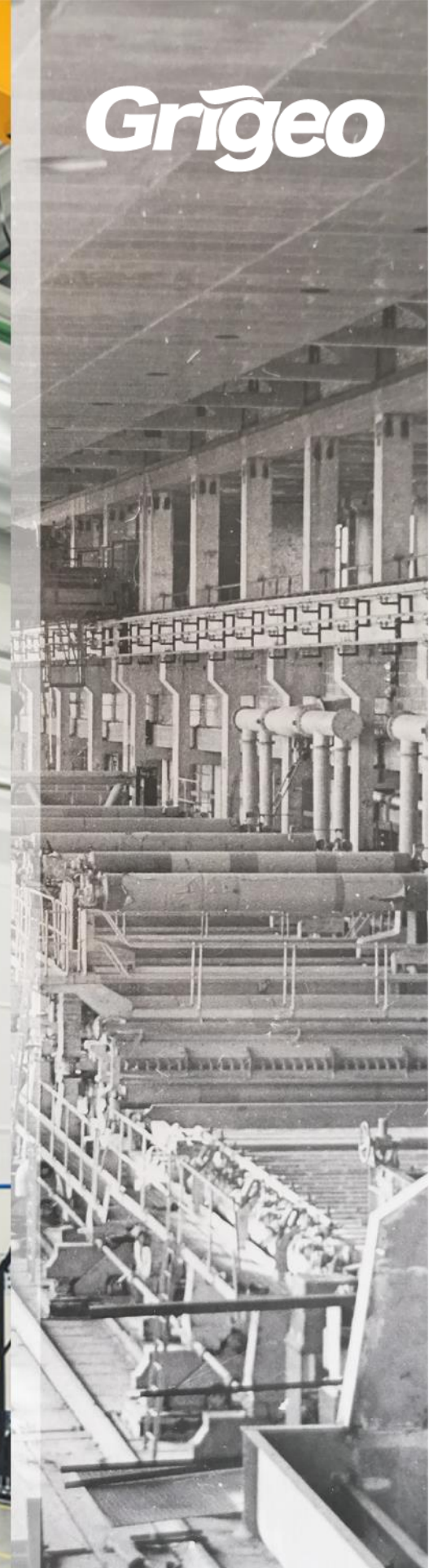




**Grigeo**



## **Grigeo AB**

**CONSOLIDATED INTERIM REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2021 (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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## **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 2021, 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

## MANAGEMENT REPORT

### A. Executive summary for 6 months of 2021

Over 6 months of 2021, compared to the respective period of previous year:

- The Group's revenue increased by EUR 8.8 million (13.5%), the Company's – lower by EUR 1.7 million (5.0%).
- The Group's EBITDA increased by EUR 1.2 million (10.2%), the Company's – lower by EUR 2.0 million (27.5%).
- The Group's EBT increased by EUR 2.3 million (36.0%), the Company's – increased by EUR 0.1 million (2.6%).

Indicator, EUR million	Group			Company		
	2021	2020	Change	2021	2020	Change
Revenue	73.7	64.9	13.5%	30.8	32.5	-5.0%
EBITDA	13.5	12.3	10.2%	5.1	7.1	-27.5%
Profit before tax (EBT)	8.6	6.3	36.0%	4.4	4.3	2.6%

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	
	2021 m.	2020 m.	2021 m.	2020 m.	2021 m.	2020 m.	2021 m.	2020 m.	2021 m.	2020 m.
Revenue	28.2	29.9	9.8	8.6	34.5	25.3	1.2	1.1	73.7	64.9
Gross profit	6.6	8.0	2.4	1.7	8.8	5.9	0.2	0.2	17.9	15.7
Gross margin of the segment	23.3%	26.6%	24.1%	20.0%	25.5%	23.2%	16.0%	15.9%	24.3%	24.2%

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

**Tissue paper products market.** Over 6 months of 2021 the revenue from tissue paper segment reached EUR 28.2 million and, when compared to respective period of previous year, decreased by 5.8%. The gross profit of the segment amounted to EUR 6.6 million – 17.6% lower if compared to respective period of previous year. Respectively, the gross margin of the segment decreased from 26.6% to 23.3%. The reasons of the decrease are pandemic-driven quarantine restrictions in Horeca sector, resulting in less paper usage while providing catering and accommodation services, as well as increase in the prices of raw materials.

**Wood products market.** Over 6 months of 2021 the revenues of the segment reached EUR 9.8 million – 13.3% more, when compared to respective period of previous year. Gross profit of the segment reached EUR 2.4 million and was 36.4% higher when compared to respective period of previous year. The gross margin has increased significantly from 20.0% to 24.1%. The main reason of the increase in the margin was increase in market price of fibre boards.

**Raw materials for corrugated cardboard and related products market.** The revenues of this segment reached EUR 34.5 million over 6 months of 2021 and were higher by 36.7% when compared to respective period of previous year due to increased sales volumes. The gross profit of the segment reached EUR 8.8 million and was higher by 50.2%. Respectively, the gross margin of the segment increased from 23.2% to 25.5%. The main reason driving the segment growth is an increased demand in raw cardboard and corrugated cardboard packaging market.



The Group's and Company's liquidity, capital structure and market value indicators remain at high level in the light of COVID-19 pandemic.

Indicator	Group			Company		
	2021 1-6 m.	2020 1-6 m.	2019 1-6 m.	2021 1-6 m.	2020 1-6 m.	2019 1-6 m.
Revenue, EUR million	73.7	64.9	70.8	30.8	32.5	32.7
Net profit, EUR million	7.2	5.2	5.5	4.0	3.6	9.9
EBITDA, EUR million	13.5	12.3	11.8	5.1	7.1	3.9
EBIT, EUR million	8.7	6.4	6.2	4.5	4.4	1.4
<b>Profitability ratios</b>						
Gross margin	24.3%	24.2%	19.8%	21.5%	24.5%	14.7%
EBITDA profitability	18.4%	18.9%	16.6%	16.6%	21.8%	12.0%
EBIT profitability	11.9%	9.9%	8.8%	14.5%	13.5%	4.3%
Net margin	9.8%	8.1%	7.6%	13.0%	11.1%	30.4%
ROE profitability	8.1%	6.6%	8.4%	6.8%	6.8%	24.2%
ROA profitability	5.9%	4.3%	4.6%	5.3%	4.9%	13.9%
ROCE profitability	9.2%	6.7%	6.9%	7.5%	6.8%	2.6%
<b>Liquidity ratios</b>						
Current ratio	1.54	1.56	1.13	1.25	1.63	0.78
Quick ratio	1.14	1.23	0.83	0.89	1.33	0.55
<b>Capital structure ratios</b>						
Debt to equity ratio	0.37	0.38	0.75	0.27	0.28	0.58
Debt to total assets ratio	0.27	0.27	0.43	0.21	0.22	0.37
<b>Market value ratios</b>						
P/E	17.78	14.85	16.51	31.81	21.55	8.99
Earnings per share*, EUR	0.055	0.040	0.041	0.031	0.027	0.076

\*Ratios are adjusted for year 2020 and 2019 following the Company's authorised share capital increase on 19 May 2021 out of the Company's retained earnings (Note 16).

## B. Main data about the issuer

Company	Data
Company name	<b>Grigeo AB</b>
Code	110012450
Authorised capital (Note 10)	EUR 38,106,000
LEI	529900YXT3CDTZGS0R43
Address	Vilniaus str. 10, Grigiškės, Vilnius City Municipality
Telephone number	+370 5 243 5801
Fax number	+370 5 243 5802
E-mail address	<a href="mailto:info@grigeo.lt">info@grigeo.lt</a>
Website address	<a href="http://www.grigeo.lt/lt">http://www.grigeo.lt/lt</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 2021 is not audited or checked-up by auditors.

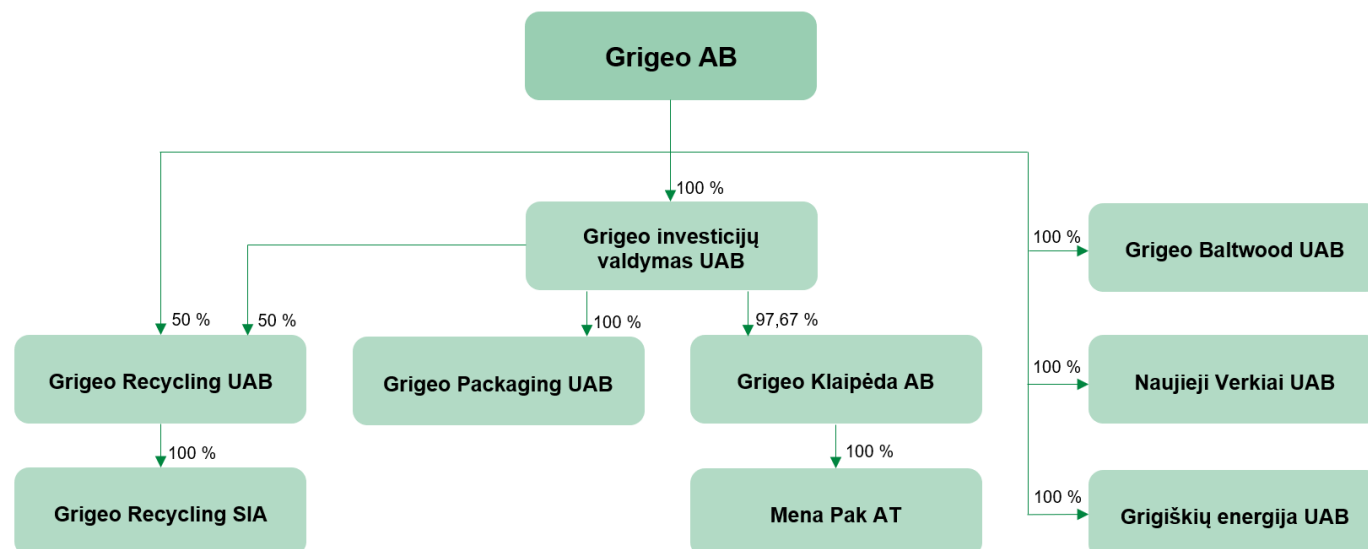
## D. Contracts with intermediaries of public trading in securities and credit institutions

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 FMJ (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

As of 30 June 2021, 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 [2020 annual report](#).

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

The main business of Grigeo AB is manufacturing of tissue paper.

Grigeo Klaipėda AB manufactures raw materials for production of corrugated board – Testliner (base layer board) and Fluting (corrugated liner) as well as paper honeycomb used in furniture industry.

Grigeo Packaging UAB manufactures corrugated board and corrugated board products.

Grigeo Baltwood UAB manufactures self-coloured and painted hardboard.

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

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

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

Grigeo investicijų valdymas UAB is engaged in investment management activities.

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 was dormant during the reporting period.

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

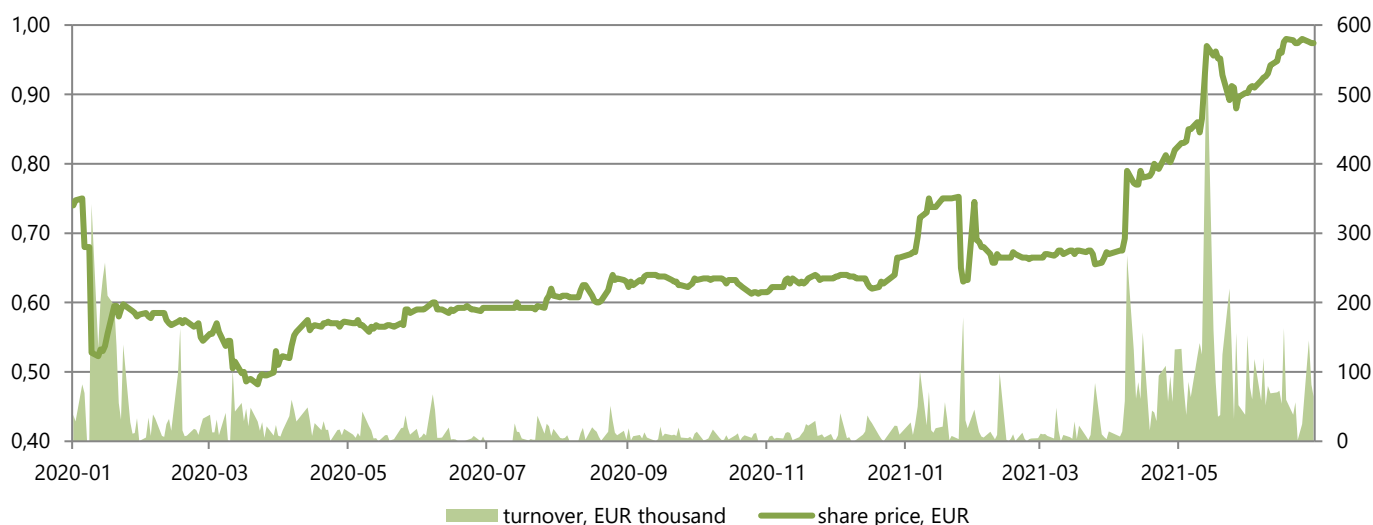
The ordinary registered shares of Grigeo AB are on the Official Baltic List of Nasdaq Vilnius stock exchange (the Company’s trading code is GRG1L).

The main characteristics of the Company’s shares:

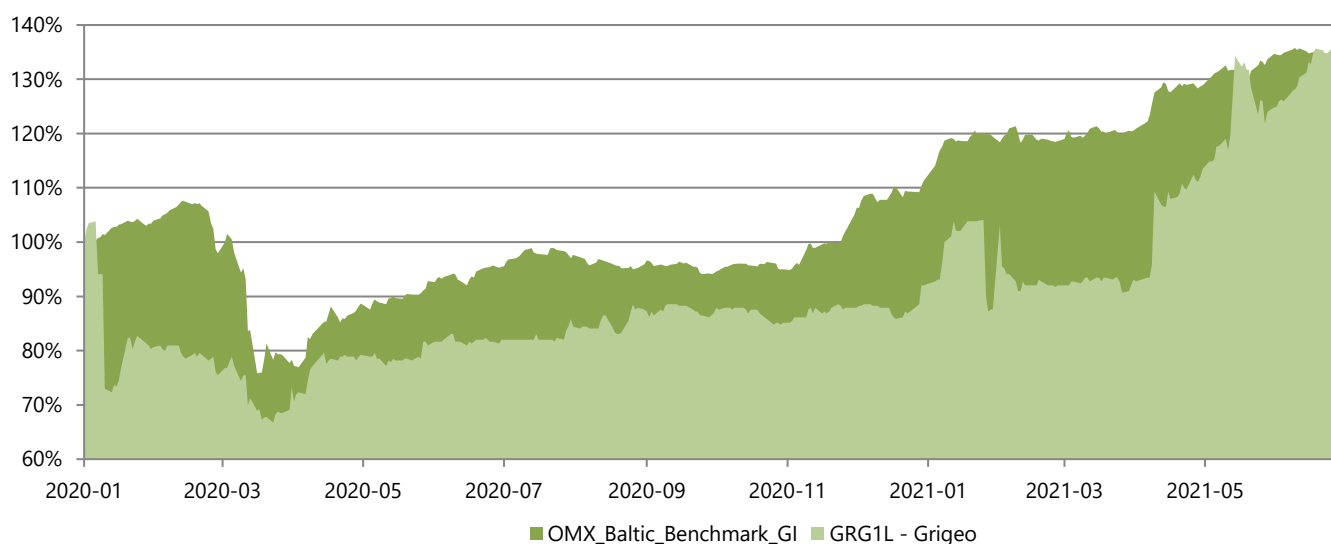
Date	Type of shares	VP ISIN code	Number of shares, units	Par value, EUR	Total par value, EUR
Until 18/05/2021	Ordinary registered shares	LT0000102030	65,700,000	0.29	19,053,000
From 19/05/2021	Ordinary registered shares	LT0000102030	131,400,000	0.29	38,106,000

Based on the decision of the Annual General Meeting of Shareholders that was held on 30 April 2021, the Company’s authorised share capital was increased on 19 May 2021 out of the Company’s retained earnings from EUR 19,053 thousand to EUR 38,106 thousand by issuing 65,700,000 ordinary registered shares with a nominal value of EUR 0.29.

### Price and turnover of shares 01/01/2020 – 30/06/2021:



### Share price benchmarked against the Baltic market index 01/01/2020 – 30/06/2021:



## H. Shareholders

Shareholders owning more than 5% of the authorised capital of the Issuer on the 30 of June 2021 and/or the 31 of December 2020.

Shareholder's name (company's name, type, headquarters address, corporate ID number)	30 June 2021			31 December 2020		
	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	57,164,814	43.50	43.50	28,582,407	43.50	43.50
Irena Ona Mišeikienė	17,168,342	13.07	13.07	8,584,171	13.07	13.07

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

## I. Employees

Over the six months of the year 2021 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	
	2021.06.30	2020.12.31	2021.06.30	2020.12.31
Number of employees	848	859	278	288

The average salary in the Company and in the Group increased for most categories of employees as compared to the six months of the year 2020. 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.

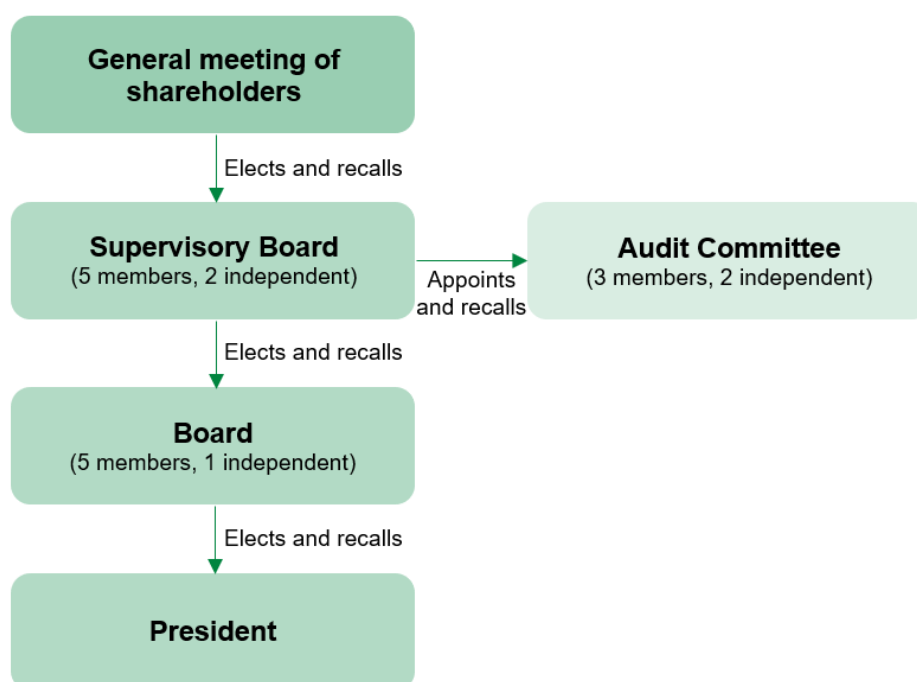
Employees	Group		Company	
	2021 1-6 m.	2020 1-6 m.	2021 1-6 m.	2020 1-6 m.
Workpeople	1,775	1,508	1,757	1,811
Specialists	2,108	1,920	2,217	2,042
Managers**	5,040	4,713	6,341	5,561
<b>Total</b>	<b>2,232</b>	<b>1,921</b>	<b>2,395</b>	<b>2,281</b>

\* - 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.

\*\*The increase in average salary of managers is primarily related with payments of variable pay to board members instead of share of profits (tantième) that were paid in 2020.

## 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	4.42
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 Duksienė	Independent Member	Vilnius University, Economist		-
<b>Audit Committee</b>				
Daiva Duksienė	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		4.42
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 43.5*
Algimantas Variakojis	Independent Member (since 13/07/2020)	Vilnius University, Economist		0.16**
Vigmantas Kažukauskas	Member	Kaunas University of Technology, Telecommunications Engineer		0.85
Saulius Martinkevičius	Member	Vilnius University, BA in Economics and Business IT Systems, MA in Business Administration and Management		0.15
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 43.5*

\*Ginvildos investicija UAB holds 43.5% 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 2020](#) 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.

Ginvildos 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 2021 presented in the table below. Balances of amounts receivable/payable in relation thereto on the 30 June 2021.

Group	Sales of goods and services	Purchases of goods and services	Amounts receivable*	Amounts payable
Companies having significant influence	-	7	-	2
Other related companies	-	-	-	-
<b>TOTAL</b>	-	<b>7</b>	-	<b>2</b>

Company's transactions with related parties over the 6 months of 2021 presented in the table below. Balances of amounts receivable/payable in relation thereto on the 30 June 2021.

Company	Sales of goods and services	Purchases of goods and services	Amounts receivable*	Amounts payable
Companies having significant influence	-	5	-	-
Subsidiaries	2,233	3,538	533	765
Other related companies	-	-	-	-
<b>TOTAL</b>	<b>2,233</b>	<b>3,543</b>	<b>533</b>	<b>765</b>

\*Receivables include prepayments for goods and services.

## INTERIM FINANCIAL STATEMENTS

### Statements of financial position

	Notes	Group		Company	
		2021.06.30	2020.12.31	2021.06.30	2020.12.31
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	2	68,845	70,629	27,859	28,613
Right-of-use assets	3	3,955	4,129	1,662	1,833
Intangible assets	5	3,562	3,624	397	430
Investment property	4	3,565	1,979	3,565	1,979
Investments in subsidiaries	6	-	-	23,051	23,051
Other amounts receivable	7	3	3	-	-
Deferred income tax assets		-	-	-	-
<b>Total non-current assets</b>		<b>79,930</b>	<b>80,364</b>	<b>56,534</b>	<b>55,906</b>
<b>Current assets</b>					
Inventories	9	10,977	9,133	4,654	3,996
Trade and other amounts receivable	7	19,188	15,127	8,464	7,367
Other current assets		663	282	236	166
Cash and cash equivalents	8	11,674	18,275	2,760	10,453
<b>Total current assets</b>		<b>42,502</b>	<b>42,817</b>	<b>16,114</b>	<b>21,982</b>
<b>TOTAL ASSETS</b>		<b>122,432</b>	<b>123,181</b>	<b>72,648</b>	<b>77,888</b>

(Cont'd on the next page)

**Statements of financial position (continued)**

	Notes	Group		Company	
		2021.06.30	2020.12.31	2021.06.30	2020.12.31
<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	1,905	1,905	1,905	1,905
Hedging reserve		15	11	(1)	(4)
Foreign currency translation reserve		(2,250)	(2,407)	-	-
Retained earnings		49,540	69,278	16,066	38,980
<b>Equity attributable to shareholders of the Company</b>		<b>88,435</b>	<b>88,959</b>	<b>57,195</b>	<b>61,053</b>
Non-controlling interest		644	596	-	-
<b>Total equity</b>		<b>89,079</b>	<b>89,555</b>	<b>57,195</b>	<b>61,053</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	11	496	1,226	-	556
Lease liabilities		3,158	3,287	1,394	1,554
Grants		1,043	1,147	890	970
Deferred income tax liability		632	77	190	187
Long-term employee benefits		190	191	69	86
Other amounts payable		282	282	-	-
<b>Total non-current liabilities</b>		<b>5,801</b>	<b>6,210</b>	<b>2,543</b>	<b>3,353</b>
<b>Current liabilities</b>					
Borrowings	11	3,741	6,404	1,538	2,281
Lease liabilities		353	387	307	310
Income tax payable		532	572	426	352
Trade and other amounts payable	12	22,925	20,048	10,638	10,535
Fair value of financial instruments		1	5	1	4
<b>Total current liabilities</b>		<b>27,552</b>	<b>27,416</b>	<b>12,910</b>	<b>13,482</b>
<b>Total liabilities</b>		<b>33,353</b>	<b>33,626</b>	<b>15,453</b>	<b>16,835</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>122,432</b>	<b>123,181</b>	<b>72,648</b>	<b>77,888</b>

## Statements of comprehensive income

	Notes	Group		Company	
		2021 1-6 m.	2020 1-6 m.	2021 1-6 m.	2020 1-6 m.
Revenue	13	73,700	64,946	30,830	32,458
Cost of sales		(55,780)	(49,215)	(24,214)	(24,425)
<b>Gross profit</b>		<b>17,920</b>	<b>15,731</b>	<b>6,616</b>	<b>7,963</b>
Selling and distribution expenses		(5,540)	(6,012)	(2,188)	(2,462)
Administrative expenses		(4,014)	(3,838)	(1,637)	(1,647)
Other income	14	192	187	1,698	162
Other gains/(losses) – net	15	189	360	(22)	359
<b>Operating profit</b>		<b>8,747</b>	<b>6,428</b>	<b>4,467</b>	<b>4,375</b>
Finance income		6	59	4	2
Finance costs		(158)	(166)	(53)	(69)
<b>Finance income/(costs) – net</b>		<b>(152)</b>	<b>(107)</b>	<b>(49)</b>	<b>(67)</b>
<b>Profit before income tax</b>		<b>8,595</b>	<b>6,321</b>	<b>4,418</b>	<b>4,308</b>
Income tax		(1,348)	(1,088)	(395)	(695)
<b>PROFIT FOR THE PERIOD</b>		<b>7,247</b>	<b>5,233</b>	<b>4,023</b>	<b>3,613</b>
<b>Profit for the period is attributable to:</b>					
Shareholders of the Company		7,199	5,244	4,023	3,613
Non-controlling interest		48	(12)	-	-
<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		157	(342)	-	-
Cash flow hedges – effective portion of changes in fair value		4	17	3	5
<b>Total items that may be reclassified subsequently to profit or loss</b>		<b>161</b>	<b>(325)</b>	<b>3</b>	<b>5</b>
<b>Other comprehensive income/(expenses) for the period</b>		<b>161</b>	<b>(325)</b>	<b>3</b>	<b>5</b>
<b>Total comprehensive income for the period</b>		<b>7,408</b>	<b>4,908</b>	<b>4,026</b>	<b>3,618</b>
<b>Total comprehensive income for the period is attributable to:</b>					
Shareholders of the Company		7,360	4,920	4,026	3,618
Non-controlling interest		48	(12)	-	-
Basic and diluted earnings per share (in EUR)	16	0.055	0.040	0.031	0.027



**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	Foreign currency translation reserve	Retained earnings	Total		
<b>At 1 January 2020</b>	<b>19,053</b>	<b>1,119</b>	<b>1,905</b>	<b>(17)</b>	<b>(1,795)</b>	<b>55,986</b>	<b>76,251</b>	<b>619</b>	<b>76,870</b>
Profit for the period	-	-	-	-	-	13,292	13,292	(23)	13,269
Other comprehensive income	-	-	-	28	(612)	-	(584)	-	(584)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28</b>	<b>(612)</b>	<b>13,292</b>	<b>12,708</b>	<b>(23)</b>	<b>12,685</b>
<b>At 31 December 2020</b>	<b>19,053</b>	<b>1,119</b>	<b>1,905</b>	<b>11</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) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</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>(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>(2,250)</b>	<b>49,540</b>	<b>88,435</b>	<b>644</b>	<b>89,079</b>

Company	Share capital	Share premium	Legal reserve	Hedging reserve	Retained earnings	Total equity
<b>At 1 January 2020</b>	<b>19,053</b>	<b>1,119</b>	<b>1,905</b>	<b>(12)</b>	<b>30,002</b>	<b>52,067</b>
Profit for the period	-	-	-	-	8,978	8,978
Other comprehensive income	-	-	-	8	-	8
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>8,978</b>	<b>8,986</b>
Approved dividends	-	-	-	-	-	-
<b>Transactions with the Company's owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2020</b>	<b>19,053</b>	<b>1,119</b>	<b>1,905</b>	<b>(4)</b>	<b>38,980</b>	<b>61,053</b>
Profit for the period	-	-	-	-	4,023	4,023
Other comprehensive income	-	-	-	3	-	3
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</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>-</b>	<b>-</b>	<b>-</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>

**Statements of cash flows**

	Notes	Group		Company	
		2021 1-6 m.	2020 1-6 m.	2021 1-6 m.	2020 1-6 m.
<b>Cash flows from operating activities</b>					
Profit before income tax		8,595	6,320	4,418	4,307
<b>Adjustments for non-cash items</b>					
Depreciation and amortisation		4,801	5,868	2,155	2,687
Dividends received		-	-	(1,500)	-
Interest expenses from borrowings and lease		109	164	51	66
(Income)/expenses from other financial activities – net		43	(56)	(2)	2
Gain on disposal of property, plant and equipment		(73)	(49)	-	(33)
		<b>13,475</b>	<b>12,247</b>	<b>5,122</b>	<b>7,029</b>
<b>Changes in working capital</b>					
Decrease/(increase) in trade and other amounts receivable		(4,061)	331	(1,098)	12
(Increase)/decrease in inventories		(1,844)	308	(658)	382
(Increase)/decrease in other assets		(380)	(399)	(71)	(42)
Increase/(decrease) in trade and other amounts payable		3,025	(2,171)	571	(1,109)
		<b>(3,260)</b>	<b>(1,931)</b>	<b>(1,256)</b>	<b>(757)</b>
Interest paid		(76)	(136)	(42)	(44)
Income tax paid		(457)	(214)	(318)	-
<b>Net cash inflow from operating activities</b>		<b>9,682</b>	<b>9,966</b>	<b>3,506</b>	<b>6,228</b>
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment and intangible assets	2 / 5	(4,004)	(2,026)	(2,412)	(908)
Acquisition of investment property	4	(1,118)	(13)	(1,118)	(13)
Disposal of property, plant and equipment	2	147	87	-	56
Dividends received		-	-	1,500	-
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(4,975)</b>	<b>(1,952)</b>	<b>(2,030)</b>	<b>(865)</b>
<b>Cash flows from financing activities</b>					
Dividends paid		(7,721)	(7)	(7,719)	(6)
Repayment of borrowings		(3,393)	(4,973)	(1,298)	(1,972)
Proceeds from borrowings		-	-	-	-
Lease payments		(194)	(19)	(152)	(120)
<b>Net cash (outflow) from financing activities</b>		<b>(11,308)</b>	<b>(4,999)</b>	<b>(9,169)</b>	<b>(2,098)</b>
<b>Net increase/(decrease) in cash flows</b>		<b>(6,601)</b>	<b>3,015</b>	<b>(7,693)</b>	<b>3,265</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>18,275</b>	<b>8,649</b>	<b>10,453</b>	<b>1,581</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>11,674</b>	<b>11,664</b>	<b>2,760</b>	<b>4,846</b>

## NOTES TO FINANCIAL STATEMENTS

### 1. Basis of preparation

The interim financial statements of the Group and the Company for the six months ended 30 June 2021 are prepared in accordance with IAS 34 Interim Financial Reporting

These financial statements do not include all of 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 2020 as well as last annual financial statements for the year ended 31 December 2020.

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 2020.

These financial statements of the Group and the Company for the 6-month period ended 30 June 2021 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 2020.

#### **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 takes into account 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 29 of year 2020 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 2020</b>						
<b>Cost</b>	<b>47,326</b>	<b>112,333</b>	<b>2,337</b>	<b>2,535</b>	<b>2,344</b>	<b>166,875</b>
<b>Accumulated depreciation</b>	<b>(17,716)</b>	<b>(73,304)</b>	<b>(1,466)</b>	<b>(1,402)</b>	<b>-</b>	<b>(93,888)</b>
<b>Net book amount</b>	<b>29,610</b>	<b>39,029</b>	<b>871</b>	<b>1,133</b>	<b>2,344</b>	<b>72,987</b>
<b>Opening net book amount at 1 January 2020</b>						
Additions	21	278	259	282	7,889	8,729
Disposals and write-offs	(1)	(23)	(39)	(3)	-	(66)
Transfer from inventory	-	18	-	-	-	18
Transfer from construction in progress to property, plant and equipment	472	1,930	13	181	(2,596)	-
Reclassification to investment property	(61)	-	-	-	(2)	(63)
Reclassification between categories	-	249	85	(334)	-	-
Foreign exchange effect	(42)	(155)	(2)	(1)	(22)	(222)
Depreciation charge	(2,444)	(7,707)	(288)	(315)	-	(10,754)
<b>Closing net book amount at 31 December 2020</b>	<b>27,555</b>	<b>33,619</b>	<b>899</b>	<b>943</b>	<b>7,613</b>	<b>70,629</b>
<b>At 31 December 2020</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	-	281	58	135	2,921	3,395
Disposals and write-offs	-	(65)	(8)	-	-	(73)
Transfer from construction in progress to property, plant and equipment	130	4,366	-	9	(4,505)	-
Reclassification to investment property	(617)	(9)	-	3	-	(623)
Reclassification between categories	-	15	-	(15)	-	-
Foreign exchange effect	11	30	-	-	11	52
Depreciation charge	(1,132)	(3,092)	(136)	(175)	-	(4,355)
<b>Closing net book amount at 30 June 2021</b>	<b>25,947</b>	<b>35,145</b>	<b>813</b>	<b>900</b>	<b>6,040</b>	<b>68,840</b>
<b>At 30 June 2021</b>						
<b>Cost</b>	<b>46,340</b>	<b>116,000</b>	<b>2,394</b>	<b>2,546</b>	<b>6,040</b>	<b>173,320</b>
<b>Accumulated depreciation</b>	<b>(20,393)</b>	<b>(80,855)</b>	<b>(1,581)</b>	<b>(1,646)</b>	<b>-</b>	<b>(104,475)</b>
<b>Net book amount</b>	<b>25,947</b>	<b>35,145</b>	<b>813</b>	<b>900</b>	<b>6,040</b>	<b>68,845</b>

All of the Group's property, plant and equipment are held for its own use. On the 30 June 2021, the part of the Group's property, plant and equipment with a carrying value of EUR 46,972 thousand (31 December 2020 – EUR 50,139 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 2020</b>						
<b>Cost</b>	<b>17,475</b>	<b>55,162</b>	<b>587</b>	<b>1,042</b>	<b>532</b>	<b>74,799</b>
<b>Accumulated depreciation</b>	<b>(5,947)</b>	<b>(39,674)</b>	<b>(321)</b>	<b>(714)</b>	<b>-</b>	<b>(46,656)</b>
<b>Net book amount</b>	<b>11,528</b>	<b>15,488</b>	<b>266</b>	<b>328</b>	<b>532</b>	<b>28,143</b>
<b>Opening net book amount at 1 January 2020</b>						
Additions	-	49	187	98	4,613	4,947
Disposals and write-offs	-	(18)	(30)	(3)	-	(51)
Transfer from/(to) inventories	-	18	-	-	-	18
Transfer from construction in progress to property, plant and equipment	142	71	13	118	(344)	-
Reclassification to investment property	(61)	-	-	-	(2)	(63)
Depreciation charge	(910)	(3,240)	(82)	(148)	-	(4,380)
<b>Closing net book amount at 31 December 2020</b>	<b>10,699</b>	<b>12,368</b>	<b>354</b>	<b>393</b>	<b>4,799</b>	<b>28,613</b>
<b>At 31 December 2020</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	-	14	-	42	1,761	1,817
Reclassification between categories	-	15	-	(15)	-	-
Transfer from construction in progress to property, plant and equipment	129	4,060	-	9	(4,198)	-
Reclassification to investment property	(618)	(9)	-	3	-	(624)
Depreciation charge	(441)	(1,384)	(43)	(79)	-	(1,947)
<b>Closing net book amount at 30 June 2021</b>	<b>9,769</b>	<b>15,064</b>	<b>311</b>	<b>353</b>	<b>2,362</b>	<b>27,859</b>
<b>At 30 June 2021</b>						
<b>Cost</b>	<b>16,351</b>	<b>58,099</b>	<b>708</b>	<b>1,108</b>	<b>2,362</b>	<b>78,628</b>
<b>Accumulated depreciation</b>	<b>(6,582)</b>	<b>(43,035)</b>	<b>(397)</b>	<b>(755)</b>	<b>-</b>	<b>(50,769)</b>
<b>Net book amount</b>	<b>9,769</b>	<b>15,064</b>	<b>311</b>	<b>353</b>	<b>2,362</b>	<b>27,859</b>

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

On the 30 June 2021, the part of the Company's property, plant and equipment with a carrying value of EUR 15,562 thousand (31 December 2020 – EUR 16,927 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 2020</b>				
Cost	3,695	-	-	3,695
Accumulated depreciation	(408)	-	-	(408)
Net book amount	3,287	-	-	3,287
<b>Opening net book amount at 1 January 2020</b>				
Change in value-in-use	260	242	765	1,267
Foreign exchange effect	(6)	-	-	(6)
Amortisation charge	(65)	(110)	(244)	(419)
<b>Closing net book amount at 31 December 2020</b>	<b>3,476</b>	<b>132</b>	<b>521</b>	<b>4,129</b>
<b>At 31 December 2020</b>				
Cost	3,945	242	765	4,952
Accumulated depreciation	(469)	(110)	(244)	(823)
Net book amount	3,476	132	521	4,129
<b>Opening net book amount at 1 January 2021</b>				
Change in value-in-use	-	-	73	73
Foreign exchange effect	1	-	-	1
Disposals and write-offs	-	-	(39)	(39)
Amortisation charge	(31)	(55)	(123)	(209)
<b>Closing net book amount at 30 June 2021</b>	<b>3,446</b>	<b>77</b>	<b>432</b>	<b>3,955</b>
<b>At 30 June 2021</b>				
Cost	3,947	242	765	4,954
Accumulated depreciation	(501)	(165)	(333)	(999)
Net book amount	3,446	77	432	3,955

As at 30 June 2021, the part of the Group's land lease rights with the carrying amount of EUR 1,910 thousand (31 December 2020: EUR 2,022 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 2020</b>				
<b>Cost</b>	<b>821</b>	<b>461</b>	<b>-</b>	<b>1,282</b>
<b>Accumulated depreciation</b>	<b>(13)</b>	<b>(231)</b>	<b>-</b>	<b>(244)</b>
<b>Net book amount</b>	<b>808</b>	<b>230</b>	<b>-</b>	<b>1,038</b>
<b>Opening net book amount at 1 January 2020</b>				
Change in value-in-use	195	693	241	1,129
Disposals, write-offs	(1)	-	-	(1)
Amortisation charge	(15)	(237)	(81)	(333)
<b>Closing net book amount at 31 December 2020</b>	<b>987</b>	<b>686</b>	<b>160</b>	<b>1,833</b>
<b>At 31 December 2020</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	-	-	13	13
Disposals, write-offs	-	-	(24)	(24)
Amortisation charge	(6)	(114)	(40)	(160)
<b>Closing net book amount at 30 June 2021</b>	<b>981</b>	<b>572</b>	<b>109</b>	<b>1,662</b>
<b>At 30 June 2021</b>				
<b>Cost</b>	<b>1,014</b>	<b>1,154</b>	<b>214</b>	<b>2,382</b>
<b>Accumulated depreciation</b>	<b>(33)</b>	<b>(582)</b>	<b>(105)</b>	<b>(720)</b>
<b>Net book amount</b>	<b>981</b>	<b>572</b>	<b>109</b>	<b>1,662</b>

As at 30 June 2021, the part of the Company's land lease rights with the carrying amount of EUR 361 thousand (31 December 2020: EUR 364 thousand) were pledged to the banks as security for borrowings.

#### 4. Investment property

Group and Company	Buildings	Construction in progress and prepayments	Total
<b>At 1 January 2020</b>			
<b>Cost</b>	1,775	40	1,815
<b>Accumulated depreciation</b>	(294)	-	(294)
<b>Net book amount</b>	1,481	40	1,521
<b>Opening net book amount at 1 January 2020</b>	1,481	40	1,521
Additions	-	484	484
Reclassification from property, plant and equipment	61	(8)	53
Depreciation charge	(79)	-	(79)
<b>Closing net book amount at 31 December 2020</b>	1,463	516	1,979
<b>At 31 December 2020</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	-	1,031	1,031
Transfer from construction	833	(833)	-
Reclassification from property, plant and equipment	624	-	624
Depreciation charge	(69)	-	(69)
<b>Closing net book amount at 30 June 2021</b>	2,851	714	3,565
<b>At 30 June 2021</b>			
<b>Cost</b>	3,866	714	4,580
<b>Accumulated depreciation</b>	(1,015)	-	(1,015)
<b>Net book amount</b>	2,851	714	3,565

## 5. Intangible assets

Group	Goodwill	Licences, patents	Software	Other assets, prepayments	Total
<b>At 1 January 2020</b>					
<b>Cost</b>	<b>3,001</b>	<b>150</b>	<b>2,192</b>	<b>531</b>	<b>5,874</b>
<b>Accumulated amortisation</b>	<b>-</b>	<b>(52)</b>	<b>(1,495)</b>	<b>(529)</b>	<b>(2,076)</b>
<b>Net book amount</b>	<b>3,001</b>	<b>98</b>	<b>697</b>	<b>2</b>	<b>3,798</b>
<b>Opening net book amount at 1 January 2020</b>	<b>3,001</b>	<b>98</b>	<b>697</b>	<b>2</b>	<b>3,798</b>
Additions	-	8	11	-	19
Reclassification from property, plant and equipment	-	-	10	-	10
Foreign exchange effect	-	-	(1)	-	(1)
Amortisation charge	-	(34)	(167)	(1)	(202)
<b>Closing net book amount at 31 December 2020</b>	<b>3,001</b>	<b>72</b>	<b>550</b>	<b>1</b>	<b>3,624</b>
<b>At 31 December 2020</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	5	13	29
Amortisation charge	-	(19)	(72)	-	(91)
<b>Closing net book amount at 30 June 2021</b>	<b>3,001</b>	<b>64</b>	<b>483</b>	<b>14</b>	<b>3,562</b>
<b>At 30 June 2021</b>					
<b>Cost</b>	<b>3,001</b>	<b>169</b>	<b>2,209</b>	<b>544</b>	<b>5,923</b>
<b>Accumulated amortisation</b>	<b>-</b>	<b>(105)</b>	<b>(1,726)</b>	<b>(530)</b>	<b>(2,361)</b>
<b>Net book amount</b>	<b>3,001</b>	<b>64</b>	<b>483</b>	<b>14</b>	<b>3,562</b>

## 5. Intangible assets (continued)

Company	Licences, patents	Software	Other assets, prepayments	Total
<b>At 1 January 2020</b>				
<b>Cost</b>	<b>150</b>	<b>994</b>	<b>10</b>	<b>1,154</b>
<b>Accumulated amortisation</b>	<b>(52)</b>	<b>(573)</b>	<b>(8)</b>	<b>(633)</b>
<b>Net book amount</b>	<b>98</b>	<b>421</b>	<b>2</b>	<b>521</b>
<b>Opening net book amount at 1 January 2020</b>	<b>98</b>	<b>421</b>	<b>2</b>	<b>521</b>
Additions	8	-	-	8
Reclassification from property, plant and equipment	-	10	-	10
Amortisation charge	(34)	(74)	(1)	(109)
<b>Closing net book amount at 31 December 2020</b>	<b>72</b>	<b>357</b>	<b>1</b>	<b>430</b>
<b>At 31 December 2020</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	-	14	25
Amortisation charge	(19)	(39)	-	(58)
<b>Closing net book amount at 30 June 2021</b>	<b>64</b>	<b>318</b>	<b>15</b>	<b>397</b>
<b>At 30 June 2021</b>				
<b>Cost</b>	<b>169</b>	<b>999</b>	<b>24</b>	<b>1,192</b>
<b>Accumulated amortisation</b>	<b>(105)</b>	<b>(681)</b>	<b>(9)</b>	<b>(795)</b>
<b>Net book amount</b>	<b>64</b>	<b>318</b>	<b>15</b>	<b>397</b>



## 6. Investments in subsidiaries

	Company	
	2021.06.30	2020.12.31
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	
	2021.06.30	2020.12.31	2021.06.30	2020.12.31
Trade receivables – gross	17,559	13,573	7,303	6,533
Loss allowance	(152)	(153)	(72)	(72)
<b>Trade receivables – net</b>	<b>17,407</b>	<b>13,420</b>	<b>7,231</b>	<b>6,461</b>
Amounts receivable from related parties	-	-	533	425
Amount receivable of the recovery of a part of the PSO* service fee	758	758	273	273
VAT receivable	699	744	177	87
Other amounts receivable – gross	327	208	250	121
<b>Total trade and other amounts receivable – net</b>	<b>19,191</b>	<b>15,130</b>	<b>8,464</b>	<b>7,367</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>19,188</b>	<b>15,127</b>	<b>8,464</b>	<b>7,367</b>

\*PSO – services under public service obligation scheme.

As at 30 June 2021 and 31 December 2020, the Company and subsidiary Grigeo Packaging UAB had pledged future inflows to secure the repayment of bank borrowings.

## 8. Cash and cash equivalents

	Group		Company	
	2021.06.30	2020.12.31	2021.06.30	2020.12.31
Cash at bank	11,674	18,275	2,760	10,453
Cash on hand	-	-	-	-
<b>TOTAL</b>	<b>11,674</b>	<b>18,275</b>	<b>2,760</b>	<b>10,453</b>

## 9. Inventories

	Group		Company	
	2021.06.30	2020.12.31	2021.06.30	2020.12.31
Materials	5,243	4,507	971	1,153
Work in progress	2,029	1,392	1,707	1,010
Finished products	3,568	3,035	1,921	1,779
Inventories in transit	-	164	-	36
Prepayments	137	35	55	18
<b>Total</b>	<b>10,977</b>	<b>9,133</b>	<b>4,654</b>	<b>3,996</b>

As at 30 June 2021, the acquisition value (cost) of the Group's and the Company's inventories was decreased by respectively EUR 525 thousand and EUR 242 thousand (31 December 2020: EUR 399 thousand and EUR 167 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 2021, 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 2020: EUR 1,158 thousand and EUR 1,158 thousand respectively) as security for bank borrowings.

## 10. Share capital and legal reserve

Based on the decision of the Annual General Meeting of Shareholders that was held on 30 April 2021, the Company's authorised share capital was increased on 19 May 2021 out of the Company's retained earnings from EUR 19,053 thousand to EUR 38,106 thousand by issuing 65,700,000 ordinary registered shares with a nominal value of EUR 0.29.

After the share capital increase, the Company's share capital consisted of 131,400,000 ordinary shares on 30 of June 2021 (31 of December 2020 - 65,700,000) 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.

The Company has contributed 10% of the statutory capital to legal reserve.

## 11. Non-current and current borrowings

	Group		Company	
	2021.06.30	2020.12.31	2021.06.30	2020.12.31
<b>Non-current borrowings:</b>				
Bank borrowings	496	1,226	-	556
	<b>496</b>	<b>1,226</b>	<b>-</b>	<b>556</b>
<b>Current borrowings:</b>				
Bank borrowings	3,741	6,404	1,538	2,281
	<b>3,741</b>	<b>6,404</b>	<b>1,538</b>	<b>2,281</b>
<b>TOTAL</b>	<b>4,237</b>	<b>7,630</b>	<b>1,538</b>	<b>2,837</b>

## 12. Trade and other payables

	Group		Company	
	2021.06.30	2020.12.31	2021.06.30	2020.12.31
Trade payables	17,367	15,768	8,332	8,571
Wages and salaries and social security contributions	3,911	2,209	1,546	1,147
Advance amounts received	312	247	43	105
Accrued expenses	164	353	122	274
Other amounts payable	1,171	1,471	595	437
<b>TOTAL</b>	<b>22,925</b>	<b>20,048</b>	<b>10,638</b>	<b>10,535</b>
Of which:				
Attributable to financial liabilities	18,702	17,592	9,049	9,283
Not attributable to financial liabilities	4,223	2,456	1,589	1,252

## 13. 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.

### 13. Segment information (continued)

Segment information about these three business segments is presented below:

Group 2021 1-6 m.	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	-	73,700
Inter-segment sales	(2,639)	(386)	(11,787)	(14,812)	(2,178)	16,990	-
Unconsolidated segment sales	30,854	10,182	46,301	87,337	3,353	(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>17,920</b>
Depreciation and amortisation	1,832	371	2,317	4,520	384	-	4,904
Property, plant and equipment of the segment	24,915	3,486	36,893	65,294	3,551	-	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

Group 2020 1-6 m.	Paper and paper products	Wood fibre boards	Raw materials for corrugated cardboard and related products	Total reportable segments	Unallocated	Elimination	TOTAL
Sales	29,949	8,648	25,254	63,851	1,095	-	64,946
Inter-segment sales	(2,713)	(330)	(5,162)	(8,205)	(1,729)	9,935	-
Unconsolidated segment sales	32,662	8,979	30,415	72,056	2,825	(9,935)	64,946
Cost of sales	(21,984)	(6,918)	(19,392)	(48,294)	(921)	-	(49,215)
<b>Gross profit</b>	<b>7,965</b>	<b>1,730</b>	<b>5,862</b>	<b>15,557</b>	<b>174</b>	-	<b>15,731</b>
Depreciation and amortisation	2,308	378	2,912	5,598	567	-	6,165
Property, plant and equipment of the segment	23,266	2,958	38,611	64,835	4,192	-	69,027
Intangible assets of the segment	289	3	227	519	113	-	632
Investment property of the segment	-	-	-	-	1,487	-	1,487
Right-of-use assets of the segment	-	726	1,611	2,337	889	-	3,226
Goodwill	-	-	3,001	3,001	-	-	3,001
Investments of the segment	834	126	1,047	2,007	122	5	2,129

**13. Segment information (continued)**

	Group		Company	
	2021 1-6 m.	2020 1-6 m.	2021 1-6 m.	2020 1-6 m.
<b>Domestic market (Lithuania)</b>	<b>24,942</b>	<b>17,789</b>	<b>9,877</b>	<b>9,442</b>
<b>Foreign market</b>				
Poland	12,491	11,484	5,368	5,205
Latvia	6,855	5,575	4,274	3,482
Estonia	6,046	3,959	1,814	2,056
Ukraine	4,858	4,119	969	1,259
Finland	4,034	2,574	1,640	2,006
Denmark	3,757	3,841	2,982	3,294
Sweden	2,926	3,464	1,549	2,106
Belarus	2,117	1,767	327	527
The Netherlands	1,294	1,913	769	1,202
Germany	816	1,452	170	925
Russia	710	643	228	359
Norway	690	360	585	360
Great Britain	509	2,274	14	-
Austria	399	392	32	32
Czech Republic	162	206	-	-
China	-	979	-	-
Saudi Arabia	-	1,185	-	-
Other markets	1,094	970	232	203
<b>Foreign market total</b>	<b>48,758</b>	<b>47,157</b>	<b>20,953</b>	<b>23,016</b>
<b>TOTAL</b>	<b>73,700</b>	<b>64,946</b>	<b>30,830</b>	<b>32,458</b>

**14. Other income**

	Group		Company	
	2021 1-6 m.	2020 1-6 m.	2021 1-6 m.	2020 1-6 m.
Rental income	192	187	198	162
Dividend income	-	-	1,500	-
<b>TOTAL</b>	<b>192</b>	<b>187</b>	<b>1,698</b>	<b>162</b>

**15. Other gains/(losses) – net**

	Group		Company	
	2021 1-6 m.	2020 1-6 m.	2021 1-6 m.	2020 1-6 m.
Net gain from turnover of emission allowances	110	304	(52)	304
Result of disposal of assets	61	54	-	34
Other gains/(losses)	18	2	30	21
<b>TOTAL</b>	<b>189</b>	<b>360</b>	<b>(22)</b>	<b>359</b>

## 16. 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		
	2021 1-6 m.	2020 1-6 m. (adjusted)*	2020 1-6 m.
Net profit for the period attributable to the Company's shareholders	7,360	4,920	4,920
Weighted average number of ordinary shares	131,400,000	131,400,000	65,700,000
<b>Earnings per share (in EUR)</b>	<b>0.055</b>	<b>0.040</b>	<b>0.080</b>

	Company		
	2021 1-6 m.	2020 1-6 m. (adjusted)*	2020 1-6 m.
Net profit for the period attributable to the Company's shareholders	4,026	3,618	3,618
Weighted average number of ordinary shares	131,400,000	131,400,000	65,700,000
<b>Earnings per share (in EUR)</b>	<b>0.031</b>	<b>0.027</b>	<b>0.055</b>

\*On 19 May 2021 the Company's authorised share capital was increased out of the Company's retained earnings from EUR 19,053 thousand (65,700,000 ordinary registered shares with a nominal value of EUR 0.29) to EUR 38,106 thousand (131,400,000 ordinary registered shares with a nominal value of EUR 0.29). The Group's and Company's earnings per share ratios for previous periods were adjusted using the new number of shares.

## 17. Court and arbitration proceedings

Over the six months of 2021 the Group and the Company were not involved in court or arbitration proceedings which would have a material impact on the financial position of Grigeo AB.

## 18. Pre-trial proceedings

Klaipėda District Prosecutor's Office of Klaipėda County Prosecutor's Office is carrying out a pre-trial investigation regarding the wastewater management of the subsidiary Grigeo Klaipėda AB. The subsidiary AB Grigeo Klaipėda 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 the ongoing pre-trial investigation over the first and second quarters of 2021 and until the date of signing these interim financial statements.

More information is presented in [Note 29 of year 2020 financial statements](#).

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

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