

EWA i5

ANNUAL REPORT INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

For the financial year ended
31 December 2020



EWA

Content

ANNUAL REPORT	3
INDEPENDENT AUDITOR'S REPORT	11
BALANCE	13
PROFIT AND LOSS STATEMENT	17
STATEMENT OF CHANGES IN EQUITY	18
CASH FLOW STATEMENT (INDIRECT)	20
EXPLANATORY STATEMENT	22



ANNUAL REPORT

For the financial year ended
31 December 2020

EWA i5



Basic data about the company

East West Agro **EWA**


Joint stock company


Registration date 2006 August 4


Legal entity code 300588407

VAT code LT100002549311

 Tikslo g. 10, Kumpių k., Kauno r.

 +370 37 262318

 info@ewa.lt

 www.ewa.lt

Company profile

East West Agro (EWA) is one of the major agricultural machinery and equipment sales companies in Lithuania.

Main activities:

- Sales of new agricultural machinery
- Engineering and sales of grain storage equipment
- Aftersales service, spare parts supply.

EWA represents a total of almost 20 international producers, which include globally recognized manufacturers of agricultural equipment such as Massey Ferguson, Sulky, Dalbo and others.

The company's main office is in the central part of Lithuania – Kaunas distr., Kumpiai village, near Kaunas-Klaipėda highway. Here the company has its administration, customer service division and machinery maintenance center.

Company has three more machinery sales and service centers – at Šiauliai, Plungė and Kupiškis.

Shareholders of the company

Shareholders	Controlled share
Danas Šidlauskas	39,81%
Gediminas Kvietkauskas	39,56%
Multi Asset Selection Fund	8,00%
Minority shareholders	12,63%

Business and financial review of results

2020 review

Favorable natural conditions in 2020 led the yields of agricultural products to both high quantity and quality. Rapeseed and wheat harvests were among the highest in history. Average purchase prices have been high throughout the year and still maintain the upward trend.

Wheat	2018	2019	2020	Rapeseed	2018	2019	2020
Yield, t	2 838 900	3 723 400	4 461 800	Yield, t	433 500	595 000	922 500
Avg. price, Eur/ton	182,7	175,8	182,9	Avg. price, Eur/ton	358,8	360,8	372,6

In 2020, the new agricultural machinery sales market was still below long-term average, but good yields and improved farms financial performance increased investments in agricultural machinery. The implementation of EU subsidy programs also proceeded efficiently and smoothly.

Highlights of 2020

- Market of new tractors, dedicated for professional farming, increased by 29,5% (to 698) compared to year 2019 (539 units).
- For the first time in company's history the 1st place in tractor market has been reached. The market share of Massey Ferguson tractors represented by EWA reached a record 20,2% (18,2% in 2019). In total 141 units of MF tractors were registered in 2020.
- Market of new harvesters, dedicated for professional farming, registered 24,8% more (121 units) than in 2019 (97 units). Massey Ferguson combine market share reached 24,8% (19,6% in 2019).
- With the growing volume of equipment sold and serviced in North-West Lithuania, the company has invested in the quality of service and services in this region. In September, a new technical trade department was opened in Plungė.
- In December, a non-public bond issue of EUR 1,5 million was issued, the purpose of which was to refinance a loan granted by the venture capital fund in 2015. The total loan repaid amounts to EUR 2,4 million with accrued interest. An average annual interest rate was 17,06%. The annual interest rate on the bonds issued will range between 12%-16%, depending on Debt/EBITDA ratio. The average interest rate in 2021 will be 12,33%. The maturity date of the bonds is December 4, 2022, easily partial or full redemption of the bonds is possible.
- The Covid-19 pandemic, which started in the beginning of 2020, caused some inconveniences to company's operations, such as restrictions on contracts with customers, suppliers and restrictions on technical demonstration. Also in 2020, the payment terms of some suppliers have worsened and the appetite for bank lending deteriorated sharply. This did not allow the sales potential to be fully exploited in the year of good climatic conditions. However, previous years' investments in IT infrastructure have avoided many inconveniences and losses. The company deferred part of the tax payables until end of 2022, which allowed to maintain the liquidity. In 2021, if the situation does not change substantially and the vaccination plan is implemented at similar pace as currently planned by the government, hopefully significant losses related to the impact of Covid-19 on the company's operations can be avoided.

Prospects for 2021

EWA is steadily increasing its market share in the tractor and combine market. Due to the low market numbers in 2017-2019, the need for new machinery remains high, forecasting the market uptrend in 2021.

Management of the company forecasts the sales revenue for FY2021 to reach 31,5 mil EUR. Profit before taxes should reach 1,78 mil EUR, EBITDA should be 2,5 mil EUR.

The main tasks in 2021 will be to further increase the sales of higher profitability products and services, and to strengthen the position in the markets of tractors and combine harvesters. Ways to expand geographically in the region are also being sought in collaboration with key suppliers.

Comment of Gediminas Kvietkauskas, General Director of AB East West Agro

The agriculture business itself has reaffirmed that external economic stimulators, such as the financial crisis or the recent pandemic business constraints, cause minimal damage to the sector itself. Nature challenges are a key condition for the outcome.

Although the results of the farms were mostly financially positive, the recovery of the agricultural machinery market was rather sluggish. Good harvests strongly boosted sales in the last quarter of the year, but this was not enough to return to historical market averages. The market for Western tractors this year was 698 units. (respectively 2019 - 539 units, 2018 - 754 units, 2017 - 718 units, 2016 - 1,148 units), combine harvester market - 121 units. (respectively 2019 - 97 units, 2018 - 164 units, 2017 - 212 units, 2016 - 175 units). In agriculture, investment is very inert and often does not directly reflect the real state of the sector. In terms of harvest, a particularly successful year creates a favourable environment for investment in farm modernization and renewal for several years to come, but not in real time. Therefore, the actual results for 2020 will only be reflected in the following years.

The figures reflect that the agriculture business has survived a fairly deep pit - 2017 was particularly rainy, with a large part of the crops lost, the rest was of poor quality, and 2018 and 2019 farms were plagued by a natural drought. Farms invest in agricultural machinery from profits and purchasing power in Lithuania after 2019 was the lowest in the history of modern agriculture. The 3-year stagnation of the market has created a significant vacuum in investment in agricultural machinery.

The most accurate way to measure the market is tractors and combines, as they are easy to calculate based on technical register statistics, but it is difficult to measure how much the market has lost its potential as a result of stopping investments in farm efficiency by using advanced agricultural technologies. This topic is strong responding to the EU's green course. The transition to no-till, precision farming technologies is a slow and costly process, especially for smaller farm units.

The financially recovered sector will naturally undertake the implementation of deferred investment plans. The EU's green course provides a targeted incentive to switch to direct sowing by abandoning intensive tillage. Advanced agricultural countries such as France have been developing and improving direct sowing for more than 40 years. This saves soil, saves labour costs and significantly reduces emissions. The gradual transition to direct sowing technology has a significant impact on the modernization of farm machinery, especially tractors and combine harvesters, as the technology requires the precise execution of each operation. In parallel, the directions of smart farming are also developing.

Today's Lithuanian agricultural production cycle is still not as intensive as in the mature European agrarian countries. By timely adopting new integrated technologies, our sector could reduce pollution by increasing efficiency.

AB East West Agro is directly affected by the benefits of the coming changes. Massey Ferguson tractors and combine harvesters have led the way in tightening emissions standards over the past decade. This has helped to become the market leader in self-propelled equipment sales. European manufacturers are focusing on increasing horsepower efficiency by developing new transmissions and intelligent engine management systems, while American-origin tractors are still focusing on excess engine power to solve technological challenges. In recent years, this trend has become particularly pronounced and reflected in market changes, with Massey Ferguson occupying 20% of the new tractor market in Lithuania in 2020.

Key financial indicators

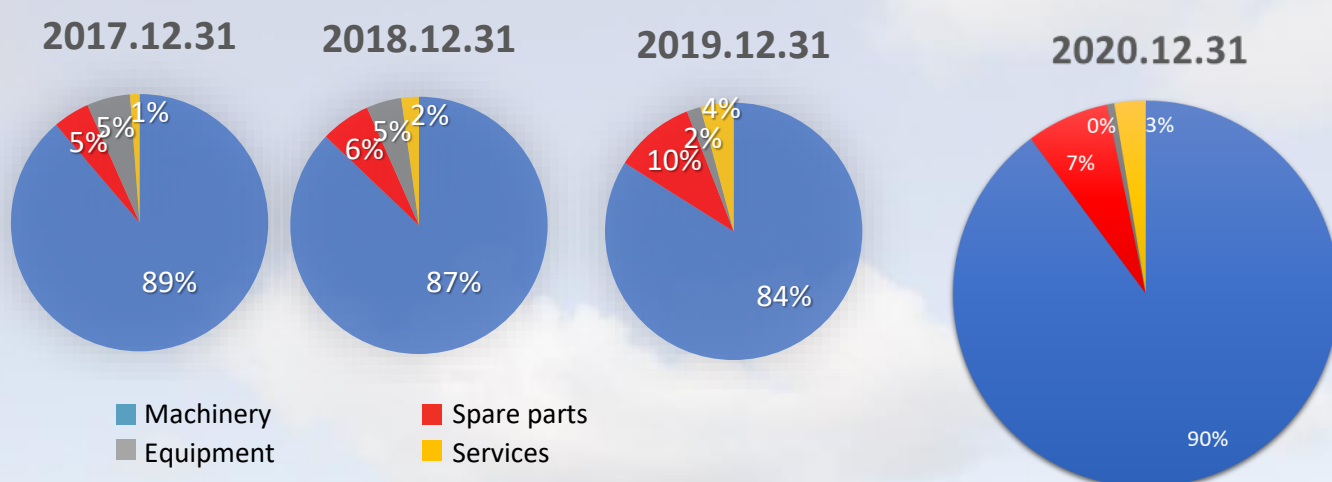
	2020-12-31	2019-12-31	2018-12-31	2017-12-31	2016-12-31
Revenues ('000 EUR)	29 430	17 967	27 052	26 050	22 791
Gross profit ('000 EUR)	4 897	3 075	5 048	4 569	3 879
Gross profit margin, %	16,64%	17,1%	18,7%	17,5%	17,0%
EBITDA ('000 EUR)	2 442	307	2 358	1 814	2 267
EBITDA adjusted ('000 EUR)	2 701	550	2 358	2 194	2 331
Net profit ('000 EUR)	1 205	-728	930	867	1 521
Net profit margin, %	4,09%	-4,1%	3,4%	3,3%	6,7%
EPS	1,205	-0,728	0,930	1,3872	3,042
Financial debt ('000 EUR)	1 720	7 021	8 789	6 447	5 388

* EBITDA + write-offs and impairments of inventories and receivables, bond distribution costs

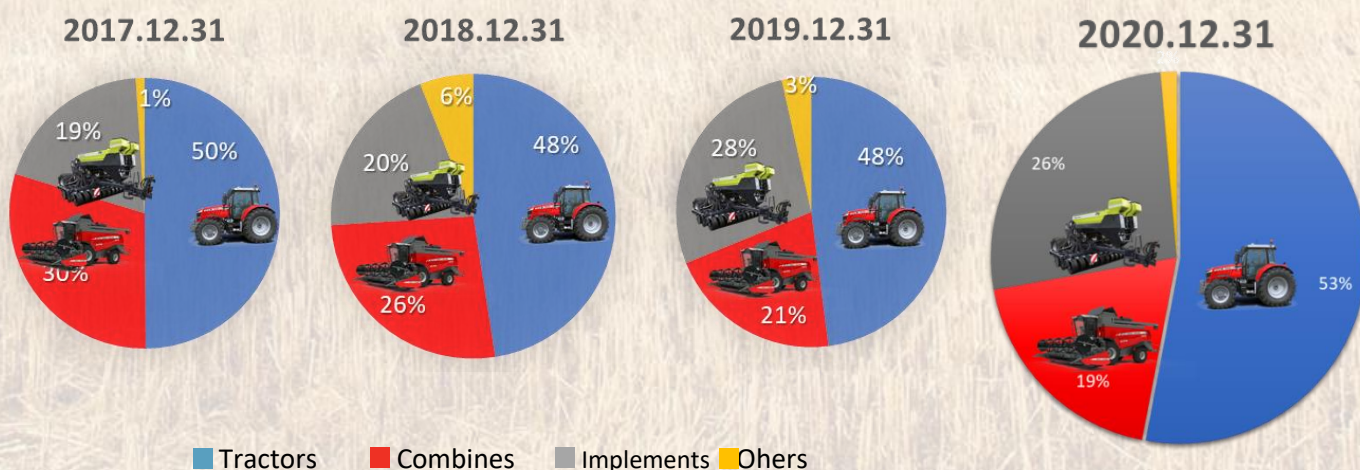


Revenue distribution by product groups

	2017.12.31	2018.12.31	2019.12.31	2020.12.31
Machinery ('000 EUR)	23 120	23 568	15 079	26 438
Spare parts ('000 EUR)	1 200	1 693	1 825	2 036
Equipment ('000 EUR)	1 419	1 193	315	181
Services ('000 EUR)	311	598	748	775

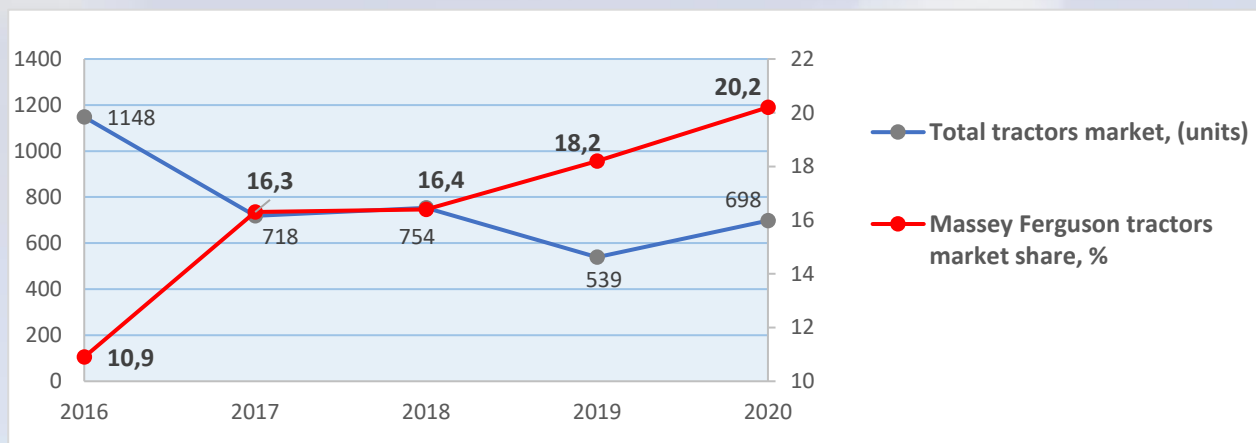


Machinery sales	2017.12.31	2018.12.31	2019.12.31	2020.12.31
Tractors ('000 EUR)	11 531	11 202	7 233	13 259
Combine harvesters ('000 EUR)	6 897	6 238	3 146	4 810
Implements ('000 EUR)	4 450	4 697	4 171	6 601
Other ('000 EUR)	242	1431	529	351

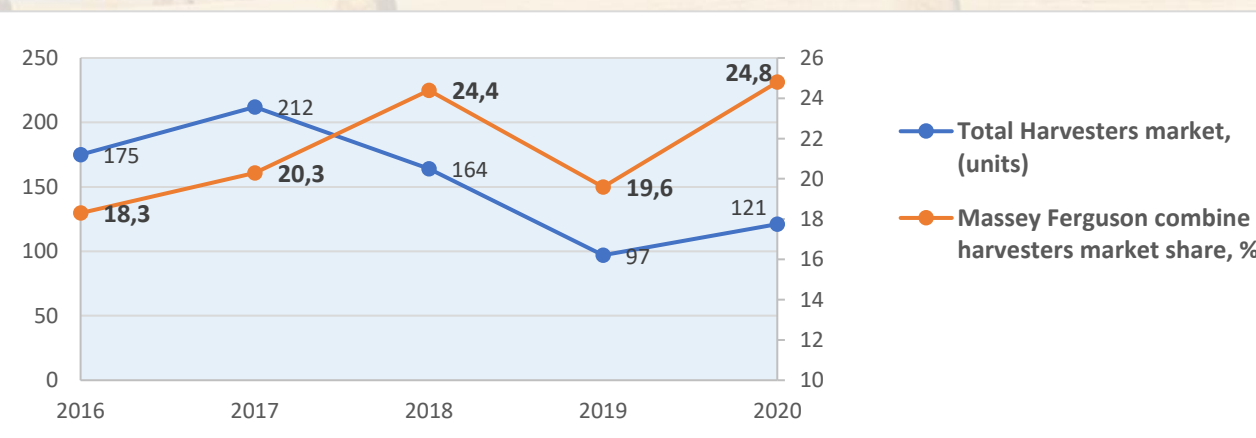


Agricultural machinery market*

Tractors	2016	2017	2018	2019	2020
Total market (units)	1148	718	754	539	698
Massey Ferguson tractors (units)	125	117	124	98	141
Massey Ferguson tractors market share	10,9%	16,3%	16,4%	18,2%	20,2%



Combine harvesters	2016	2017	2018	2019	2020
Total (units)	1148	718	754	539	698
Massey Ferguson combine harvesters (units)	125	117	124	98	141
Massey Ferguson combines market share	10,9%	16,3%	16,4%	18,2%	20,2%



*Market of new machines, dedicated for professional farming, registered by farm entities.

EWA i5



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of EAST WEST AGRO, AB

Qualified Opinion

We have audited the financial statements of EAST WEST AGRO, AB (the Company), which comprise the balance sheet at December 31, 2020, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, with the exception of the effect of the subject described in the paragraph "Basis for a qualified opinion" on the data concerned, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with Business Accounting Standards.

Basis for Qualified Opinion

Receivables and loans granted are carried in the balance sheet at acquisition cost less impairment, but in our opinion the devaluation should be increased by at least 354 thousand EUR. Impairment of additional receivables would reduce receivables in the balance sheet within one year, equity and decrease net loss at 31 December, 2020.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the requirements of the Law on Audit of Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Company's annual report but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the Company's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements and whether annual report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of financial statements, in our opinion, in all material respects:

- The information given in the Company's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Company's annual report has been prepared in accordance with the requirements of the Law on Financial Reporting by Undertakings of the Republic of Lithuania.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Business Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

On behalf of Moore Mackonis, UAB

Dangutė Pranckėnienė

Certified auditor

March 24, 2021

J.Kubiliaus 6, Vilnius

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslo str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

Approved in the General Shareholders' Meeting
On _____, 2021, Minutes No. _____**BALANCE SHEET**

ASSETS		Notes No.	31.12.2020	31.12.2019
A.	NON-CURRENT ASSETS		2 504 804	3 335 593
1.	INTANGIBLE ASSETS		2 012	8 562
1.1.	Development works			
1.2.	Goodwill			
1.3.	Computer software	1	878	4 860
1.4.	Concessions, patents, licences, trademarks and similar rights			
1.5.	Other intangible assets	1	1 134	3 702
1.6.	Paid advance payments			
2.	TANGIBLE ASSETS		1 998 411	2 396 073
2.1.	Land	2	46 200	46 200
2.2.	Buildings and constructions	2	253 330	275 359
2.3.	Plant and machinery	2	1 352 652	1 619 170
2.4.	Transport means	2	173 204	225 695
2.5.	Other fixtures, fittings and tools	2	160 540	209 719
2.6.	Investment property			
2.6.1.	Land			
2.6.2.	Buildings			
2.7.	Paid advance payments and works of tangible asset construction (production) in progress	2	12 485	19 930
3.	FINANCIAL ASSETS		433 177	758 817
3.1.	Shares of Group's companies			
3.2.	Loans to the Group's companies			
3.3.	Amounts receivable from the Group's companies			
3.4.	Shares of associates			
3.5.	Loans to associates			
3.6.	Amounts receivable from associates			
3.7.	Long-term investments			
3.8.	Amounts receivable after one year	3	433 177	758 817
3.9.	Other financial assets			
4.	OTHER NON-CURRENT ASSETS		71 204	172 141
4.1.	Deferred income tax assets	4	71 204	172 141
4.2.	Biological assets			
4.3.	Other assets			

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslo str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

ASSETS		Notes No.	31.12.2020	31.12.2019
B.	CURRENT ASSETS		17 681 504	15 407 155
1.	Inventories		8 332 236	9 435 122
1.1.	Raw materials, materials and components	5	2 274	1 373
1.2.	Production and work in progress			
1.3.	Production			
1.4.	Goods for resale	5	7 908 493	9 165 756
1.5.	Biological assets			
1.6.	Non-current tangible assets for resale			
1.7.	Paid advance payments	5	421 469	267 993
2.	AMOUNTS RECEIVABLE WITHIN ONE YEAR		8 953 150	5 965 999
2.1.	Trade receivables	7	7 753 277	5 019 143
2.2.	Receivables from Group's companies			
2.3.	Receivables from associates			
2.4.	Other amounts receivable	7	1 199 873	946 856
3.	Short-term investments			
3.1.	Shares of the Group's companies			
3.2.	Other investments			
4.	CASH AND CASH EQUIVALENTS	8	396 118	6 034
C.	COSTS OF FUTURE PERIODS AND ACCUMULATED INCOME	6	142 310	219 862
	TOTAL ASSETS:		20 328 618	18 962 610
EQUITY AND LIABILITIES		Notes No.	31.12.2020	31.12.2019
D.	EQUITY CAPITAL		6 098 946	4 940 951
1.	CAPITAL		953 187	1 000 000
1.1.	Authorised (subscribed) or main capital	9	1 000 000	1 000 000
1.2.	Subscribed unpaid capital (-)			
1.3.	Own shares (-)		(46 813)	
2.	SHARE PREMIUM		2 875 000	2 875 000
3.	REVALUATION RESERVE (RESULTS)			
4.	RESERVES		350 000	350 000
4.1.	Legal reserve or reserve capital	9	100 000	100 000
4.2.	To acquire own shares		250 000	250 000
4.3.	Other reserves			
5.	RETAINED PROFIT (LOSS)	10	1 920 759	715 951
5.1.	Reporting year profit (loss)		1 204 808	(728 142)
5.2.	Previous year profit (loss)		715 951	1 444 093
E.	GRANTS, SUBSIDIES			
F.	PROVISIONS			
1.	Provisions for pensions and similar obligations			
2.	Tax provisions			
3.	Other provisions			

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslo str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

G.	EQUITY AND LIABILITIES		31.12.2020	31.12.2019
1.	AMOUNTS PAYABLE AND OTHER LIABILITIES		13 885 516	13 734 006
1.1.	AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER NON-CURRENT LIABILITIES		4 339 905	911 710
1.2.	Debt liabilities	11	1 562 368	821 710
1.3.	Payables to credit institutions	11	30 000	90 000
1.4.	Received advance payments			
1.5.	Trade payables			
1.6.	Amounts payable on the basis of bills of exchange and cheques			
1.7.	Amounts payable to the Group's companies			
1.8.	Amounts payable to associates			
2.	AMOUNTS PAYABLE WITHIN ONE YEAR AND OTHER CURRENT LIABILITIES		9 545 611	12 822 296
2.1.	Debt liabilities	11	67 810	2 600 422
2.2.	Payables to credit institutions	11	60 000	3 508 811
2.3.	Received advance payments	13	325 521	176 682
2.4.	Trade payables	13	5 176 985	5 304 056
2.5.	Amounts payable on the basis of bills of exchange and cheques	11		382 387
2.6.	Amounts payable to the Group's companies	13		
2.7.	Amounts payable to associates			
2.8.	Income tax liabilities	13	26 905	
2.9.	Liabilities related to employment	13	259 504	185 942
2.10.	Other amounts payable and current liabilities	13	3 628 886	663 996
H.	ACCUMULATED COSTS AND INCOME OF FUTURE PERIODS	14	344 156	287 653
	TOTAL EQUITY AND LIABILITIES:		20 328 618	18 962 610

General Director _____

Gediminas Kvietkauskas

Chief Accountant _____

Rasa Venslovienė

March 24, 2021

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslo str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

Approved in the General Shareholders' Meeting
On _____, 2021, Minutes No. _____**PROFIT (LOSS) STATEMENT**

Eil. Nr.	Items	Notes No.	2020	2019
1.	SALES REVENUE	15	29 430 416	17 967 476
2.	COST OF SALES	16	(24 533 743)	(14 892 292)
3.	CHANGE IN FAIR VALUE OF BIOLOGICAL ASSETS			
4.	GROSS PROFIT (LOSS)		4 896 673	3 075 184
5.	Sales costs	16	(75 029)	(48 855)
6.	General and administrative costs	16	(2 948 643)	(3 633 697)
7.	Results from other activities	15	14 871	166 563
8.	Income from investments in parent companies, subsidiaries and associates			
9.	Income from other long-term investments and loans			
10.	Other income from interest or similar source	17	180 542	254 673
11.	Impairment in the value of financial assets and short-term investments			
12.	Interest and similar costs	17	(671 000)	(697 519)
13.	PROFIT (LOSS) BEFORE TAX		1 397 414	(883 651)
14.	Income tax	18	(192 606)	155 509
15.	NET PROFIT (LOSS)		1 204 808	(728 142)

General Director _____

Gediminas Kvietkauskas

Chief Accountant _____

Rasa Venslovienė

March 24, 2021

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslo str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

Approved in the General Shareholders' Meeting
On _____, 2021, Minutes No. ____**STATEMENT OF CHANGES IN EQUITY**

	Paid-up authorised or main capital	Share premium	Own shares (-)	Revaluation reserve		Reserves provided for by law		Other reserves	Retained profit (loss)	Total
				Non-current tangible assets	Financial assets	Legal or reserve capital	To acquire own shares			
1 Balance as at December 31, 2018	1 000 000	2 875 000				62 500	250 000		1 481 593	5 669 093
2 Result of changes in accounting policy										
3 Result of material error corrections										
4 Recalculated balance as at December 31, 2018	1 000 000	2 875 000				62 500	250 000		1 481 593	5 669 093
5 Correction of errors from previous year										
6 Increase (decrease) in the value of effective hedging instrument										
7 Acquired (sold) own shares										
8 Profit (loss) not recognized in the profit (loss) statement										
9 Reporting period net profit (loss)									(728 142)	(728 142)
10 Dividends										
11 Other payouts										
12 Formed reserves						37 500			(37 500)	
13 Used reserves										
14 Increase (decrease) in authorised capital or contributions by shareholders (share return)										
15 Other increase (decrease) in authorised or main capital										
16 Contributions to cover losses										
17 Balance as at December 31, 2019	1 000 000	2 875 000				100 000	250 000		715 951	4 940 951

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslo str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

(All amounts are presented in Euro, unless indicated otherwise)											
		Paid-up authorised or main capital	Share premium	Own shares (–)	Revaluation reserve		Reserves provided for by law		Other reserves	Retained profit (loss)	Total
					Non-current tangible assets	Financial assets	Legal or reserve capital	To acquire own shares			
18	Increase (decrease) in the value of non-current tangible assets										
19	Increase (decrease) in the value of effective hedging instrument										
20	Acquired (sold) own shares			(46 813)							(46 813)
21	Profit (loss) not recognized in the profit (loss) statement										
22	Reporting period net profit (loss)									1 204 808	1 204 808
23	Dividends										
24	Other payouts										
25	Formed reserves										
26	Used reserves										
27	Increase (decrease) in authorised capital or contributions by shareholders (share return)										
28	Other increase (decrease) in authorised or main capital										
29	Contributions to cover losses										
30	Balance as at December 31, 2020		1 000 000	2 875 000	(46 813)		100 000	250 000		1 920 759	6 098 946

General Director

Gediminas Kvietkauskas

Chief Accountant

Rasa Venslovienė

March 24, 2021

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslų str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

Approved in the General Shareholders' Meeting
On _____, 2021, Minutes No. _____**STATEMENT OF CASH FLOWS (INDIRECT)**

Line No.	Items	Notes No.	2020	2019
1.	Operating cash flows			
1.1.	Net profit (loss)		1 204 808	(728 142)
1.2.	Depreciation and amortization costs		410 919	504 943
1.3.	Elimination of results from transferred non-current tangible and intangible assets		7 391	(46 457)
1.4.	Elimination of results from financing and investing activities		490 678	442 246
1.5.	Elimination of other non-monetary items			
1.6.	Decrease (increase) in amounts receivable from Group's companies and associates			
1.7.	Decrease (increase) in other amounts receivable after one year		325 640	(654 817)
1.8.	Decrease (increase) in deferred income tax assets		100 937	(155 509)
1.9.	Decrease (increase) in inventories, excluding the paid advance payments		1 256 362	5 166 174
1.10.	Decrease (increase) in paid advance payments		(153 476)	(52 594)
1.11.	Decrease (increase) in trade receivables		(2 734 134)	1 122 243
1.12.	Decrease (increase) in receivables from the Group's companies and associates			
1.13.	Decrease (increase) in other amounts receivable		(703 883)	486 550
1.14.	Decrease (increase) in short-term investments			
1.15.	Decrease (increase) in costs of future periods and accumulated income		77 552	22 056
1.16.	Increase (decrease) in provisions			
1.17.	Increase (decrease) in non-current trade payables and received advance payments			
1.18.	Increase (decrease) in amounts payable after one year on the basis of bills of exchange and cheques			
1.19.	Increase (decrease) in non-current payables to Group's companies and associates			
1.20.	Increase (decrease) in current trade payables and received advance payments		21 768	(4 427 219)
1.21.	Increase (decrease) in amounts payable within one year on the basis of bills of exchange and cheques		(382 387)	(117 613)
1.22.	Increase (decrease) in current payables to Group's companies and associates			
1.23.	Increase (decrease) in income tax liabilities		26 905	
1.24.	Increase (decrease) in liabilities related to employment		73 562	(13 451)
1.25.	Increase (decrease) in other amounts payable and liabilities		5 712 427	(263 603)

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslų str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

Line No.	Items	Notes No.	2020	2019
1.26.	Increase (decrease) in accumulated costs and income of future periods		56 503	(48 644)
	<u>Net operating cash flows</u>		5 791 572	1 236 163
2.	Cash flows from investing activities			
2.1.	Acquired non-current assets (investments excluded)		(703 728)	(270 080)
2.2.	Transferred non-current assets (investments excluded)		689 630	1 287 049
2.3.	Acquired long-term investments			
2.4.	Transferred long-term investments			
2.5.	Provided loans		(661 329)	(789 134)
2.6.	Recovered loans		1 112 195	767 143
2.7.	Received dividends, interest		56 995	100 071
2.8.	Other increases in cash flows from investing activities			
2.9.	Other decreases in cash flows from investing activities			
	<u>Net cash flows from investing activities</u>		493 763	1 095 049
3.	Cash flows from financing activities			
3.1.	Cash flows related to shareholders		(46 813)	-
3.1.1.	Issued shares			-
3.1.2.	Shareholders' contributions to cover losses			
3.1.3.	Own shares acquired		(46 813)	
3.1.4.	Paid dividends			-
3.2.	Cash flows related to other sources of financing		(5 848 658)	(2 369 319)
3.2.1.	Increase in financial payables		1 500 000	
3.2.1.1.	Acquired loans			
3.2.1.2.	Issued bonds		1 500 000	
3.2.2.	Decrease in financial payables		(7 348 658)	(2 369 319)
3.2.2.1.	Returned loans		(6 300 464)	(1 286 950)
3.2.2.2.	Acquired bonds			
3.2.2.3.	Paid interest		(549 017)	(607 242)
3.2.2.4.	Lease (financial lease) instalments		(499 177)	(475 127)
3.2.3.	Increase in other liabilities of the Company			
3.2.4.	Decrease in other liabilities of the Company			
3.2.5.	Other increase in cash flows from financing activities			
3.2.6.	Other decrease in cash flows from financing activities			
	<u>Net cash flows from financing activities</u>		(5 895 471)	(2 369 319)
4.	Effect of changes in currency exchange rates on the balance of cash and cash equivalents		220	(600)
5.	Net increase (decrease) in cash flows		390 084	(38 707)
6.	Cash and cash equivalents at the beginning of the period		6 034	44 741
7.	Cash and cash equivalents at the end of the period		396 118	6 034

General Director _____

Gediminas Kvietkauskas

Chief Accountant _____

Rasa Venslovienė

March 24, 2021

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslų str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

Approved in the General Shareholders' Meeting
On _____, 2021, Minutes No. _____

EXPLANATORY NOTES

General information

East West Agro, AB (the Company) is a public limited liability company registered in the Centre of Registers, SE on August 4, 2006. Company's address is Tikslų str.10, Kumpių vil., Kauno distr.

Authorised capital of the Company amounts to 1 000 000 EUR and includes 1 000 000 ordinary registered shares with nominal value of EUR 1 each.

Operating activity of the Company is wholesale and retail in agricultural machinery and spare parts of the agricultural machinery.

East West Agro, AB operates in Kaunas, Šiauliai and Kupiškis districts. The main administrative and production facilities are located at Objektų str.10, Kumpių vil, Kaunas district. Šiauliai District subdivision is located in the building owned by the Company at Plento str.51, Kairiai. Activities in Kupiškis area are carried out at Technikos str.8A, Kupiškis.

Reporting financial year average listed number of employees concluded to 69, previous financial year average listed number of employees concluded to 72.

The financial year of the Company begins on January 1 and ends on December 31.

Accounting Policy

Basis for Accounting

Financial statements of the Company are prepared in accordance with the Republic of Lithuania law on accounting and financial reporting and the provisions of Business Accounting Standards valid on 01/01/2020.

When managing the accounting records and preparing the financial statements the Company follows general accounting principles: entity, going concern, periodicity, consistency, monetary measure, accrual, comparison, prudence, neutrality and content relevance.

Financial statements are prepared on the basis of accrual and going concern principles. According to the accrual principle the impact of transactions and other events is acknowledged when it occurs and is registered in accounting records and presented in the financial statements of the related period. Additionally, financial statements are prepared under assumption that the Company has no intentions or necessity to be liquidated or to reduce the scope of operations significantly.

Non-current Intangible Assets

Non-current intangible assets are recognized at acquisition cost less accumulated amortization and losses of impairment in value. Amortization is calculated following the straight-line method. Useful life period and amortization method are both reviewed at the end of every reporting period with prospective execution of any changes in accounting evaluation.

The following intangible asset groups and useful life periods are determined:

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslė str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

<u>Non-current intangible asset group</u>	<u>Useful life period</u>
Computer software	3 years
Other intangible assets	4 years

Non-current Tangible Assets

Non-current tangible assets are assets that the Company manages and controls, from which the Company expects economic benefit in the future periods, which shall be used for over one year, acquisition (production) cost of which can be reliably measured and the value of which is higher than the determined minimal asset value for that group.

Non-current tangible assets are recognized at acquisition (production) cost less accumulated depreciation and accumulated losses of impairment in value, if they exist.

Depreciation of non-current tangible assets is calculated following the straight-line method. Liquidation value is determined and is equal to EUR 0,29.

Assets with acquisition value higher than EUR 144,81 and useful life period longer than one year are capitalized. Mobile phones are recognized as non-current assets only in cases, where their value exceeds EUR 434,43.

The following useful life periods on the basis of asset groups are determined:

<u>Non-current tangible assets group</u>	<u>Useful life period (in years)</u>
Mobile phones	3
Plant and machinery	10
Inventory, furniture	6
Transport means	6 -10
Cargo vehicles	4
Computer hardware and means of connection	3
Other tangible assets	4

At the end of each year the Company reviews non-current asset useful life periods, balance values and depreciation methods and evaluates the impact of change, if it exists, and recognises it prospectively.

Repair and maintenance costs related to non-current tangible assets already in the exploitation are added to the book value of non-current tangible assets, if they prolong the asset's useful life period or improve its beneficial features. All other incurred repair costs are recognized as costs in the profit (loss) statement at the time they are incurred.

Repair costs on leased assets and/or assets exploited under the beneficial-use contract, which prolong the useful life period of leased asset or improve the beneficial features, are attributed to the asset and are recognized as costs during the remaining lease period.

Assets acquired under financial lease are depreciated applying the same useful life periods as applied to owned assets.

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslė str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

Profit earned or losses incurred after the transfer of non-current tangible asset are recognized in the profit (loss) statement of the same year.

Inventories

Inventories are recognized at net cost or net realizable value, depending on which one is lower. Net realizable value is recognized at sales price under regular business conditions less calculated production completion costs and possible selling costs.

Net cost of inventories includes costs of acquisition, transportation and preparation for sale. Net cost is calculated following the FIFO method. When calculating the net cost of goods the Company includes part of received discounts for yet unsold goods acquired from suppliers.

Inventories on the way are recognized on the basis of INCOTERMS-2010 conditions when the risk and benefit related to inventories is transferred to the Company.

Inventories are managed by dividing them into machinery and spare parts. If the machinery is in storage for over 3 years, it is devaluated by 50 per cent, if it is stored for over 4 years, it is devaluated by 100 per cent considering the selling value and the reasons for it being unsold. Impairment in the value of spare parts held for repair under guarantee or regular repair is calculated by devaluating spare parts stored for over 4 years by 20 per cent, those stored for over 5 years by 50 per cent and those in storage for over 6 years by 100 per cent.

Loans and Amounts Receivable

Trade receivables, loans and other amounts receivable under fixed instalments or instalments calculated following the determined method and which are not traded in active market are recognized as *Loans and Amounts Receivable*.

Initially loans and amounts receivable are recognized at acquisition cost and in subsequent periods are accounted for at amortized cost applying the effective interest rate method less any losses of impairment in value. Interest income is recognized applying the effective interest rate method, except for current amounts receivable, as recognition of their interest would be insignificant.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash on the way and cash in bank accounts, and other current and very liquid investments of up to three months (from the date of the contract), which can be readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Impairment in the Value of Financial Assets

Financial assets are evaluated at each date of financial statements to determine whether indications of impairment in value exist. It is considered that the value of financial asset decreases when objective factors exist in a form of an outcome of one or several events that took place after initial recognition of financial asset and which had an effect on expected future cash flows from financial asset.

The book value of total financial assets is directly reduced by calculated losses of impairment in value. The sole exception is trade receivables the book value of which is reduced through the provisions account. When the trade receivable is irrecoverable, its amount is written off through provisions account. Previously written off, but recovered amounts reduce the provisions account. Changes in book values of provisions are recognized as profit or loss.

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslų str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

If the amount of losses of impairment in value for subsequent periods decreases and that decrease can be objectively linked to an event, which occurred after the losses of impairment in value were recognized, the previously recognized losses of impairment in value are restored through profit or loss, but only until the book value of investment on the day of reversing the losses of impairment in value does not exceed the amortized cost, which would have existed, if the losses of impairment in value would not have been recognized in the previous periods.

Effective Interest Rate Method

Effective interest rate method is a method applied to distribute the amortized cost estimate of financial assets and liabilities and interest income and costs within a respective period. Effective interest rate is an interest rate that accurately discounts estimated future cash flows (including all paid or received taxes, which are integral part of effective interest rate, transaction costs and other payments or discounts) to net initial recognition book value within the foreseen period of financial assets and liabilities or (if applicable) within a respective period that is shorter.

Deferred costs

Deferred costs are occurred when the company on the current and prior periods paid the coming periods continuing services which amount will be uniformly recognized as an expense in future periods when incurred.

Equity Capital and Reserves

Equity capital of the Company includes paid-up part of the authorised capital, share premium, legal reserve, revaluation reserve and retained profit (loss).

Ordinary registered shares are measured at their par value. Amount received for sold shares exceed of their nominal value is presented as share premium. Additional costs related to new share emission reduce share premium. Any profit or loss related to sale, emission or annulment of own shares is not recognised in the income statement.

According to the Law on Companies of the Republic of Lithuania the legal reserve has to amount to 1/10 of the authorised capital. If the legal reserve is insufficient, 1/20 of net profit is to be attributed until the required amount is reached. The amount which exceeds the amount of stated legal reserve can be redistributed when distributing the profit of the Company. If a legal reserve is used to cover the losses of the Company, it has to be formed again.

The account of retained profit (loss) includes accumulated and not yet distributed profit or not yet covered losses for the current and previous reporting periods.

Profit appropriation is registered in the accounting records of the Company when the owners pass a respective decision to distribute the profit, i.e. at the date of the shareholder meeting regardless of the profit earning period.

Financial liabilities

Financial liabilities are recorded in the accounting when the Company assumes an obligation to pay cash or settle other financial assets. Payables for goods and services are measured at cost, ie the value of the assets or services received. At the beginning of the loan, they are stated at cost and subsequently measured at amortized cost. Accrued interest is accounted for in other items payable.

Financial liabilities include payables for goods and services received, loans and finance lease liabilities.

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslų str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

Current liabilities are liabilities that must be settled within one year from the balance sheet date.

Income

Income is recognised on the basis of accrual principle, i.e. registered in the accounting records when it is earned, irrespective of money receipts. Income is measured at fair value taking into consideration granted and planned discounts as well as returns and write-downs of sold goods.

Sales revenue is recognized, registered in accounting records and presented in the financial statements when the goods are sold, and the income amount is reliably evaluated. Income from rendered services is recognised, registered in accounting records and presented in the financial statements when the transaction is completed, and the amount of income and expenses related to the service transaction and its completion can be measured reliably.

Profit from used non-current asset transfer and other income not related to the operating activity of the Company and received from third parties, excluding financing activity income and extraordinary gain, are attributed to the income from other activities.

Positive result of changes in currency exchange rates, received interest, fines and interest on overdue payments covered by clients, received dividends, reversal of investment value impairment is all considered to be income from financing activity.

Costs

Costs are recognised in the accounting records following accrual and comparison principles in the reporting period, during which the related income is earned, irrespective of the time the money was spent. Expenses, which are not related to the income earned in the reporting period, but intended for income earning in the future periods, are registered in the accounting records and presented in the financial statements as the assets.

Cost of sales comprises expenses incurred during the current reporting period and related to goods sold and services rendered during the current period. This account includes only that part of costs, which is related to products, goods sold, and services rendered during the reporting period.

Operating costs comprise expenses incurred during the current period and related to the operating activities of the Company and providing the basis for reporting period income earning, but they do not depend on the amount of sold products, goods and services. Operating costs are recognized, registered in the accounting records and presented in the financial statements of the reporting period they are incurred in. Depreciation of buildings, insurance, salaries of employees in administration, advertising, business trips, stationaries, car exploitation, press subscription, staff training costs and other costs, not attributable to costs from other activities and (or) financing activities, are included in operating costs.

Losses incurred from sold used non-current assets and other costs, which are not related to the operating activity of the Company but are incurred when earning the income from other activities, are attributable to the costs from other activities.

Negative result of changes in currency exchange rates, paid fines and interest on overdue payments, interest and liability fees related to financial payables and impairment in investment value are all considered to be expenses from financing activities.

Accounting for Lease

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslė str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

Lease is recognized as financial lease when according to the lease terms basically all risk and benefit attached to the ownership of an asset is transferred. All other leases are classified as operating lease.

The Company acting as a Lessee

Assets leased under financial lease are initially recognized as Company's assets in the value equal to the fair value of leased assets at the beginning of the lease or, if lower, current value of minimal lease instalments. Respective lessor's liability is presented in the balance sheet as financial lease liability.

Lease instalments are distributed between financial costs and coverage of unpaid liabilities to reflect the permanent indicator of return on liability on the basis of non-covered liability balance. Financial costs are immediately recognized as profit or loss. Non-fixed lease charges are recognized as costs of the period when they are incurred.

Foreign Currency

Transactions in foreign currency are presented in Euro applying the official currency rate announced by the Bank of Lithuania on the day of transaction, which is approximately equal to market rate. At the end of each reporting period monetary items denominated in foreign currency are converted on the basis of the rate on that day.

Non-monetary items denominated in foreign currency and recognized at fair value are converted applying the interest rate of the day when the fair value was determined. Non-monetary items recognized at acquisition cost and expressed in foreign currency are not converted.

Monetary assets and liabilities are converted into Euro applying the rate on the financial statements date. Income and costs incurred due to changes in currency rates when converting monetary assets or liabilities into Euro are included into profit (loss) statement of the reporting period.

Income Tax

Income tax costs reflect the amount of payable current year tax and deferred tax.

Current Year Tax

Current year income tax is paid considering the taxable income for the year. Taxable profit differs from profit presented in the profit (loss) statement, as it does not include items of income or costs that are taxable or included the following year, and additionally it does not include items that are never taxable or included. Income tax is calculated applying a tax rate valid or determined before the end of reporting period. In both 2020 and 2019 an income tax rate of 15 per cent is applicable to the Company.

Deferred Tax

Deferred tax is recognized on the basis of temporary differences between the book values of assets and liabilities in the financial statements and their respective tax basis. Deferred tax liabilities are recognized as a total for all temporary differences and deferred tax assets are only recognized in a part that will likely reduce the current taxable profit in the future when realizing temporary differences. Those assets and liabilities are not recognized, if temporary differences are related to goodwill or if assets or liabilities recognized in the course of transaction (other than business merger) do not affect either taxable, or financial income.

Financial Risk Management Policy

Credit Risk

The Company is not subject to significant credit risk concentration, as it is distributed among a number of buyers.

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslo str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

Credit risk related to funds in the banks is limited, as the Company pursues transactions with banks that have sufficient credit ratings attributed by foreign rating agencies.

Interest Rate Risk

The Company borrows funds under fixed and varied interest rates. The Company manages the risk by maintaining an appropriate combination of loans with fixed and varied interest rates.

As at December 31, 2019 and December 31, 2018 the Company did not apply any derivative financial instruments with the purpose to manage the risk of interest rate fluctuations.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient reserves, banking services and reserve credit instruments, constantly monitoring actual and forecasted cash flows and coordinating return terms for financial assets and liabilities.

The policy of the Company is to maintain sufficient quantity of cash and cash equivalents or to secure financing in credit lines of respective quantities seeking to fulfil liabilities foreseen in strategic plans.

Foreign Currency Risk

Most of the Company's transactions concluded within the financial year ended on December 31, 2020 were evaluated in Euro and therefore the Company avoids significant risk of foreign currency exchange.

Provisions

Provision is recognized when as a result of an event in the past the Company has a liability (legal or irrevocable) and it is probable that to fulfil it the Company will require resources that bring economic benefit, and the amount of that liability can be reliably measured.

An amount recognized in provision is the best estimate necessary to cover current reporting period liabilities considering risks and uncertainties arising from that liability. When a provision is recognized applying cash flows planned to cover liability, its book value is current value of those cash flows.

When it is expected that a part or a total of economic benefit required to cover provision will be recovered from a third party, a receivable amount is recognized as an asset, if it is certain that the compensation will be received and an amount receivable can be reliably measured.

Related Parties

Related parties include shareholders, employees, board members, their next of kin and entities, which directly or indirectly through a mediator control the Company or are controlled separately or together with another party, which is also recognized as related party.

Events after the Balance Sheet Date

Events after the balance sheet date are economic events that take place between the balance sheet date and the date, on which the financial statements are prepared, presented for confirmation and signed by the head of the Company.

Events after the balance sheet date, which provide additional information concerning the Company's position on the financial statements date (events leading to adjustments), are reflected in the financial statements. Events after the balance sheet date, which are not leading to adjustment, are described in the notes, if their effect is material.

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslų str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

Notes**1. Non-current Intangible Assets**

Items	Computer software	Other intangible assets	Total
Acquisition value			
December 31, 2018	29 259	16 760	46 019
Acquired			---
Written-off (-)			---
Reclassifications			---
December 31, 2019	29 259	16 760	46 019
Acquired			---
Written-off (-)			---
Reclassifications			---
December 31, 2020	29 259	16 760	46 019
Accumulated amortization			
December 31, 2018	19 383	7 896	27 279
Calculated for the period	5 016	5 162	10 178
Written-off (-)			---
Reclassifications			---
December 31, 2019	24 399	13 058	37 457
Calculated for the period	3 982	2 568	6 550
Written-off (-)			---
Reclassifications			---
December 31, 2020	28 381	15 626	44 007
Balance value			
December 31, 2018	9 876	8 864	18 740
December 31, 2019	4 860	3 702	8 562
December 31, 2020	878	1 134	2 012

As at December 31, 2020 and December 31, 2019 the Company did not operate any intangible assets received free-of-charge.

The amortization of Company's non-current intangible assets was recognized in the profit (loss) statement, item of comprehensive costs and amounted 6 550 EUR (2019 – 10 178 EUR).

Acquisition cost of fully amortized non-current intangible assets still used in Company's operations concluded to 16 340 EUR as at December 31, 2020 and 16 380 EUR as at December 31, 2019.

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslo str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

2. Non-current Tangible Assets

Items	Land	Buildings and constructions	Plant and machinery	Transport means	Other fixtures, fittings, tools and equipment	Construction contracts in progress	Total
Acquisition value							
December 31, 2018	46 200	330 430	3 223 986	439 100	479 969	39 161	4 558 846
Acquired	---	---	173 342	127 480	28 470	---	329 292
Written-off (-)	---	---	-1 410 623	-92 477	-3 321	---	-1 506 421
Reclassifications							
December 31, 2019	46 200	330 430	1 986 705	474 103	505 118	39 161	3 381 717
Acquired	---	---	595 329	51 298	57 101	---	703 728
Written-off (-)	---	---	-855 665	-7 231	-28 932	---	-891 828
Reclassifications							
December 31, 2020	46 200	330 430	1 726 369	518 170	533 287	39 161	3 193 617
Accumulated depreciation							
December 31, 2018	---	33 043	299 698	222 314	189 867	11 787	756 709
Calculated for the period	---	22 028	273 675	82 765	108 851	7 444	494 763
Written-off (-)	---	---	-205 838	-56 671	-3 319	---	-265 828
Transferred from item to item							
December 31, 2019	---	55 071	367 535	248 408	295 399	1 9231	985 644
Calculated for the period	---	22 029	181 471	96 658	96 767	7 445	404 370
Written-off (-)	---	---	-175 289	-100	-19 419	---	-194 808
Reclassifications							
December 31, 2020	---	77 100	373 717	344 966	372 747	26 676	1 195 206
Balance value							
December 31, 2018	46 200	297 387	2 924 288	216 786	290 102	27 374	3 802 137
December 31, 2019	46 200	275 359	1 619 170	225 695	209 719	19 930	2 396 073

No indications of impairment in the value of non-current tangible assets were detected.

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslo str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

As at December 31, 2020 and December 31, 2019 the Company did not operate any tangible assets received free-of-charge.

Depreciation of Company's non-current tangible assets was recognized in the profit (loss) statement, item of comprehensive costs and amounted 404 369 EUR (2019 – 494 763 EUR).

Depreciated Assets in Use

Asset group	Acquisition cost (EUR)
Transport	93 284
Plant and machinery	11 468
Other equipment	130 686
Total	235 438

Balance Value of Leased Assets

Asset group	31.12.2020	31.12.2019
Transport	86 529	166 483
Plant and machinery	---	1 457 383

3. Amounts Receivable after One Year

Amounts receivables from 2 to 5 years	31.12.2020	31.12.2019
Long - term trade receivables	198 344	412 037
Advance deposit for rent	104 000	104 000
Loans granted to buyers	130 833	242 780
Total	433 177	758 817

Long-term trade receivables are undiscounted because they are due to delays in trade receivables and are ordered to be paid periodically each year when the crop is added, subject to court judgment. The company's management expects all of the buyers' debt to be recovered. Trade receivables are pledged to Swedbank for a loan (Note 11).

Loans granted to buyers at market interest rates.

As at December 31 amounts receivable after one year include advance deposits from Oranžinis turtas, UAB ir Joldija NT, UAB in the amount of EUR 104 000 and on the basis of long-term lease contract. These amounts are not discounted because they will be credited as the lease payments.

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslo str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

4. Deferred Income Tax Assets

Taxable and deductible temporary differences	Basis for deferred tax assets	Rate %	Deferred income tax assets
31.12.2020			
Holiday accumulations	2 105	15	316
Inventory devaluation	146 298	15	21 945
Devaluation of bad and doubtful debts	326 291	15	48 943
Total	474 694	X	71 204
31.12.2019			
Holiday accumulations	2 270	15	341
Inventory devaluation	124 318	15	18 648
Devaluation of bad and doubtful debts	123 041	15	18 456
Incurred tax loss	897 977	15	134 696
Total	1 147 606	X	172 141

5. Inventories and Paid Advance Payments

Items	Raw materials and components	Goods for resale	Paid advance payments	Total
a) Acquisition cost of inventories				
At the end of previous financial year	1 373	9 293 624	267 993	9 562 990
At the end of financial year	2 274	8 059 541	421 469	8 483 284
b) Devaluation to net realizable value (reversal)				
At the end of previous financial year		127 868		127 868
At the end of financial year		151 048		151 048
c) Net realizable value at the end of financial year (a) - (b)	2 274	7 908 493	421 469	8 332 236
Differences in evaluation, if LIFO method was applied				---
Value of pledged inventories		7 908 493		---
Inventories held by third parties				---

As at December 31, 2020 all goods in turnover were pledged to Swedbank, AB as a guarantee for liability fulfilment. The pledge ends on May 31, 2021. Non-moving inventories were devaluated following the accounting policy. Discounts received from suppliers at the end of the year were included in sales cost (reduction), but the value of inventories was not reduced as a result.

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslo str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

6. Costs of Future Periods

	31.12.2020	31.12.2019
Insurance	137 252	213 246
Subscription	287	286
Other costs of future periods	4 771	6 330
Total	142 310	219 862

7. Amounts Receivable within One Year

	31.12.2020	31.12.2019
Trade receivables	8 079 569	5 142 183
Provided loans	340 536	679 455
Accountable persons	2 600	29 297
Income tax receivable from the budget	---	126 852
Salary subsidy receivable	31 248	---
Other amounts receivable	825 488	111 253
Doubtful debts (-)	(326 291)	(123 041)
Total:	8 953 150	5 965 999

As at December 31, 2020 all amounts receivable are pledged to Swedbank, AB as a guaranty for loan coverage. The pledge ends on May 31, 2021.

8. Cash

	31.12.2020	31.12.2019
Cash in bank	391 533	2 335
Cash on hand	4 585	3 699
Total:	396 118	6 034

As at December 31, 2020 funds in bank accounts are pledged to Swedbank, AB as a guarantee for loan coverage. The pledge ends on May 31, 2022.

9. Authorized Capital Structure

Items	Number of shares	Amount (EUR)
Share capital structure at the end of financial year		
1. On the basis of share types		
1.1. Ordinary shares	1 000 000	1 000 000
1.2. Preference shares		
1.3. Employee shares		
1.4. Special shares		
1.5. Other shares		
TOTAL:	1 000 000	1 000 000
Share capital structure at the end of financial year		
1. On the basis of share types		
1.1. Ordinary shares		

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslė str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

As at December 31, 2020 all shares were fully covered. Legal reserve is an obligatory reserve foreseen by the laws of the Republic of Lithuania. At least 5 percent of net profit available for distribution is attributed to legal reserve annually until it reaches an amount equal to 10 percent of authorized capital. It can be used solely to cover accumulated losses. As at December 31, 2020 legal reserve concluded to EUR 100 000, as at December 31, 2019 – EUR 100 000. In 2020, the company purchased 8 180 units of its own shares with a nominal value of EUR 1 for EUR 46 812.

10. Profit Appropriation Project

Items	Year	Amount (EUR)
Retained result – profit (loss)	31.12.2019	715 951
Net financial year result – profit (loss)		1 204 808
Result – profit (loss) – available for appropriation	31.12.2020	1 920 759
Contributions by shareholders to cover losses		
Transferred from reserves		
Profit available for appropriation		1 920 759
Profit appropriation:		
- Reserves provided for by law		
- Increase of authorized capital		
- Dividends		
- Other		
Retained result – profit (loss)		1 920 759

11. Financial Payables

	31.12.2020	31.12.2019
Non-current payables (2 to 5 years)	1 592 368	911 710
Credit lines and loans (d)	1 500 000	---
Lease liabilities (c)	62 368	821 710
Investment loan (a)	30 000	90 000
Current liabilities	127 810	6 491 620
Investment loan (a)	60 000	60 000
Credit line and loans (b)		3 448 811
Loan (d)		2 059 202
Lease liabilities (c)	67 810	541 220
Amounts payable on the basis of bills of exchange		382 387
Total:	1 720 178	7 403 330
	31.12.2020	31.12.2019

(a) The Investment loan received from Swedbank EUR 90 000, maturity date of 30-06-2022. Overdraft unused (limit EUR 1 350 000), agreement expiration date of 31-05-2021. Information on pledged assets is provided in the section on amounts receivable (Note 7), inventories (Note 5) and cash (Note 8).

(b) Leasing liabilities for Swedbank leasing, maturity date 2021-2024.

(c) Non-publicly traded bonds issued. Bond maturity date of 04-12-2022.

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslė str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

12. Other amounts payables and long-term liabilities

	31.12.2020	31.12.2019
Social insurance liabilities (a)	161 689	
Liabilities under tax loan agreements (b)	2 585 848	
Total:	2 747 537	---

(a) The State Social Insurance Fund Board under the Ministry of Social Security and Labour has been granted a tax deferral until 15-07-2025.

(b) STI under the Ministry of Finance of the Republic of Lithuania has been granted a tax deferral until 25-12-2022.

13. Amounts Payable within One Year

	31.12.2020	31.12.2019
Amounts received in advance	325 521	176 682
Trade payables	5 176 985	5 304 056
Holiday accumulations	147 773	159 328
Social insurance liabilities	82 571	26 614
Income tax	26 905	
Personal income tax liabilities	29 160	
VAT liabilities	1 446 906	663 132
Liabilities to STI under tax loan agreements (Part of 2021)	2 181 258	
Other amounts payable	722	864
Total:	9 417 801	6 330 676

14. Accumulated Costs and Income from Future Periods

	31.12.2020	31.12.2019
Accumulated costs	344 156	287 653

15. Income

	2020	2019
Income from sold services and goods	29 430 416	17 967 476
Income from sold goods	28 674 370	17 253 833
Income from provided services	756 046	713 643
Income from other activities	14 871	166 563
Profit from sold non-current assets		46 457
Other income	14 871	120 106

16. Costs

	2020	2019
Cost of sales	24 533 743	14 892 292
Cost of sold goods	24 533 743	14 892 292
Sales costs	75 029	48 855
Marketing costs	75 029	48 855

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslo str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

General and administrative costs	2 948 643	3 633 697
Salaries costs	1 397 180	1 839 177
Depreciation and amortization costs	410 919	504 943
Consulting costs	33 898	79 380
Car repair and maintenance costs	305 134	323 846
Other costs	801 512	886 351

The Company incurred EUR 1 664 764 salaries costs, which were reduced by a state salary subsidy of EUR 296 993.

17. Financing and Investing Activities

	2020	2019
Income	180 542	254 673
Interest	56 995	100 071
Fines and charges on overdue payments	123 327	154 602
Positive effect of changes in currency rates	220	
Costs	671 000	697 519
Interest on received loans	514 571	466 750
Lease and factoring interest costs	34 446	133 744
Fines and charges on overdue payments	419	2 772
Negative effect of changes in currency rates	121 564	600
Interest on provided guarantees		93 653
Results	(490 458)	(442 846)

The Company recognizes fines and charges on overdue payments at the time it is incurred.

18. Income Tax Costs

Income tax costs of the Company included declared income tax, which for 2020 concluded to EUR 91 669 (In 2019, the Company incurred a tax loss of EUR 897 977) and the difference between deferred income tax assets of EUR 100 937 (2019 - EUR 155 509).

19. Transactions with Management and Other Related Persons

Managers of administration (3 persons) were paid EUR 238 314 of salary within 2020 (EUR 240 288 within 2019). General Director owe EUR 35 000 to the Company. Managers of administration received no other income, loans, guarantees or pay-outs.

20. Rights and Obligations of the Company Not Indicated in the Balance Sheet

The Company issued a guarantee in the amount of EUR 1 550 000 in favor of third persons, which was opened on 07-12-2015 and shall be valid until 30-06-2020.

21. Contingent Liabilities

At the end of the reporting year the Company was not subject to any contingent liabilities.

22. Events after the Balance Sheet Date

The Covid-19 pandemic, which began in early 2020, caused some inconvenience to the company's operations, such as restricted contact with customers, between the company's employees and suppliers, and a limitation of technical demonstrations. The terms and conditions for the payment of part of the suppliers and the conditions for crediting banks also deteriorated significantly. This prevented the full exploitation of sales potential in good climatic terms. However, previous years' investments in IT

AB "EAST WEST AGRO"

Company code 300588407 Address: Tikslo str.10, Kumpių vil., Kauno distr.

Data preserved in Centre of Registers, SE, Register of Legal Entities

Financial statements for the period ended on December 31, 2020

(All amounts are presented in Euros, unless indicated otherwise)

infrastructure have avoided many inconveniences and losses. We also took the opportunity to defer part of the taxes until 25.12.2022, which allowed us to maintain liquidity. According to the Management, if the situation does not change substantially and the vaccination plan is implemented at a pace similar to that currently planned by the government, significant losses related to the impact of Covid-19 on the company's operations are also expected to be avoided.

After the end of the financial year, prior to the approval of these financial statements, there were no other events that could have a material effect on these financial statements or should be further disclosed.

General Director

Gediminas Kvietkauskas

Chief Accountant

Rasa Venslovienė

March 24, 2021