	27,015
Right-of-use assets	3	4,258	4,277	1,218	1,295
Intangible assets	5	3,959	3,764	557	380
Investment property	4	4,471	4,410	4,491	4,431
Investments in subsidiaries	6	-	-	23,149	23,126
Other amounts receivable	7	3	3	-	-
Deferred income tax assets		-	-	-	-
Total non-current assets		83,350	83,648	55,932	56,247
Current assets					
Inventories	9	14,481	19,963	6,840	9,985
Trade and other amounts receivable	7	26,149	23,904	17,274	15,609
Prepaid income tax		-	97	-	-
Other current assets		617	348	170	169
Cash and cash equivalents	8	20,040	14,840	10,554	7,544
Total current assets		61,287	59,152	34,838	33,307
TOTAL ASSETS		144,637	142,800	90,770	89,554

(Cont'd on the next page)

Statements of financial position (continued)

	Notes	Group		Company	
		2023.03.31	2022.12.31	2023.03.31	2022.12.31
EQUITY AND LIABILITIES					
Equity					
Share capital	10	38,106	38,106	38,106	38,106
Share premium		1,119	1,119	1,119	1,119
Legal reserve	10	2,066	2,066	2,066	2,066
Reserve for granting shares	11	500	500	500	500
Foreign currency translation reserve		(2,759)	(2,697)	-	-
Retained earnings		66,185	57,950	30,930	24,582
Equity attributable to shareholders of the Company		105,217	97,044	72,721	66,373
Non-controlling interest		824	809	-	-
Total equity		106,041	97,853	72,721	66,373
Liabilities					
Non-current liabilities					
Borrowings	12	4,141	4,644	1,621	1,868
Lease liabilities		3,582	3,477	1,017	1,017
Grants		748	783	646	678
Deferred income tax liability		1,137	903	474	442
Long-term employee benefits		304	248	133	103
Other amounts payable		280	281	-	-
Total non-current liabilities		10,192	10,336	3,891	4,108
Current liabilities					
Borrowings	12	2,112	2,363	907	989
Lease liabilities		656	408	255	331
Income tax payable		743	-	1,064	204
Trade and other amounts payable	13	24,893	31,840	11,932	17,549
Total current liabilities		28,404	34,611	14,158	19,073
Total liabilities		38,596	44,947	18,049	23,181
TOTAL EQUITY AND LIABILITIES		144,637	142,800	90,770	89,554

Statements of comprehensive income

	Notes	Group		Company	
		3 months 2023	3 months 2022	3 months 2023	3 months 2022
Revenue	14	54,101	49,872	27,650	18,903
Cost of sales		(41,190)	(42,844)	(20,223)	(17,714)
Gross profit		12,911	7,028	7,427	1,189
Selling and distribution expenses		(3,930)	(3,645)	(1,530)	(1,268)
Administrative expenses		(2,418)	(2,194)	(984)	(824)
Other income	15	183	152	186	159
Other gains/(losses) – net	16	2,981	1,590	2,308	1,554
Operating profit		9,727	2,931	7,407	810
Finance income		47	2	27	-
Finance costs		(110)	(105)	(45)	(25)
Finance income/(costs) – net		(63)	(103)	(18)	(25)
Profit before income tax		9,664	2,828	7,389	785
Income tax		(1,466)	(654)	(1,092)	(42)
PROFIT FOR THE PERIOD		8,198	2,174	6,297	743
Profit for the period is attributable to:					
Shareholders of the Company		8,183	2,152	6,297	743
Non-controlling interest		15	21	-	-
Other comprehensive income/(expenses)					
Items that will not be reclassified subsequently to profit or loss		-	-	-	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		(62)	(155)	-	-
Cash flow hedges – effective portion of changes in fair value		-	-	-	-
Total items that may be reclassified subsequently to profit or loss		(62)	(155)	-	-
Other comprehensive income/(expenses) for the period		(62)	(155)	-	-
Total comprehensive income for the period		8,136	2,018	6,297	743
Total comprehensive income for the period is attributable to:					
Shareholders of the Company		8,121	1,997	6,297	743
Non-controlling interest		15	21	-	-
Basic earnings per share (in EUR)	17	0.062	0.016	0.048	0.006
Diluted earnings per share (in EUR)	17	0.061	0.016	0.047	0.006

Statements of changes in equity

Group	Equity attributable to owners of the Company							Non-controlling interest	Total equity
	Share capital	Share premium	Legal reserve	Reserve for granting shares	Foreign currency translation reserve	Retained earnings	Total		
At 1 January 2022	38,106	1,119	1,905	-	(2,161)	54,607	93,576	713	94,289
Profit for the period	-	-	-	-	-	2,152	2,152	21	2,173
Other comprehensive income/(expenses)	-	-	-	-	(155)	-	(155)	-	(155)
Total comprehensive income/(expenses)	-	-	-	-	(155)	2,152	1,997	21	2,018
At 31 March 2022	38,106	1,119	1,905	-	(2,316)	56,759	95,573	734	96,307
At 1 January 2023	38,106	1,119	2,066	500	(2,697)	57,950	97,044	809	97,853
Profit for the period	-	-	-	-	-	8,183	8,183	15	8,198
Other comprehensive income/(expenses)	-	-	-	-	(62)	-	(62)	-	(62)
Total comprehensive income/(expenses)	-	-	-	-	(62)	8,183	8,121	15	8,136
Share-based payment arrangements	-	-	-	-	-	52	52	-	52
Transactions with the Company's owners	-	-	-	-	-	52	52	-	52
At 31 March 2023	38,106	1,119	2,066	500	(2,759)	66,185	105,217	824	106,041

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	Retained earnings	Total equity
At 1 January 2022	38,106	1,119	1,905	-	15,259	56,389
Profit for the period	-	-	-	-	743	743
Other comprehensive income/(expenses)	-	-	-	-	-	-
Total comprehensive income/(expenses)	-	-	-	-	743	743
At 31 March 2022	38,106	1,119	1,905	-	16,002	57,132
At 1 January 2023	38,106	1,119	2,066	500	24,582	66,373
Profit for the period	-	-	-	-	6,297	6,297
Total comprehensive income	-	-	-	-	6,297	6,297
Share-based payment arrangements	-	-	-	-	51	51
Transactions with the Company's owners	-	-	-	-	51	51
At 31 March 2023	38,106	1,119	2,066	500	30,930	72,721

Statements of cash flows

	Notes	Group		Company	
		3 months 2023	3 months 2022	3 months 2023	3 months 2022
Cash flows from operating activities					
Profit before income tax		9,664	2,828	7,389	785
Adjustments for non-cash items					
Depreciation and amortisation		2,319	2,193	991	979
Dividends received		-	-	-	-
Interest expenses from borrowings and lease		99	46	36	23
(Income)/expenses from other financial activities – net		(35)	56	(19)	1
Gain on disposal of property, plant and equipment		32	(141)	-	(156)
Share-based payment arrangements		51	-	27	-
		12,130	4,982	8,424	1,632
Changes in working capital					
Decrease/(increase) in trade and other amounts receivable		(2,252)	(3,813)	(1,666)	(1,049)
(Increase)/decrease in inventories		5,489	817	3,145	32
(Increase)/decrease in other assets		(269)	(339)	-	(73)
Increase/(decrease) in trade and other amounts payable		(7,281)	(1,765)	(5,591)	(1,672)
		(4,313)	(5,100)	(4,112)	(2,762)
Interest paid		(103)	(26)	(35)	(11)
Income tax paid		(386)	(23)	(200)	-
Net cash inflow from operating activities		7,328	(167)	4,077	(1,141)
Cash flows from investing activities					
Acquisition of property, plant and equipment and intangible assets	2 / 5	(1,198)	(1,507)	(597)	(886)
Acquisition of investment property	4	(75)	(87)	(74)	(93)
Disposal of property, plant and equipment	2	-	168	-	168
Net cash inflow/(outflow) from investing activities		(1,273)	(1,426)	(671)	(811)
Cash flows from financing activities					
Dividends paid		(9)	(7)	(7)	(5)
Repayment of borrowings		(754)	(503)	(330)	(416)
Proceeds from borrowings		-	5,141	-	2,600
Lease payments		(92)	(95)	(59)	(58)
Net cash (outflow) from financing activities		(855)	4,536	(396)	2,121
Net increase/(decrease) in cash flows		5,200	2,943	3,010	169
Cash and cash equivalents at the beginning of the period		14,840	12,443	7,544	818
Cash and cash equivalents at the end of the period		20,040	15,386	10,554	987

NOTES TO FINANCIAL STATEMENTS

1. Basis of preparation

The interim financial statements of the Group and the Company for the 3-month period ended 31 March 2023 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 annual financial statements and should be read in conjunction with the Group's and Company's annual financial statements for the year ended 31 December 2022, which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

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 2022.

These financial statements of the Group and the Company for the 3-month period ended 31 March 2023 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 2022.

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 2022 financial statements](#).

2. Property, plant and equipment

Group	Buildings and structures	Machinery and equipment	Motor vehicles	Other assets	Construction in progress and prepayments	Total
At 1 January 2022						
Cost	46,700	119,730	2,468	2,514	10,018	181,430
Accumulated depreciation	(21,608)	(84,910)	(1,640)	(1,708)	-	(109,866)
Net book amount	25,092	34,820	828	806	10,018	71,564
Opening net book amount at 1 January 2022	25,092	34,820	828	806	10,018	71,564
Additions	71	420	466	163	7,407	8,527
Disposals and write-offs	(2)	(30)	(1)	(1)	-	(34)
Transfer from inventory (to inventory)	-	8	-	-	-	8
Transfer from construction in progress to property, plant and equipment	1,061	9,816	65	221	(11,163)	-
Reclassification to Intangible assets	-	-	-	-	(250)	(250)
Reclassification from investment property	21	-	-	-	-	21
Foreign exchange effect	(34)	(99)	-	(3)	(23)	(159)
Depreciation charge	(1,902)	(5,964)	(268)	(349)	-	(8,483)
Closing net book amount at 31 December 2022	24,307	38,971	1,090	837	5,989	71,194
At 31 December 2022						
Cost	47,969	127,100	2,803	2,522	5,989	186,383
Accumulated depreciation	(23,662)	(88,129)	(1,713)	(1,685)	-	(115,189)
Net book amount	24,307	38,971	1,090	837	5,989	71,194
Opening net book amount at 1 January 2023	24,307	38,971	1,090	837	5,989	71,194
Additions	10	382	-	38	1,170	1,600
Transfer from inventory (to inventory)	-	(7)	-	-	-	(7)
Transfer from construction in progress to property, plant and equipment	419	2,065	2	4	(2,490)	-
Foreign exchange effect	(2)	(7)	-	-	-	(9)
Depreciation charge	(466)	(1,489)	(82)	(82)	-	(2,119)
Closing net book amount at 31 March 2023	24,268	39,915	1,010	797	4,669	70,659
At 31 March 2023						
Cost	48,389	129,511	2,805	2,563	4,669	187,937
Accumulated depreciation	(24,121)	(89,596)	(1,795)	(1,766)	-	(117,278)
Net book amount	24,268	39,915	1,010	797	4,669	70,659

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

On the 31 March 2023, the part of the Group's property, plant and equipment with a carrying value of EUR 13,096 thousand (31 December 2022 – EUR 13,288 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
At 1 January 2022						
Cost	16,364	57,714	654	1,028	5,206	80,966
Accumulated depreciation	(7,005)	(43,829)	(385)	(727)	-	(51,946)
Net book amount	9,359	13,885	269	301	5,206	29,020
Opening net book amount at 1 January 2022						
Additions	-	80	184	65	1,216	1,545
Disposals and write-offs	(1)	(12)	-	-	-	(13)
Transfer from inventory (to inventory)	-	8	-	-	-	8
Transfer from construction in progress to property, plant and equipment	249	4,329	-	18	(4,596)	-
Depreciation charge	(692)	(2,615)	(96)	(142)	-	(3,545)
Closing net book amount at 31 December 2022	8,915	15,675	357	242	1,826	27,015
At 31 December 2022						
Cost	16,530	61,524	705	901	1,826	81,486
Accumulated depreciation	(7,615)	(45,849)	(348)	(659)	-	(54,471)
Net book amount	8,915	15,675	357	242	1,826	27,015
Opening net book amount at 1 January 2023						
Additions	10	9	-	19	315	353
Depreciation charge	(173)	(623)	(26)	(29)	-	(851)
Closing net book amount at 31 March 2023	8,752	15,061	331	232	2,141	26,517
At 31 March 2023						
Cost	16,540	61,533	705	920	2,141	81,839
Accumulated depreciation	(7,788)	(46,472)	(374)	(688)	-	(55,322)
Net book amount	8,752	15,061	331	232	2,141	26,517

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

On the 31 March 2023, the part of the Company's property, plant and equipment with a carrying value of EUR 6,451 thousand (31 December 2022 – EUR 6,565 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
At 1 January 2022				
Cost	3,948	416	823	5,187
Accumulated depreciation	(533)	(222)	(463)	(1,218)
Net book amount	3,415	194	360	3,969
Opening net book amount at 1 January 2022				
Change in value-in-use	208	376	279	863
Foreign exchange effect	(3)	-	-	(3)
Disposals and write-offs	-	-	(75)	(75)
Amortisation charge	(67)	(122)	(288)	(477)
Closing net book amount at 31 December 2022	3,553	448	276	4,277
At 31 December 2022				
Cost	4,148	792	780	5,720
Accumulated depreciation	(595)	(344)	(504)	(1,443)
Net book amount	3,553	448	276	4,277
Opening net book amount at 1 January 2023				
Change in value-in-use	-	-	139	139
Disposals and write-offs	-	-	(31)	(31)
Amortisation charge	(17)	(33)	(77)	(127)
Closing net book amount at 31 March 2023	3,536	415	307	4,258
At 31 March 2023				
Cost	4,148	792	884	5,824
Accumulated depreciation	(612)	(377)	(577)	(1,566)
Net book amount	3,536	415	307	4,258

As at 31 March 2023, the part of the Group's land lease rights with the carrying amount of EUR 1,012 thousand (31 December 2022: EUR 1,016 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
At 1 January 2022				
Cost	1,014	1,154	243	2,411
Accumulated depreciation	(40)	(697)	(140)	(877)
Net book amount	974	457	103	1,534
Opening net book amount at 1 January 2022				
Change in value-in-use	17	-	93	110
Disposals, write-offs	-	-	(15)	(15)
Amortisation charge	(14)	(228)	(92)	(334)
Closing net book amount at 31 December 2022	977	229	89	1,295
At 31 December 2022				
Cost	1,029	1,154	284	2,467
Accumulated depreciation	(52)	(925)	(195)	(1,172)
Net book amount	977	229	89	1,295
Opening net book amount at 1 January 2023				
Change in value-in-use	-	-	9	9
Amortisation charge	(4)	(57)	(25)	(86)
Closing net book amount at 31 March 2023	973	172	73	1,218
At 31 March 2023				
Cost	1,029	1,154	293	2,476
Accumulated depreciation	(56)	(982)	(220)	(1,258)
Net book amount	973	172	73	1,218

As at 31 March 2023, the part of the Company's land lease rights with the carrying amount of EUR 351 thousand (31 December 2022: EUR 353 thousand) were pledged to the banks as security for borrowings.

4. Investment property

Group	Buildings	Other assets	Construction in progress and prepayments	Total
At 1 January 2022				
Cost	5,203	-	328	5,531
Accumulated depreciation	(1,114)	-	-	(1,114)
Net book amount	4,089	-	328	4,417
Opening net book amount at 1 January 2022	4,089	-	328	4,417
Additions	-	3	259	262
Transfer from construction	251	-	(251)	-
Reclassification from property, plant and equipment	(21)	-	-	(21)
Depreciation charge	(247)	(1)	-	(248)
Closing net book amount at 31 December 2022	4,072	2	336	4,410
At 31 December 2022				
Cost	4,963	2	336	5,301
Accumulated depreciation	(891)	-	-	(891)
Net book amount	4,072	2	336	4,410
Opening net book amount at 1 January 2023	4,072	2	336	4,410
Additions	-	-	125	125
Depreciation charge	(64)	-	-	(64)
Closing net book amount at 31 March 2023	4,008	2	461	4,471
At 31 March 2023				
Cost	4,963	2	461	5,426
Accumulated depreciation	(955)	-	-	(955)
Net book amount	4,008	2	461	4,471

4. Investment property (continued)

Company	Buildings	Other assets	Construction in progress and prepayments	Total
At 1 January 2022				
Cost	5,203	-	328	5,531
Accumulated depreciation	(1,114)	-	-	(1,114)
Net book amount	4,089	-	328	4,417
Opening net book amount at 1 January 2022	4,089	-	328	4,417
Additions	-	3	259	262
Transfer from construction	251	-	(251)	-
Depreciation charge	(247)	(1)	-	(248)
Closing net book amount at 31 December 2022	4,093	2	336	4,431
At 31 December 2022				
Cost	5,454	2	336	5,792
Accumulated depreciation	(1,361)	-	-	(1,361)
Net book amount	4,093	2	336	4,431
Opening net book amount at 1 January 2023	4,093	2	336	4,431
Additions	-	-	125	125
Depreciation charge	(65)	-	-	(65)
Closing net book amount at 31 March 2023	4,028	2	461	4,491
At 31 March 2023				
Cost	5,454	2	461	5,917
Accumulated depreciation	(1,426)	-	-	(1,426)
Net book amount	4,028	2	461	4,491

5. Intangible assets

Group	Goodwill	Licences, patents	Software	Other assets, prepayments, development in progress	Total
At 1 January 2022					
Cost	3,001	169	2,243	553	5,966
Accumulated amortisation	-	(123)	(1,800)	(530)	(2,453)
Net book amount	3,001	46	443	23	3,513
Opening net book amount at 1 January 2022	3,001	46	443	23	3,513
Additions	-	6	9	177	192
Transfer from development in progress to Intangible assets	-	-	18	(18)	-
Reclassification from property, plant and equipment	-	-	250	-	250
Foreign exchange effect	-	-	(1)	-	(1)
Amortisation charge	-	(39)	(149)	(2)	(190)
Closing net book amount at 31 December 2022	3,001	13	570	180	3,764
At 31 December 2022					
Cost	3,001	61	2,510	691	6,263
Accumulated amortisation	-	(48)	(1,940)	(511)	(2,499)
Net book amount	3,001	13	570	180	3,764
Opening net book amount at 1 January 2023	3,001	13	570	180	3,764
Additions	-	-	-	239	239
Transfer from development in progress to Intangible assets	-	-	34	(34)	-
Disposals and write-offs	-	(2)	-	-	(2)
Amortisation charge	-	-	(42)	-	(42)
Closing net book amount at 31 March 2023	3,001	11	562	385	3,959
At 31 March 2023					
Cost	3,001	61	2,540	854	6,456
Accumulated amortisation	-	(50)	(1,978)	(469)	(2,497)
Net book amount	3,001	11	562	385	3,959

5. Intangible assets (continued)

Company	Licences, patents	Software	Other assets, prepayments, development in progress	Total
At 1 January 2022				
Cost	169	1,025	33	1,227
Accumulated amortisation	(124)	(720)	(9)	(853)
Net book amount	46	305	23	374
Opening net book amount at 1 January 2022	46	305	23	374
Additions	6	-	121	127
Transfer from development in progress to Intangible assets	-	18	(18)	-
Amortisation charge	(39)	(80)	(2)	(121)
Closing net book amount at 31 December 2022	13	243	124	380
At 31 December 2022				
Cost	64	1,039	135	1,238
Accumulated amortisation	(51)	(796)	(11)	(858)
Net book amount	13	243	124	380
Opening net book amount at 1 January 2023	13	243	124	380
Additions	-	-	197	197
Transfer from development in progress to Intangible assets	-	34	(34)	-
Amortisation charge	(2)	(18)	-	(20)
Closing net book amount at 31 March 2023	11	259	287	557
At 31 March 2023				
Cost	64	1,072	298	1,434
Accumulated amortisation	(52)	(814)	(11)	(877)
Net book amount	11	259	287	557

6. Investments in subsidiaries

	Company	
	2023.03.31	2022.12.31
Grigeo Baltwood UAB	2,555	2,555
Grigeo investicijų valdymas UAB	19,427	19,427
Grigeo Recycling UAB	1,066	1,066
Grigiškių energija UAB	3	3
Share-based option to employees of subsidiaries	98	75
Total investments in subsidiaries	23,149	23,126

7. Amounts receivable

	Group		Company	
	2023.03.31	2022.12.31	2023.03.31	2022.12.31
Trade receivables – gross	24,253	22,333	13,699	12,287
Loss allowance	(86)	(86)	(72)	(72)
Trade receivables – net	24,167	22,247	13,627	12,215
Amounts receivable from related parties	-	-	2,192	1,803
Loans receivable from related parties	-	-	1,214	1,202
Amount receivable of the recovery of a part of the PSO* service fee	144	141	49	49
VAT receivable	1,590	1,277	29	200
Other amounts receivable – gross	251	242	163	140
Total trade and other amounts receivable – net	26,152	23,907	17,274	15,609
Of which:				
Non-current amounts receivable	3	3	-	-
Current amounts receivable	26,149	23,904	17,274	15,609

*PSO – services under public service obligation scheme.

As at 31 March 2023 and 31 December 2022, 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	
	2023.03.31	2022.12.31	2023.03.31	2022.12.31
Cash at bank	20,040	14,840	10,554	7,544
Cash on hand	-	-	-	-
TOTAL	20,040	14,840	10,554	7,544

9. Inventories

	Group		Company	
	2023.03.31	2022.12.31	2023.03.31	2022.12.31
Materials	6,665	7,476	1,841	2,483
Work in progress	2,078	2,567	1,423	1,826
Finished products	5,608	7,756	3,504	3,807
Inventories in transit	-	1,911	-	1,809
Prepayments	130	254	72	61
Total	14,481	19,963	6,840	9,985

As at 31 March 2023, the acquisition value (cost) of the Group's and the Company's inventories was decreased by respectively EUR 823 thousand and EUR 345 thousand (31 December 2022: EUR 943 thousand and EUR 338 thousand respectively) to net realisable value. The net realisable value adjustment was accounted for under cost of sales.

9. Inventories (continued)

As at 31 March 2023, the inventories of the Group and the Company were not pledged. As at 31 December 2022, the Group and the Company had pledged inventories with a carrying amount of respectively EUR 1,158 thousand and EUR 1,158 thousand as security for bank borrowings.

10. Share capital and legal reserve

On 31 of March 2023 and on 31 December 2022 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 31 of March 2023 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.

During 17-22 June 2022 the Company has concluded the transactions with senior management employees of the Group and the Company for the option of granting (free of charge) 1,660,000 Company's shares.

12. Non-current and current borrowings

	Group		Company	
	2023.03.31	2022.12.31	2023.03.31	2022.12.31
Non-current borrowings:				
Bank borrowings	4,141	4,644	1,621	1,868
	4,141	4,644	1,621	1,868
Current borrowings:				
Bank borrowings	2,112	2,363	907	989
	2,112	2,363	907	989
TOTAL	6,253	7,007	2,528	2,857

13. Trade and other payables

	Group		Company	
	2023.03.31	2022.12.31	2023.03.31	2022.12.31
Trade payables	18,520	25,979	9,190	15,039
Wages and salaries and social security contributions	4,595	3,328	1,841	1,508
Advance amounts received	144	325	13	83
Accrued expenses	284	723	90	92
Other amounts payable	1,349	1,485	798	827
TOTAL	24,892	31,840	11,932	17,549
Of which:				
Attributable to financial liabilities	20,153	28,187	10,078	15,958
Not attributable to financial liabilities	4,739	3,653	1,854	1,591

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 3 months 2023	Paper and paper products	Wood fibre boards	Raw materials for corrugated cardboard and related products	Total reportable segments	Unallocated	Elimination	TOTAL
Sales	24,267	8,443	19,983	52,693	1,408	-	54,101
Inter-segment sales	(1,670)	(271)	(5,890)	(7,831)	(2,556)	10,387	-
Unconsolidated segment sales	25,937	8,714	25,873	60,524	3,964	(10,387)	54,101
Cost of sales	(16,972)	(7,472)	(15,773)	(40,217)	(973)	-	(41,190)
Gross profit	7,295	971	4,210	12,476	435	-	12,911
Depreciation and amortisation	841	247	1,070	2,158	195	-	2,353
Property, plant and equipment of the segment	24,145	6,293	36,871	67,309	3,350	-	70,659
Intangible assets of the segment	211	9	388	608	350	-	958
Investment property of the segment	-	-	-	-	4,471	-	4,471
Right-of-use assets of the segment	285	866	2,059	3,210	1,048	-	4,258
Goodwill	-	-	3,001	3,001	-	-	3,001
Investments of the segment	280	471	808	1,559	405	-	1,964

Group 3 months 2022	Paper and paper products	Wood fibre boards	Raw materials for corrugated cardboard and related products	Total reportable segments	Unallocated	Elimination	TOTAL
Sales	15,975	6,621	25,960	48,556	1,316	-	49,872
Inter-segment sales	(1,428)	(214)	(7,978)	(9,620)	(2,298)	11,918	-
Unconsolidated segment sales	17,403	6,835	33,939	58,177	3,613	(11,918)	49,872
Cost of sales	(14,880)	(5,844)	(21,092)	(41,816)	(1,028)	-	(42,844)
Gross profit	1,095	777	4,868	6,740	288	-	7,028
Depreciation and amortisation	796	149	1,080	2,025	208	-	2,233
Property, plant and equipment of the segment	25,982	5,396	36,447	67,825	3,398	-	71,223
Intangible assets of the segment	293	-	129	422	89	-	511
Investment property of the segment	-	-	-	-	4,362	-	4,362
Right-of-use assets of the segment	134	882	1,843	2,859	1,017	-	3,876
Goodwill	-	3,001	3,001	-	-	3,001	-
Investments of the segment	583	611	493	1,687	78	-	1,765

Sales by region

	Group		Company	
	3 months 2023	3 months 2022	3 months 2023	3 months 2022
Domestic market (Lithuania)	17,603	17,521	10,843	7,542
European Union	30,915	24,897	15,696	10,334
Other countries	5,552	6,450	1,080	776
CIS countries	31	1,004	31	251
TOTAL	54,101	49,872	27,650	18,903

15. Other income

	Group		Company	
	3 months 2023	3 months 2022	3 months 2023	3 months 2022
Rental income	183	152	186	159
Dividend income	-	-	-	-
TOTAL	183	152	186	159

16. Other gains/(losses) – net

	Group		Company	
	3 months 2023	3 months 2022	3 months 2023	3 months 2022
Net gain from turnover of emission allowances	2,979	1,388	2,298	1,388
Result of disposal of assets	-	156	-	156
Other gains/(losses)	2	46	10	10
TOTAL	2,981	1,590	2,308	1,554

17. Basic and diluted earnings per share

The calculation of the basic and diluted earnings per share is presented below:

	Group	
	3 months 2023	3 months 2022
Net profit for the period attributable to the Company's shareholders	8,183	2,152
Number of ordinary shares	131,400,000	131,400,000
Share-based option	1,660,000	1,660,000
Weighted average number of ordinary shares	133,060,000	133,060,000
Earnings per share (in EUR)	0.062	0.016
Diluted earnings per share (in EUR)	0.061	0.016

	Company	
	3 months 2023	3 months 2022
Net profit for the period attributable to the Company's shareholders	6,297	743
Number of ordinary shares	131,400,000	131,400,000
Share-based option	1,660,000	1,660,000
Weighted average number of ordinary shares	133,060,000	133,060,000
Earnings per share (in EUR)	0.048	0.006
Diluted earnings per share (in EUR)	0.047	0.006

18. Adjusted EBITDA

The management of the Group and the Company calculate the adjusted EBITDA – they monitor this performance indicator both at the consolidated level and at the individual company level. The management believes that this indicator is important for understanding the Group's and the Company's financial performance. The adjusted EBITDA is calculated by adjusting profit from continuing operations to exclude the impact of taxation, net finance costs, depreciation, amortisation, impairment losses/reversals related to goodwill, intangible assets, property plant and equipment. The calculation also includes amortisation of subsidies related to non-current assets which affects the profit for the period.

The adjusted EBITDA as a performance indicator is not established by IFRS. The Group's definition of the adjusted EBITDA may not match with similarly named performance indicators and disclosures of other entities.

18. Adjusted EBITDA (continued)

	Group		Company	
	3 months 2023	3 months 2022	3 months 2023	3 months 2022
Profit for the period	8,198	2,174	6,297	743
Income tax	1,466	654	1,092	42
Profit before income tax	9,664	2,828	7,389	785
Adjustment:				
Finance costs – net	63	103	18	25
Dividends received	-	-	-	-
Depreciation	2,184	2,076	917	896
Amortisation	170	157	105	116
Amortisation of grants	(34)	(40)	(31)	(33)
Adjusted EBITDA	12,046	5,124	8,398	1,789

19. 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 court hearings have started 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 3 months of 2023 and until the date of signing these interim financial statements.

More information is presented in [Note 32 of year 2022 financial statements](#).

Over 3 months of 2023 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.

20. Material uncertainties

Russia's invasion of Ukraine on 24 February 2022 has a negative impact over the Group's financial performance. The Group's subsidiary Grigeo Klaipėda AB has investments in Ukrainian subsidiary Mena Pak AT.

Since the beginning of the war the Group and the Company has discontinued all business relationships with Russia and Belarus and has no receivables from or payables to these countries. The discontinued business with mentioned countries has no impact over Group's and Company's financial results.

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	2023.03.31	2022.12.31
Non-current assets	581	609
Current assets	1 837	1,790
TOTAL ASSETS	2 418	2,399
Shareholders' equity	2 159	2,168
Non-current liabilities	10	12
Current liabilities	249	219
TOTAL EQUITY AND LIABILITIES	2 418	2,399

20. Material uncertainties (continued)

The Group's statement of comprehensive income for 3 months of 2023 includes the following consolidated results of Mena Pak AT:

Mena Pak AT	3 months 2023
Revenue	1,307
Profit before tax	62
Net profit	50
EBITDA	103

Mena Pak AT did not incur any physical damage during the war. However, the Group's management estimates that a high uncertainty exists in relation to Mena Pak AT's assets of EUR 2.4 million and liabilities of EUR 0.2 million due to the ongoing war and high uncertainty of future events.

21. 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, chief executive officer Tomas Jozonis and finance director Martynas Nenėnas hereby confirm that, to the best of our knowledge, unaudited interim consolidated financial statements of Grigeo AB for the three months period ended 31 March 2023, 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.

Chief Executive Officer of Grigeo AB

Tomas Jozonis

Finance director of Grigeo AB

Martynas Nenėnas