

AB „EAST WEST AGRO“

FOR THE FIRST HALF OF 2024 REPORT

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 Tikslø str.10, Kumpiø 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 Objective str.10, Kumpiai 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 period for which the report was prepared: 1 January 2024. - 2024 June 30.

AB "EAST WEST AGRO"

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

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

Financial statements for the period ended on June 30, 2024

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

BALANCE SHEET

2024.01.01 - 2024.06.30

	TURTAS	Pastabos Nr.	2024.06.30	2023.06.30
A.	NON-CURRENT ASSETS		6 392 264	3 479 494
1.	INTANGIBLE ASSETS		9 302	6
1.1.	Development works			
1.2.	Goodwill			
1.3.	Computer software		5	5
1.4.	Concessions, patents, licences, trademarks and similar rights			
1.5.	Other intangible assets		9 297	1
1.6.	Paid advance payments			
2.	TANGIBLE ASSETS		6 193 451	3 292 931
2.1.	Land		1 484 772	1 310 972
2.2.	Buildings and constructions		242 995	277 741
2.3.	Plant and machinery		1 072 713	707 167
2.4.	Transport means		449 770	588 865
2.5.	Other fixtures, fittings and tools		137 037	140 746
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		2 806 164	267 440
3.	FINANCIAL ASSETS		104 000	104 000
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		104 000	104 000
3.9.	Other financial assets			
4.	OTHER NON-CURRENT ASSETS		85 511	82 557
4.1.	Deferred income tax assets		85 511	82 557
4.2.	Biological assets			
4.3.	Other assets			
B.	CURRENT ASSETS		22 127 223	24 383 006

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1.	Inventories	13 276 225	16 413 192
1.1.	Raw materials, materials and components	15 227	7 573
1.2.	Production and work in progress		
1.3.	Production		
1.4.	Goods for resale	13 145 893	16 293 631
1.5.	Biological assets		
1.6.	Non-current tangible assets for resale		
1.7.	Paid advance payments	115 105	111 988
2.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	8 845 231	7 909 375
2.1.	Trade receivables	8 032 957	6 986 713
2.2.	Receivables from Group's companies		
2.3.	Receivables from associates		
2.4.	Other amounts receivable	812 274	922 662
3.	Short-term investments		50 000
3.1.	Shares of the Group's companies		
3.2.	Other investments		50 000
4.	CASH AND CASH EQUIVALENTS	5 777	10439
C.	COSTS OF FUTURE PERIODS AND ACCUMULATED INCOME	577 412	309 880
	TOTAL ASSETS:	29 096 909	28 172 380

NUOSAVAS KAPITALAS IR JSIPAREIGOJIMAI		Pastabos Nr.	2024.06.30	2023.06.30
D.	EQUITY CAPITAL		10 028 096	9 504 948
1.	CAPITAL		759 490	619 685
1.1.	Authorised (subscribed) or main capital		1 000 000	1 000 000
1.2.	Subscribed unpaid capital (-)			
1.3.	Own shares (-)		(240 510)	(380 315)
2.	SHARE PREMIUM		2 875 000	2 875 000
3.	REVALUATION RESERVE (RESULTS)			
4.	RESERVES		900 000	900 000
4.1.	Legal reserve or reserve capital		100 000	100 000
4.2.	To acquire own shares		800 000	800 000
4.3.	Other reserves			
5.	RETAINED PROFIT (LOSS)		5 493 606	5 110 263
5.1.	Reporting year profit (loss)		460 296	884 515
5.2.	Previous year profit (loss)		5 033 310	4 225 748
E.	GRANTS, SUBSIDIES			
F.	PROVISIONS		---	---
1.	Provisions for pensions and similar obligations			
2.	Tax provisions			
3.	Other provisions			

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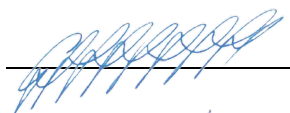
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Financial statements for the period ended on June 30, 2024

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

G.	AMOUNTS PAYABLE AND OTHER LIABILITIES	18 613 738	16 659 167
1.	AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER NON-CURRENT LIABILITIES	6 474 619	3 052 409
1.1.	Debt liabilities	296 407	421 179
1.2.	Payables to credit institutions	6 151 883	2 559 781
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	26 329	71 449
2.	AMOUNTS PAYABLE WITHIN ONE YEAR AND OTHER CURRENT LIABILITIES	12 139 119	13 606 758
2.1.	Debt liabilities	73 501	102 376
2.2.	Payables to credit institutions		1 000 000
2.3.	Received advance payments	31 716	244 170
2.4.	Trade payables	10 722 003	10 622 049
2.5.	Amounts payable on the basis of bills of exchange and cheques	---	---
2.6.	Amounts payable to the Group's companies		
2.7.	Amounts payable to associates		
2.8.	Income tax liabilities	---	---
2.9.	Liabilities related to employment	254 491	237 016
2.10.	Other amounts payable and current liabilities	1 057 408	1 401 147
H.	ACCUMULATED COSTS AND INCOME OF FUTURE PERIODS	455 075	2 008 265
	TOTAL EQUITY AND LIABILITIES:	29 096 909	28 172 380

General director



Gediminas Kvietkauskas

Chief accountant



Rasa Venslovienė

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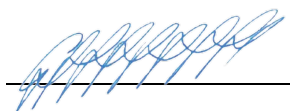
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PROFIT (LOSS) STATEMENT

2024.01.01 - 2024.06.30

Eil. Nr.	Straipsniai	Pastabos Nr.	2024.06.30	2023.06.30
1.	SALES REVENUE		14 640 376	17 943 227
2.	COST OF SALES		(11 492 851)	(14 606 855)
3.	CHANGE IN FAIR VALUE OF BIOLOGICAL ASSETS			
4.	GROSS PROFIT (LOSS)		3 147 525	3 336 372
5.	Sales costs		(116 993)	(64 217)
6.	General and administrative costs		(2 414 732)	(2 376 086)
7.	Results from other activities		115 759	55 438
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		91 461	125 903
11.	Impairment in the value of financial assets and short-term investments			
12.	Interest and similar costs		(222 919)	(112 976)
13.	PROFIT (LOSS) BEFORE TAX		600 101	964 434
14.	Income tax			6 963
15.	NET PROFIT (LOSS)		600 101	957 471

General director



Gediminas Kvietkauskas

Chief accountant



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STATEMENT OF CHANGES IN EQUITY

2024.06.30

		Apmokėtas įstatinis arba pagrindinis kapitalas	Akcijų priedai	Savos akcijos (-)	Perkainojimo rezervas		Įstatymo numatyti rezervai		Kiti rezervai	Nepaskirstytasis pelnas (nuostoliai)	Iš viso
					Ilgalaikio materialiojo turto	Finansinio turto	Privalomasis arba atsargos (rezervinis) kapitalas	Savoms akcijoms įsigyti			
1	Balance as at December 31, 2022	1 000 000	2 875 000	(453 272)	---	---	100 000	500 000	---	6 182 284	10 204 012
2	Result of changes in accounting policy										---
3	Result of material error corrections										---
4	Balance as at December 31, 2022	1 000 000	2 875 000	(453 272)	---	---	100 000	500 000	---	6 182 284	10 204 012
5	Correction of errors from previous year										---
6	Increase (decrease) in the value of effective hedging instrument										---
7	Acquired (sold) own shares			72 957							72 957
8	Profit (loss) not recognized in the profit (loss) statement									(72 957)	(72 957)
9	Reporting period net profit (loss)									1 667 984	1 667 984
10	Dividends									(1 656 534)	(1 656 534)
11	Other payouts										---
12	Formed reserves							300 000		(300 000)	
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, 2023	1 000 000	2 875 000	(380 315)	---	---	100 000	800 000	---	5 820 777	10 215 462

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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			139 805							139 805
21	Profit (loss) not recognized in the profit (loss) statement										
22	Reporting period net profit (loss)									460 296	460 296
23	Dividends									(787 467)	(787 467)
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 June 30, 2024	1 000 000	2 875 000	(240 510)	---	---	100 000	800 000	---	5 493 606	10 028 096

General director



Gediminas Kvietkauskas

Chief accountant



Rasa Venslovienė

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STATEMENT OF CASH FLOWS (INDIRECT)

2024.01.01 - 2024.06.30

Line No.	Items	Notes No.	2024.06.30	2023.06.30
1.	Operating cash flows			
1.1.	Net profit (loss)		460 296	884 515
1.2.	Depreciation and amortization costs		234 205	184 091
1.3.	Elimination of results from transferred non-current tangible and intangible assets		(19 083)	(89 042)
1.4.	Elimination of results from financing and investing activities		202 910	112 938
1.5.	Elimination of other non-monetary items		(3 412 051)	183 827
1.6.	Decrease (increase) in amounts receivable from Group's companies and associates			
1.7.	Decrease (increase) in other amounts receivable after one year		---	
1.8.	Decrease (increase) in deferred income tax assets		---	
1.9.	Decrease (increase) in inventories, excluding the paid advance payments		(129 236)	(5 477 007)
1.10.	Decrease (increase) in paid advance payments		(55 719)	63 272
1.11.	Decrease (increase) in trade receivables		(2 147 319)	(1 199 947)
1.12.	Decrease (increase) in receivables from the Group's companies and associates			
1.13.	Decrease (increase) in other amounts receivable		(439 478)	743 861
1.14.	Decrease (increase) in short-term investments		---	8 236
1.15.	Decrease (increase) in costs of future periods and accumulated income		(12 719)	(83 679)
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		3 515 811	693 760
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		(60 923)	(343 624)
1.24.	Increase (decrease) in liabilities related to employment		(16 356)	(50 708)
1.25.	Increase (decrease) in other amounts payable and liabilities		173 931	38 108

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Line No.	Items	Notes No.	2024.06.30	2023.06.30
1.26.	Increase (decrease) in accumulated costs and income of future periods		113 965	(40 728)
	<u>Net operating cash flows</u>		(1 591 766)	(4 372 127)
2.	Cash flows from investing activities			
2.1.	Acquired non-current assets (investments excluded)		(2 777 017)	(266 440)
2.2.	Transferred non-current assets (investments excluded)		150 091	89 042
2.3.	Acquired long-term investments			
2.4.	Transferred long-term investments			
2.5.	Provided loans		(99 360)	(1 386 236)
2.6.	Recovered loans		212 979	1 652 171
2.7.	Received dividends, interest		19 764	93 182
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>		(2 493 544)	181 719
3.	Cash flows from financing activities			
3.1.	Cash flows related to shareholders		(787 467)	(1 583 577)
3.1.1.	Issued shares			
3.1.2.	Shareholders' contributions to cover losses			
3.1.3.	Own shares acquired			72 957
3.1.4.	Paid dividends		(787 467)	(1 656 534)
3.2.	Cash flows related to other sources of financing		4 876 467	3 385 283
3.2.1.	Increase in financial payables		5 151 883	3 559 781
3.2.1.1.	Acquired loans		5 151 883	3 559 781
3.2.1.2.	Issued bonds			
3.2.2.	Decrease in financial payables		(275 416)	(174 498)
3.2.2.1.	Returned loans			
3.2.2.2.	Acquired bonds			
3.2.2.3.	Paid interest		(222 674)	(112 938)
3.2.2.4.	Lease (financial lease) instalments		(52 742)	(61 560)
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>		4 089 000	1 801 706
4.	Effect of changes in currency exchange rates on the balance of cash and cash equivalents			
5.	Net increase (decrease) in cash flows		3 691	(2 388 702)
6.	Cash and cash equivalents at the beginning of the period		2 086	2 399 141
7.	Cash and cash equivalents at the end of the period		5 777	10 439

General director



Gediminas Kvietkauskas

Chief accountant



Rasa Venslovienė

EXPLANATORY NOTES

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 01/01/2019.

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:

<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>
Buildings	15 years
Equipment	8 years

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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.

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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

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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

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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. 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.

Our 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 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.

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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.

CONFIRMATION OF COMPANY'S RESPONSIBLE PERSONS

2024 August 29

We, Gediminas Kvietkauskas, General Manager of East West Agro AB, and Rasa Vensloviene, Chief Accountant of AB East West Agro, confirm that, to our knowledge, the unaudited financial statements of East West Agro AB for the six-month period ended 30 June 2024 are true and correct and presents fairly the assets, liabilities, financial position, profit/loss of the company. For the six-month period ending on 30 June 2024 the semi-annual report correctly shows the overview of business development and activities, the condition of the company.

Generalinis direktorius

Gediminas Kvietkauskas

Vyriausia buhalterė

Rasa Vensloviene