

Financial statements for period of
12 months of 2022
AB East West Agro
(unaudited)

BALANCE SHEET

ASSETS		Notes No.	2022.12.31.	2021.12.31.
A.	NON-CURRENT ASSETS		3 404 911	2 479 595
1.	INTANGIBLE ASSETS		6	6
1.1.	Development works			
1.2.	Goodwill			
1.3.	Computer software	1	5	5
1.4.	Concessions, patents, licenses, trademarks and similar rights			
1.5.	Other intangible assets	1	1	1
1.6.	Paid advance payments			
2.	TANGIBLE ASSETS		3 218 348	2 249 923
2.1.	Land	2	1 298 972	46 200
2.2.	Buildings and constructions	2	295 114	329 859
2.3.	Plant and machinery	2	921 307	1 288 880
2.4.	Transport means	2	417 394	442 703
2.5.	Other fixtures, fittings and tools	2	139 530	138 740
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	146 031	3 541
3.	FINANCIAL ASSETS		104 000	154 690
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			50 690
3.8.	Amounts receivable after one year	3	104 000	104 000
3.9.	Other financial assets			
4.	OTHER NON-CURRENT ASSETS		82 557	74 976
4.1.	Deferred income tax assets	4	82 557	74 976
4.2.	Biological assets			
4.3.	Other assets			

	ASSETS	Notes No.	2022.12.31.	2021.12.31.
B.	CURRENT ASSETS		21 175 888	21 699 792
1.	Inventories		10 999 457	8 909 646
1.1.	Raw materials, materials and components	5	12 314	3 853
1.2.	Production and work in progress			
1.3.	Production			
1.4.	Goods for resale	5	10 811 883	8 470 381
1.5.	Biological assets			
1.6.	Non-current tangible assets for resale			
1.7.	Paid advance payments	5	175 260	435 412
2.	AMOUNTS RECEIVABLE WITHIN ONE YEAR		7 719 054	9 356 943
2.1.	Trade receivables	7	5 744 704	8 026 881
2.2.	Receivables from Group's companies			
2.3.	Receivables from associates			
2.4.	Other amounts receivable	7	1 974 350	1 330 062
3.	Short-term investments		58 236	---
3.1.	Shares of the Group's companies			
3.2.	Other investments		58 236	
4.	CASH AND CASH EQUIVALENTS	8	2 399 141	3 433 203
C.	COSTS OF FUTURE PERIODS AND ACCUMULATED INCOME	6	226 201	327 252
	TOTAL ASSETS:		24 807 000	24 506 639

EQUITY AND LIABILITIES		Notes No.	2022.12.31.	2021.12.31.
D.	EQUITY CAPITAL		10 203 790	7 588 694
1.	CAPITAL		546 728	739 287
1.1.	Authorized (subscribed) or main capital	9	1 000 000	1 000 000
1.2.	Subscribed unpaid capital (-)			
1.3.	Own shares (-)		(453 272)	(260 713)
2.	SHARE PREMIUM		2 875 000	2 875 000
3.	REVALUATION RESERVE (RESULTS)			
4.	RESERVES		600 000	500 000
4.1.	Legal reserve or reserve capital	9	100 000	100 000
4.2.	To acquire own shares		500 000	400 000
4.3.	Other reserves			
5.	RETAINED PROFIT (LOSS)	10	6 182 062	3 474 407
5.1.	Reporting year profit (loss)		3 393 595	2 048 947
5.2.	Previous year profit (loss)		2 788 467	1 425 460
E.	GRANTS, SUBSIDIES			
F.	PROVISIONS		---	---
1.	Provisions for pensions and similar obligations			
2.	Tax provisions			
3.	Other provisions			
G.	AMOUNTS PAYABLE AND OTHER LIABILITIES		12 554 217	15 322 929
1.	AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER NON-CURRENT LIABILITIES		301 239	409 374
1.1.	Debt liabilities	11	229 790	292 805
1.2.	Payables to credit institutions	11		
1.3.	Received advance payments			
1.4.	Trade payables			
1.5.	Amounts payable on the basis of bills of exchange and cheques			
1.6.	Amounts payable to the Group's companies			
1.7.	Amounts payable to associates			
1.8.	Other amounts payable and non-current liabilities	12	71 449	116 569

	EQUITY AND LIABILITIES	Notes No.	2022.12.31.	2021.12.31.
	AMOUNTS PAYABLE WITHIN ONE YEAR AND OTHER CURRENT LIABILITIES		12 252 978	14 913 555
2.				
2.1.	Debt liabilities	11	86 080	110 316
2.2.	Payables to credit institutions	11		1 029 983
2.3.	Received advance payments	13	664 439	370 716
2.4.	Trade payables	13	9 508 110	8 486 423
2.5.	Amounts payable on the basis of bills of exchange and cheques	11		
2.6.	Amounts payable to the Group's companies	13		
2.7.	Amounts payable to associates			
2.8.	Income tax liabilities	13	343 585	352 611
2.9.	Liabilities related to employment	13	287 724	247 667
2.10.	Other amounts payable and current liabilities	13	1 363 040	4 315 839
H.	ACCUMULATED COSTS AND INCOME OF FUTURE PERIODS	14	2 048 993	1 595 016
	TOTAL EQUITY AND LIABILITIES:		24 807 000	24 506 639

PROFIT (LOSS) STATEMENT

Line No.	Items	Notes No.	2022	2021
1.	SALES REVENUE	15	42 688 312	35 567 254
2.	COST OF SALES	16	(34 363 707)	(29 240 342)
3.	CHANGE IN FAIR VALUE OF BIOLOGICAL ASSETS			
4.	GROSS PROFIT (LOSS)		8 324 605	6 326 912
5.	Sales costs	16	(111 057)	(101 688)
6.	General and administrative costs	16	(4 430 318)	(3 757 552)
7.	Results from other activities	15	131 350	117 835
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	147 536	96 753
11.	Impairment in the value of financial assets and short-term investments			
12.	Interest and similar costs	17	(85 763)	(238 640)
13.	PROFIT (LOSS) BEFORE TAX		3 976 353	2 443 620
14.	Income tax	18	582 758	(394 673)
15.	NET PROFIT (LOSS)		3 393 595	2 048 947

STATEMENT OF CHANGES IN EQUITY

	Paid-up authorized 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 of December 31, 2020	1 000 000	2 875 000	(46 813)	---	---	100 000	250 000	---	1 920 759	6 098 946
2 Result of changes in accounting policy										0
3 Result of material error corrections										0
4 Recalculated balance as of December 31, 2020	1 000 000	2 875 000	(46 813)	---	---	100 000	250 000	---	1 920 759	6 098 946
5 Correction of errors from previous year										---
6 Increase (decrease) in the value of effective hedging instrument										---
7 Acquired (sold) own shares			(213 900)							(213 900)
8 Profit (loss) not recognized in the profit (loss) statement										---
9 Reporting period net profit (loss)									2 048 947	2 048 947
10 Dividends									(345 299)	(345 299)
11 Other payouts										---
12 Formed reserves							150 000		(150 000)	---
13 Used reserves										---
14 Increase (decrease) in authorized capital or contributions by shareholders (share return)										---
15 Other increase (decrease) in authorized or main capital										---
16 Contributions to cover losses										---
17 Balance as of December 31, 2021	1 000 000	2 875 000	(260 713)	---	---	100 000	400 000	---	3 474 407	7 588 694

	Paid-up authorized 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									(192 559)									
21	Profit (loss) not recognized in the profit (loss) statement									---									
22	Reporting period net profit (loss)									3 393 595	3 393 595								
23	Dividends									(585 940)	(585 940)								
24	Other payouts										---								
25	Formed reserves									100 000	(100 000)	---							
26	Used reserves											---							
27	Increase (decrease) in authorized capital or contributions by shareholders (share return)											---							
28	Other increase (decrease) in authorized or main capital											---							
29	Contributions to cover losses											---							
30	Balance as of December 31, 2022									1 000 000	2 875 000	(453 272)	---	---	100 000	500 000	---	6 182 062	10 203 790

STATEMENT OF CASH FLOWS (INDIRECT)

Line No.	Items	Notes No.	2022	2021
1.	Operating cash flows			
1.1.	Net profit (loss)		3 393 595	2 048 947
1.2.	Depreciation and amortization costs		383 855	384 722
1.3.	Elimination of results from transferred non-current tangible and intangible assets		(11 857)	(64 290)
1.4.	Elimination of results from financing and investing activities		(21 772)	166 694
1.5.	Elimination of other non-monetary items		394 362	291 610
1.6.	Decrease (increase) in amounts receivable from Group's companies and associates			
1.7.	Decrease (increase) in other amounts receivable after one year		---	329 177
1.8.	Decrease (increase) in deferred income tax assets		(7 581)	(3 772)
1.9.	Decrease (increase) in inventories, excluding the paid advance payments		(2 349 963)	(563 467)
1.10.	Decrease (increase) in paid advance payments		260 152	(13 943)
1.11.	Decrease (increase) in trade receivables		2 282 177	(273 604)
1.12.	Decrease (increase) in receivables from the Group's companies and associates			
1.13.	Decrease (increase) in other amounts receivable		(402 706)	(154 074)
1.14.	Decrease (increase) in short-term investments		(7 546)	
1.15.	Decrease (increase) in costs of future periods and accumulated income		101 051	(184 942)
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		1 315 410	3 354 633
1.21.	Increase (decrease) in amounts payable within one year on the basis of bills of exchange and cheques		---	---
1.22.	Increase (decrease) in current payables to Group's companies and associates			
1.23.	Increase (decrease) in income tax liabilities		(9 026)	325 706
1.24.	Increase (decrease) in liabilities related to employment		40 057	(11 837)
1.25.	Increase (decrease) in other amounts payable and liabilities		(2 997 919)	(1 944 015)

Line No.	Items	Notes No.	2022	2021
1.26.	Increase (decrease) in accumulated costs and income of future periods		453 977	1 250 860
	Net operating cash flows		2 816 267	4 938 675
2.	Cash flows from investing activities			
2.1.	Acquired non-current assets (investments excluded)		(1 845 528)	(886 377)
2.2.	Transferred non-current assets (investments excluded)		143 412	411 898
2.3.	Acquired long-term investments		---	(50 690)
2.4.	Transferred long-term investments		---	---
2.5.	Provided loans		(616 103)	(590 128)
2.6.	Recovered loans		374 521	614 013
2.7.	Received dividends, interest		94 280	62 278
2.8.	Other increases in cash flows from investing activities			
2.9.	Other decreases in cash flows from investing activities			
	Net cash flows from investing activities		(1 849 418)	(439 006)
3.	Cash flows from financing activities			
3.1.	Cash flows related to shareholders		(778 499)	(559 198)
3.1.1.	Issued shares			
3.1.2.	Shareholders' contributions to cover losses			
3.1.3.	Own shares acquired		(192 559)	(213 900)
3.1.4.	Paid dividends		(585 940)	(345 298)
3.2.	Cash flows related to other sources of financing		(1 222 412)	(903 386)
3.2.1.	Increase in financial payables		---	2 277 732
3.2.1.1.	Acquired loans		---	2 277 732
3.2.1.2.	Issued bonds			---
3.2.2.	Decrease in financial payables		(1 222 412)	(3 181 118)
3.2.2.1.	Returned loans		(1 029 983)	(1 337 749)
3.2.2.2.	Acquired bonds		---	(1 500 000)
3.2.2.3.	Paid interest		(72 509)	(229 242)
3.2.2.4.	Lease (financial lease) instalments		(119 920)	(114 127)
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			
	Net cash flows from financing activities		(2 000 910)	(1 462 584)
4.	Effect of changes in currency exchange rates on the balance of cash and cash equivalents			---
5.	Net increase (decrease) in cash flows		(1 034 062)	3 037 085
6.	Cash and cash equivalents at the beginning of the period		3 433 203	396 118
7.	Cash and cash equivalents at the end of the period		2 399 141	3 433 203

EXPLANATORY NOTES

General information

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

Authorized 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 Tikslo str.10, Kumpiai vil, Kaunas district. Šiauliai district subdivision is in the building owned by the Company at Plento str.51, Kairiai. Activities in Kupiškis area are carried out at Technikos str. 8A, Kupiškis, and activities in Plungė area are carried out at Dobilų str. 7, Truikių vil., Plungė district.

Reporting financial year average listed number of employees concluded to 80, previous financial year average listed number of employees concluded to 74.

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 01/01/2022.

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:

Non-current intangible asset group	Useful life period
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:

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

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 recognizes 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.

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 of spare parts is calculated following the FIFO method, large technique method of specific prices. When calculating the net cost of goods, the Company includes part of received discounts for yet unsold goods acquired from suppliers.

Inventories in transit are recognized when the risks and rewards of ownership have been transferred to the Company.

Inventories are managed by dividing them into machinery and spare parts. If the inventories are in stock for over than 4 years it is devaluated 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.

Financial Assets

Financial assets are stated at cost basis. Direct acquisition costs are included in the cost of a financial asset.

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 influenced 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.

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 authorized 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 recognized in the income statement.

According to the Law on Companies of the Republic of Lithuania the legal reserve must amount to 1/10 of the authorized 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 must 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, i.e., 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.

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

Income

Income is recognized 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 recognized, 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 recognized 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.

Accrued costs

Amounts recognized in the period of the current and previous periods for the continuing services received as an expense of the company, for which the company has undertaken to pay in future periods.

During the reporting period and previous reporting periods, the cost of sales recognized in respect of sales of goods under which the company has undertaken to pay in future reporting periods.

Accounting for Lease

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 2022 and 2021 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 big number of buyers.

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 of December 31, 2022 and December 31, 2021 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 enough 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 31 December 2022, 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.

Notes

1. Non-current Intangible Assets

Items	Computer software	Other intangible assets	Total
Acquisition value			
December 31, 2020	29 259	16 760	46 019
Acquired			---
Written-off (-)	-16 849	-1 214	-18 063
Reclassifications			---
December 31, 2021	12 410	15 546	27 956
Acquired			---
Written-off (-)			---
Reclassifications			---
December 31, 2022	12 410	15 546	27 956
Accumulated amortization			
December 31, 2020	28 381	15 626	44 007
Calculated for the period	870	1 131	2 001
Written-off (-)	-16 846	-1 212	-18 058
Reclassifications			---
December 31, 2021	12 405	15 545	27 950
Calculated for the period			---
Written-off (-)			---
Reclassifications			---
December 31, 2022	12 405	15 545	27 950
Balance value			
December 31, 2020	878	1 134	2 012
December 31, 2021	5	1	6
December 31, 2022	5	1	6

As of December 31, 2022 and December 31, 2021 the Company did not operate any intangible assets received free-of-charge.

Acquisition cost of fully amortized non-current intangible assets still used in Company's operations concluded to 27 955 EUR as of December 31, 2022 and 27 955 EUR as of December 31, 2021.

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, 2020	46 200	330 430	1 726 369	518 170	533 287	39 161	3 193 617
Acquired	---	101 737	572 609	407 946	63 813	100 237	1 144 605
Written-off (-)	---	---	-620 149	-131 021	-47 287	-101 737	-900 194
Reclassifications							
December 31, 2021	46 200	432 167	1 678 829	795 095	549 813	37 661	3 539 765
Acquired	1 252 772	---	307 322	94 868	76 474	144 351	1 875 787
Written-off (-)	---	---	-773 550	-20 576	-58 503	---	-852 629
Reclassifications							
December 31, 2022	1 298 972	432 167	1 212 601	869 387	567 784	182 012	4 562 923
Accumulated depreciation							
December 31, 2020		77 100	373 717	344 966	372 747	26 676	1 195 206
Calculated for the period	---	25 208	174 391	97 319	78 359	7 444	382 721
Written-off (-)	---	---	-158 159	-89 893	-40 033	---	-288 085
Transferred from item to item							
December 31, 2021		102 308	389 949	352 392	411 073	34 120	1 289 842
Calculated for the period	---	34 745	160 556	120 177	66 515	1 861	383 854
Written-off (-)	---	---	-259 211	-20 576	-49 334	---	-329 121
Reclassifications							
December 31, 2022		137 053	291 294	451 993	428 254	35 981	1 344 575
Balance value							
December 31, 2020	46 200	253 330	1 352 652	173 204	160 540	12 485	1 998 411
December 31, 2021	46 200	329 859	1 288 880	442 703	138 740	3 541	2 249 923
December 31, 2022	1 298 972	295 114	921 307	417 394	139 530	146 031	3 218 348

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

As of December 31, 2022, and December 31, 2021 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 383 855 EUR (2021 m. 382 720 EUR).

As of 31 December 2022, the building is pledged to Swedbank AB as a guarantor for the repayment of the investment loan received. The pledge ends on April 27, 2023.

Depreciated Assets in Use

Asset group	Acquisition cost (EUR)
Transport	221 259
Plant and machinery	11 469
Other equipment	250 869
Total	483 597

Balance Value of Leased Assets

Asset group	2022.12.31.	2021.12.31.
Transport	309 550	374 236
Plant and machinery	---	---

3. Amounts Receivable after One Year

Amounts receivables from 2 to 5 years	2022.12.31.	2021.12.31.
Long-term investments		50 690
Long - term trade receivables		
Advance deposit for rent	104 000	104 000
Loans granted to buyers		
Total:	104 000	154 690

As of 31 December 2022, receivables after one year consist of an advance deposit of EUR 104,000 under long-term lease agreements, which is not discounted as it will be credited for the last lease payments.

4. Deferred Income Tax Assets

Taxable and deductible temporary differences	Basis for deferred tax assets	Rate %	Deferred income tax assets
2022.12.31			
Holiday accumulations	2 319	15	348
Inventory devaluation	168 869	15	25 330
Devaluation of bad and doubtful debts	379 195	15	56 879
Total	550 383	X	82 557
2021.12.31			
Holiday accumulations	2 357	15	354
Inventory devaluation	139 414	15	20 912
Devaluation of bad and doubtful debts	358 069	15	53 710
Total	499 840	X	74 976

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	3 853	8 630 188	435 412	9 069 453
At the end of financial year	12 314	10 987 052	175 260	11 174 626
b) Devaluation to net realizable value (reversal)				
At the end of previous financial year		159 807		159 807
At the end of financial year		175 169		175 169
c) Net realizable value at the end of financial year (a) - (b)	12 314	10 811 883	175 260	10 999 457
Differences in evaluation if LIFO method was applied				---
Value of pledged inventories		10 811 883		---
Inventories held by third parties				---

As of 31 December 2022, all goods in turnover were pledged to Swedbank, AB as a guarantee for liability fulfilment. The pledge ends on April 27, 2023. 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.

6. Costs of Future Periods

	2022.12.31	2021.12.31
Insurance	216 707	324 660
Subscription	279	258
Other costs of future periods	9 215	2 334
Total	226 201	327 252

7. Amounts Receivable within One Year

	2022.12.31.	2021.12.31.
Trade receivables	6 007 207	8 268 260
Provided loans	850 750	559 910
Accountable persons	2 634	1 020
Income tax receivable from the budget	---	---
Salary subsidy receivable	---	---
Other amounts receivable	1 237 658	885 823
Doubtful debts (-)	(379 195)	(358 070)
Total:	7 719 054	9 356 943

As of December 31, 2021, all amounts receivable are pledged to Swedbank, AB as a guaranty for loan coverage. The pledge ends on April 27, 2022.

8. Cash

	2022.12.31.	2021.12.31.
Cash in bank	2 397 864	3 430 242
Cash on hand	1 277	2 961
Total:	2 399 141	3 433 203

As of December 31, 2022 funds in bank accounts are pledged to Swedbank, AB as a guarantee for loan coverage. The pledge ends on April 27, 2023.

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
2. State or municipal capital		
Own shares held by the company itself	(35 918)	(453 272)
Shares held by subsidiaries		

As of 31 December 2022, all shares were fully covered. Legal reserve is an obligatory reserve foreseen by the laws of the Republic of Lithuania. At least 5 per cent of net profit available for distribution is attributed to legal reserve annually until it reaches an amount equal to 10 per cent of authorized capital. It can be used solely to cover accumulated losses. As of 31 December 2022, legal reserve concluded to EUR 100.000 EUR (December 31, 2021 - 100 000 EUR). In 2022, the company purchased 12 484 units of its own shares with a nominal value of EUR 1 for EUR 192 559 EUR (2021 m. – 15 254 units for EUR 213 900 EUR).

10. Profit Appropriation Project

Items	Year	Amount (EUR)
Retained result – profit (loss)	2021.12.31.	2 788 467
Net financial year result – profit (loss)		3 393 595
Result – profit (loss) – available for appropriation	2022.12.31.	6 182 062
Contributions by shareholders to cover losses		
Transferred from reserves		
Profit available for appropriation		6 182 062
Profit appropriation:		
- Reserves provided for by law		
- Increase of authorized capital		
- Dividends		
- Other		
Retained result – profit (loss)		6 182 062

11. Financial Payables

	2022.12.31.	2021.12.31.
Non-current payables (over 5 years)	---	---
Non-current payables (2 to 5 years)	229 790	292 805
Credit lines and loans (c)		
Lease liabilities (b)	229 790	292 805
Investment loan (a)		
Current liabilities	86 080	1 140 299
Investment loan (a)		30 000
Credit lines and loans (c)		999 983
Loan		
Lease liabilities (b)	86 080	110 316
Amounts payable on the basis of bills of exchange		
Total:	315 870	1 433 104

(a) Swedbank overdraft unused (limit EUR 3 000 000), agreement expiration date of 27-04-2023. Information on pledged assets is provided in the section on non-current assets (Note 2), amounts receivable (Note 7), inventories (Note 5) and cash (Note 8).

(b) Leasing liabilities for Swedbank leasing, maturity date 2023-2027 years.

12. Other amounts payables and long-term liabilities

	2022.12.31.	2021.12.31.
Social insurance liabilities (a)	71 449	161 689
Liabilities under tax loan agreements (b)		
Total:	71 449	161 689

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

13. Amounts Payable within One Year

	2022.12.31.	2021.12.31.
Amounts received in advance	664 439	370 716
Trade payables	9 508 110	8 486 423
Holiday accumulations	162 764	165 456
Social insurance liabilities	124 961	82 015
Income tax	343 585	352 611
Personal income tax liabilities	---	---
VAT liabilities	1 360 373	1 728 156
Liabilities to STI under tax loan agreements		2 585 848
Other amounts payable	2 666	2 031
Total:	12 166 898	13 773 256

14. Accumulated Costs and Income from Future Periods

	2022.12.31.	2021.12.31.
Accumulated costs*	2 048 993	1 595 016

* Revenue from the sale of goods recognized during the reporting period is recognized as the cost of sales in respect of which the company has undertaken to pay in future accounting periods.

15. Income

	2022	2021
Income from sold services and goods	42 688 312	35 567 254
Income from sold goods	41 677 511	34 672 118
Income from provided services	1 010 801	895 136
Income from other activities	131 350	117 835
Profit from sold non-current assets	11 857	64 290
Other income	119 493	53 545

16. Costs

	2022	2021
Cost of sales	34 363 707	29 240 342
Cost of sold goods	34 363 707	29 240 342
Sales costs	111 057	101 688

Marketing costs	111 057	101 688
General and administrative costs	4 430 318	3 757 552
Rental costs	288 757	283 236
Salaries costs	2 644 593	2 005 707
Depreciation and amortization costs	383 855	384 722
Consulting costs	47 769	41 829
Car repair and maintenance costs	389 195	299 195
Other costs	676 149	742 863

17. Financing and Investing Activities

	2022	2021
Income	147 543	96 753
Interest	94 280	62 278
Fines and charges on overdue payments	53 117	34 211
Positive effect of changes in currency rates	146	264
Costs	85 770	238 640
Interest on received loans	19 699	172 790
Lease and factoring interest costs	9 433	5 095
Fines and charges on overdue payments	2 759	111
Negative effect of changes in currency rates	7	
Other financial operating expenses	53 872	60 644
Results	61 773	(141 887)

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 2022 concluded to EUR 589 207 (In 2021 – EUR 398 445). Also, the income tax income from the deferred tax asset is EUR 7 581 EUR (In 2021, the income tax income from the deferred tax asset amounted EUR 3 772).

19. Transactions with Management and Other Related Persons

The Managers of administration (3 persons) were paid EUR 267 902 of salary within 2022 (EUR 244 491 within 2021). The Managers owe EUR 200 000 to the Company. The Managers of administration received no other income, loans, guarantees or pay-outs.

The Board of the Company consists of three persons. During 2022 no loans, guarantees, other disbursements or accruals, or disposals of assets were made to a member of the company's board who is not an employee of the company.

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 26-04-2023.

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

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.