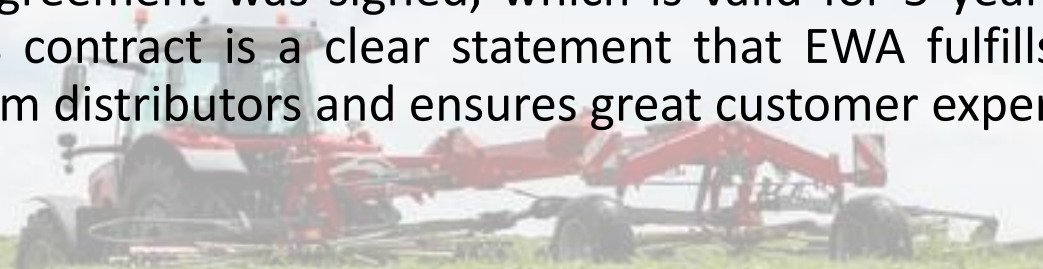


Interim report for year 2019

AB EAST WEST AGRO

- Market of new tractors, dedicated for professional farming, decreased by 28,5% (to 539 units) compared to year 2018 (754 units)
- Maintained second position in tractor market. Market share of Massey Ferguson, represented by EWA, reached a record 18,2% (year 2018 – 16,4%), which was only few units away from leading position.
- Increased revenues in machinery rental. Main reason for that – decreased buying power of clients and a temporary solution for technical issues.
- While the number of serviced machines grows every year, we constantly invest into the quality of service – new special purpose vehicles are being acquired, training programs are being organized both inhouse and in factories to raise the qualification of personnel. Also investments were made into IT of service, that enables more efficient human resources and task planning.
- Since the previous 3 years non-exclusive contract for Massey Ferguson brand with AGCO Limited has expired, the new distribution agreement was signed, which is valid for 5 years and has an exclusivity in Lithuania. Signing this contract is a clear statement that EWA fulfills the highest standards AGCO Limited requires from distributors and ensures great customer experience.





EWA KEY FINANCIAL INDICATORS

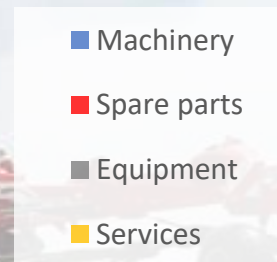
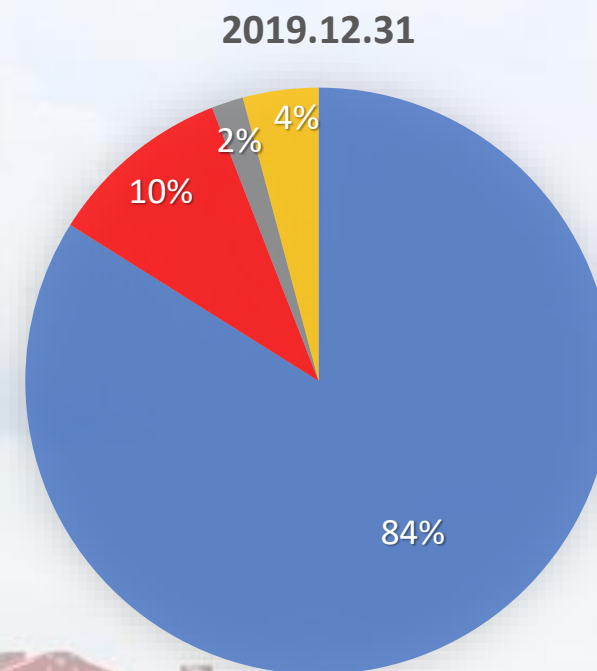
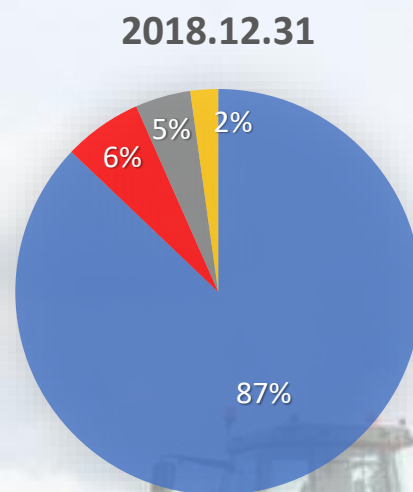
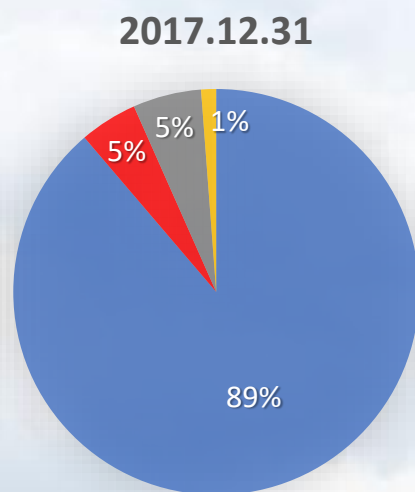
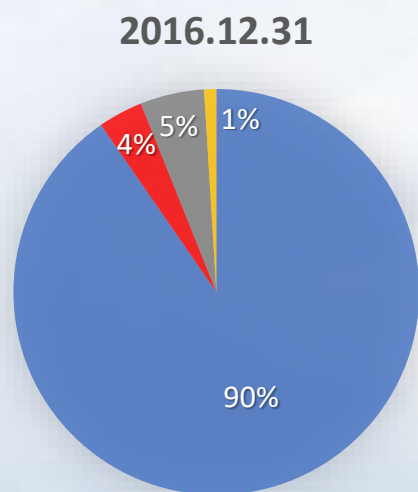
	2016.12.31	2017.12.31	2018.12.31	2019.12.31
Revenue ('000 EUR)	22 791	26 050	27 052	17 967
Gross profit ('000 EUR)	3 879	4 569	5 048	3 070
Gross profit margin, %	17,0%	17,5%	18,7%	17,1%
EBITDA ('000 EUR)	2 267	1 814	2 358	436
EBITDA, adjusted ('000 EUR)	2 331	2 194	2 358	519
Net profit ('000 EUR)	1 521	867	930	-752
Net profit margin, %	6,7%	3,3%	3,4%	-4,2%
EPS	3,0420	1,3872	0,9300	-0,7520
Financial debt ('000 EUR)	5 388	6 447	8 789	7 021





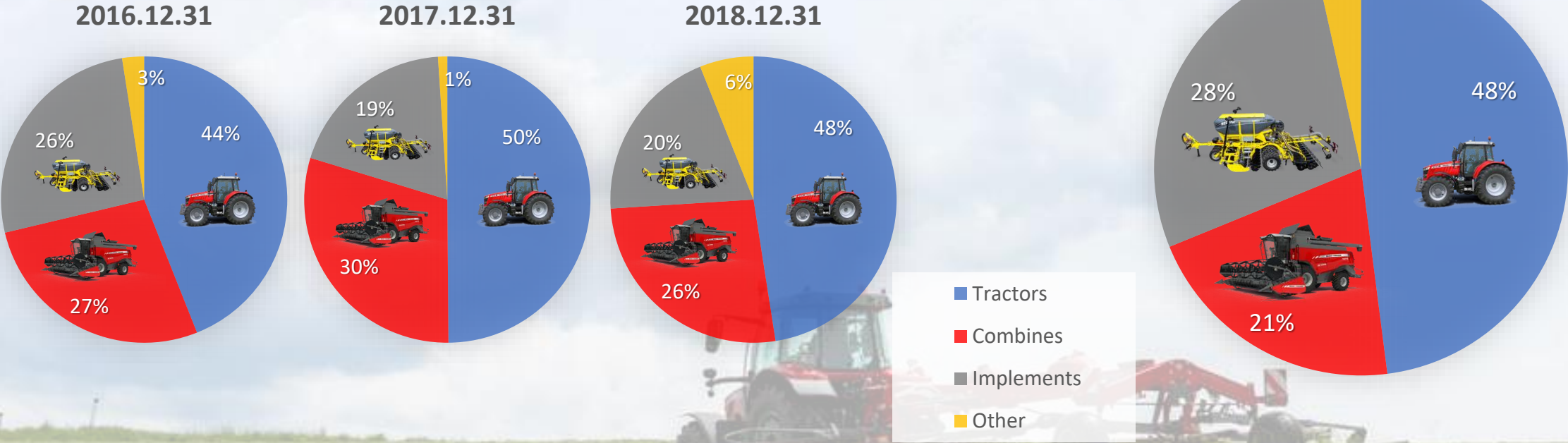
EWA ■ REVENUE DISTRIBUTION BY PRODUCT GROUPS

	2016.12.31	2017.12.31	2018.12.31	2019.12.31
Machinery ('000 EUR)	20 597	23 120	23 568	15 079
Spare parts ('000 EUR)	812	1 200	1 693	1 825
Equipment ('000 EUR)	1 161	1 419	1 193	315
Services ('000 EUR)	221	311	598	748



EWA ■ MACHINERY DISTRIBUTION BY PRODUCTS

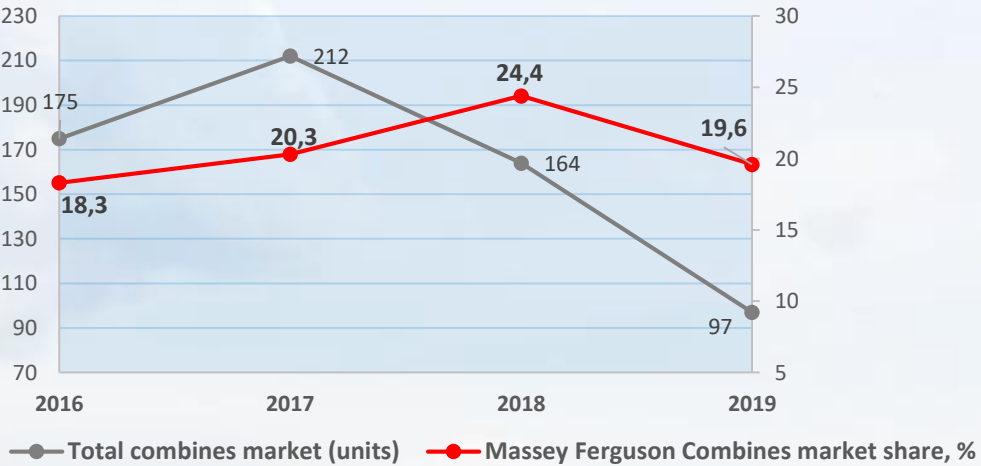
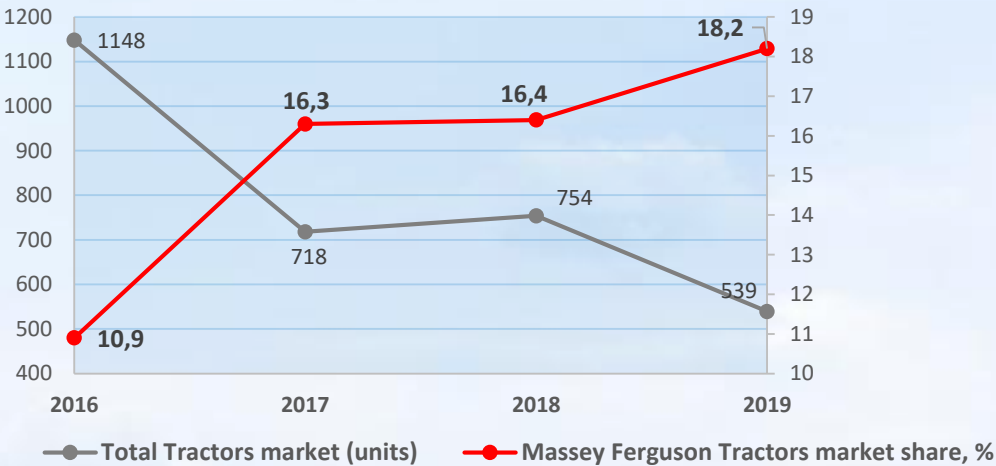
	2016.12.31	2017.12.31	2018.12.31	2019.12.31
Tractors ('000 EUR)	9 058	11 531	11 202	7 233
Combine harvesters ('000 EUR)	5 624	6 897	6 238	3 146
Implements ('000 EUR)	5 406	4 450	4 697	4 171
Other ('000 EUR)	509	242	1 431	529



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

Not only the tractor market went down in 2019, but also did the average number of horsepower, which reduces the average revenue per tractor to 74.000 euros from 90.000 euros in 2018 and 99.000 in 2017

Combine harvesters	2016	2017	2018	2019
Total (units)	175	212	164	97
Massey Ferguson combine harvesters (units)	32	43	40	19
Massey Ferguson combine harvesters market share, %	18,3%	20,3%	24,4%	19,6%



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



In 2019, the market of new agricultural machinery was one of the lowest in a decade. The adverse natural conditions have led to a significant decline in purchasing power and a difficult investment environment in the agro sector. The machinery market has been blighted by the extremely slow and inefficient administration of EU subsidies for agricultural modernization, leading some sales to shift to the 2020 season.

Nevertheless, the need for new machinery has not diminished - only the ability to invest for farms has reduced, for a time being working with existing machines or seeking alternatives (eg renting machinery) in the market.

As sales fell, the company reviewed its internal processes, optimized inventory management, and minimized its balance sheet. In the future, this should reduce costs and the need for borrowed capital.

After assessing the market conditions, needs of the clients and their buying potential, management of the company made a budget for year 2020, which forecasts the sales revenue of 23,5 mil EUR. Profit before taxes should reach 0,8 mil EUR, EBITDA should be 2,0 mil EUR.

The main tasks for year 2020 will be continuous growth of higher margin products and services while maintaining strong positions in tractors and combine harvesters' markets. Also, in collaboration with some suppliers, ways of geographical development in the region are being sought. One of possible scenarios is attracting a strategic partner for such development.

EWA 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, Bednar and others.

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

Company has two more machinery sales and service centers – at Šiauliai and Kupiškis.

EWA MAIN SHAREHOLDERS

Name	Percentage of shares
Danas Šidlauskas	39,81%
Gediminas Kvietkauskas	39,56%
Multi Asset Selection Fund	8,00%
Other minority shareholders	12,63%



