

# EWA

## **EAST WEST AGRO, AB INDEPENDANT AUDITOR'S REPORT, FINANCIAL STATEMENTS AND MANAGEMENT REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2025



## CONTENTS

Independent Auditor's Report	2-3
Financial Statements	4-32
Management Report	33-57

**INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of AB "East West Agro"

**Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of AB "East West Agro" (the Company), which comprise the balance sheet as at December 31, 2025, 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 material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects of the financial position of the Company as at December 31, 2025, and (of) its financial performance and its cash flows for the year then ended in accordance with the Lithuanian Financial Reporting Standards.

**Basis for Opinion**

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 ethical requirements of the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania that are relevant to audit of financial statements in the Republic of Lithuania and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). We have also fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements and Other Assurance Services 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 management 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 management report for the financial year for which the financial statements are prepared is consistent with the financial statements and whether management 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 management report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Company's management report has been prepared in accordance with the requirements of the Law on Reporting by Undertakings and Groups of 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 Lithuanian Financial Reporting 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

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**Grant Thornton Baltic UAB**

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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.

*Auditor*  
*Arvydas Ziziliauskas*  
*Auditor's certification No. 000467*

*March 26, 2026*  
*Jonavos st. 60C, Kaunas*

*Grant Thornton Baltic UAB*  
*Audit company's licence No 001513*

*\*This is unofficial translation into English of the Financial statements issued in Lithuanian language. The financial statements of AB "East West Agro" originally issued in Lithuanian language have been audited.*



## STATEMENTS OF FINANCIAL POSITION

No	ASSETS	Notes	2025.12.31.	2024.12.31.
<b>A.</b>	<b>NON-CURRENT ASSETS</b>		<b>14 441 338</b>	<b>10 805 150</b>
1.	INTANGIBLE ASSETS		156 308	7 558
1.1.	Development works		-	-
1.2.	Goodwill		-	-
1.3.	Computer software	1	152 240	5
1.4.	Concessions, patents, licenses, trademarks and similar rights		-	-
1.5.	Other intangible assets	1	4 068	7 553
1.6.	Paid advance payments		-	-
2.	TANGIBLE ASSETS		14 138 098	10 705 518
2.1.	Land	2	1 484 772	1 484 772
2.2.	Buildings and constructions	2	11 133 122	225 622
2.3.	Plant and machinery	2	431 137	658 293
2.4.	Transport means	2	655 842	553 600
2.5.	Other fixtures, fittings and tools	2	433 225	114 947
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	-	7 668 284
3.	FINANCIAL ASSETS		-	-
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		-	-
3.9.	Other financial assets		-	-
4.	OTHER NON-CURRENT ASSETS		146 932	92 074
4.1.	Deferred income tax assets	3, 17	146 932	92 074
4.2.	Biological assets		-	-
4.3.	Other assets		-	-



## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	ASSETS	Notes	2025.12.31.	2024.12.31.
<b>B.</b>	<b>CURRENT ASSETS</b>		<b>20 897 067</b>	<b>22 084 195</b>
1.	Inventories		15 748 037	14 238 853
1.1.	Raw materials, materials and components	4	26 255	18 274
1.2.	Production and work in progress		-	-
1.3.	Production		-	-
1.4.	Goods for resale	4	15 574 845	14 008 614
1.5.	Biological assets		-	-
1.6.	Non-current tangible assets for resale		-	-
1.7.	Paid advance payments	4	146 937	211 965
2.	AMOUNTS RECEIVABLE WITHIN ONE YEAR		5 144 701	7 841 363
2.1.	Trade receivables	6	3 732 285	6 805 310
2.2.	Receivables from Group's companies		-	-
2.3.	Receivables from associates		-	-
2.4.	Other amounts receivable	6	1 412 416	1 036 053
3.	Short-term investments		-	-
3.1.	Shares of the Group's companies		-	-
3.2.	Other investments		-	-
4.	CASH AND CASH EQUIVALENTS	7	4 329	3 979
<b>C.</b>	<b>COSTS OF FUTURE PERIODS AND ACCUMULATED INCOME</b>	5	<b>717 966</b>	<b>691 613</b>
	<b>TOTAL ASSETS:</b>		<b>36 056 371</b>	<b>33 580 958</b>

## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	<b>EQUITY AND LIABILITIES</b>	<b>Notes</b>	<b>2025.12.31.</b>	<b>2024.12.31.</b>
<b>D.</b>	<b>EQUITY CAPITAL</b>		<b>12 597 808</b>	<b>10 972 850</b>
1.	CAPITAL		942 954	748 515
1.1.	Authorized (subscribed) or main capital	8	1 000 000	1 000 000
1.2.	Subscribed unpaid capital (-)		-	-
1.3.	Own shares (-)	8	(57 046)	(251 485)
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	8	100 000	100 000
4.2.	To acquire own shares		800 000	800 000
4.3.	Other reserves		-	-
5.	RETAINED PROFIT (LOSS)	9	7 879 854	6 449 335
5.1.	Reporting year profit (loss)		2 422 112	1 416 025
5.2.	Previous year profit (loss)		5 457 742	5 033 310
<b>E.</b>	<b>GRANTS, SUBSIDIES</b>		-	-
<b>F.</b>	<b>PROVISIONS</b>		-	-
1.	Provisions for pensions and similar obligations		-	-
2.	Tax provisions		-	-
3.	Other provisions		-	-
<b>G.</b>	<b>AMOUNTS PAYABLE AND OTHER LIABILITIES</b>		<b>23 452 226</b>	<b>21 827 397</b>
	AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER NON-CURRENT LIABILITIES		6 926 257	301 456
1.1.	Debt liabilities	10	357 750	301 456
1.2.	Payables to credit institutions	10	6 536 514	-
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	11, 17	31 993	-

## STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	<b>EQUITY AND LIABILITIES</b>	<b>Notes</b>	<b>2025.12.31.</b>	<b>2024.12.31.</b>
2.	AMOUNTS PAYABLE WITHIN ONE YEAR AND OTHER CURRENT LIABILITIES		16 525 969	21 525 941
2.1.	Debt liabilities	10	224 087	152 688
2.2.	Payables to credit institutions	10	6 788 483	5 945 626
2.3.	Received advance payments	12	48 253	63 641
2.4.	Trade payables	12	8 510 802	14 133 226
2.5.	Amounts payable on the basis of bills of exchange and cheques		-	-
2.6.	Amounts payable to the Group's companies	18	-	-
2.7.	Amounts payable to associates	18	-	-
2.8.	Income tax liabilities	12	155 025	85 453
2.9.	Liabilities related to employment	12	386 496	362 776
2.10.	Other amounts payable and current liabilities	12	412 823	782 531
H.	<b>ACCUMULATED COSTS AND INCOME OF FUTURE PERIODS</b>	13	<b>6 337</b>	<b>780 711</b>
	<b>TOTAL EQUITY AND LIABILITIES:</b>		<b>36 056 371</b>	<b>33 580 958</b>

General Manager

Gediminas Kvietkauskas

Chief Accountant

Rasa Vensloviene

## PROFIT (LOSS) STATEMENT

Line No.	Items	Notes	2025	2024
1.	SALES REVENUE	14	41 942 368	31 871 711
2.	COST OF SALES	15	(33 165 722)	(24 971 887)
3.	CHANGE IN FAIR VALUE OF BIOLOGICAL ASSETS		-	-
4.	<b>GROSS PROFIT (LOSS)</b>		<b>8 776 646</b>	<b>6 899 824</b>
5.	Sales costs	15	(173 654)	(162 074)
6.	General and administrative costs	15	(5 616 597)	(5 082 142)
7.	Results from other activities	14	143 702	296 075
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	16	195 204	220 742
11.	Impairment in the value of financial assets and short-term investments		-	-
12.	Interest and similar costs	16	(492 962)	(387 705)
13.	<b>PROFIT (LOSS) BEFORE TAX</b>		<b>2 832 339</b>	<b>1 784 720</b>
14.	Income tax	17	(410 227)	(228 890)
15.	<b>NET PROFIT (LOSS)</b>		<b>2 422 112</b>	<b>1 555 830</b>

General Manager

Gediminas Kvietkauskas

Chief Accountant

Rasa Vensloviene



### 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			
<b>1 Balance as of December 31, 2023</b>	<b>1 000 000</b>	<b>2 875 000</b>	<b>(380 315)</b>	-	-	<b>100 000</b>	<b>800 000</b>	-	<b>5 820 777</b>	<b>10 215 462</b>
2 Increase (decrease) in the value of non-current tangible assets	-	-	-	-	-	-	-	-	-	-
3 Increase (decrease) in the value of effective hedging instrument	-	-	-	-	-	-	-	-	-	-
4 Acquired (sold) own shares	-	-	128 830	-	-	-	-	-	-	<b>128 830</b>
5 Profit (loss) not recognized in the profit (loss) statement	-	-	-	-	-	-	-	-	(139 806)	<b>(139 806)</b>
6 Reporting period net profit (loss)	-	-	-	-	-	-	-	-	1 555 830	<b>1 555 830</b>
7 Dividends	-	-	-	-	-	-	-	-	(787 466)	<b>(787 466)</b>
8 Other payouts	-	-	-	-	-	-	-	-	-	-
9 Formed reserves	-	-	-	-	-	-	-	-	-	-
10 Used reserves	-	-	-	-	-	-	-	-	-	-
11 Increase (decrease) in authorized capital or contributions by shareholders (share return)	-	-	-	-	-	-	-	-	-	-
12 Other increase (decrease) in authorized or main capital	-	-	-	-	-	-	-	-	-	-
13 Contributions to cover losses	-	-	-	-	-	-	-	-	-	-
<b>14 Balance as of December 31, 2024</b>	<b>1 000 000</b>	<b>2 875 000</b>	<b>(251 485)</b>	-	-	<b>100 000</b>	<b>800 000</b>	-	<b>6 449 335</b>	<b>10 972 850</b>





STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	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				
15	<b>Balance as of January 1, 2025</b>	<b>1 000 000</b>	<b>2 875 000</b>	<b>(251 485)</b>	-	-	<b>100 000</b>	<b>800 000</b>	-	<b>6 449 335</b>	<b>10 972 850</b>
16	Increase (decrease) in the value of non-current tangible assets	-	-	-	-	-	-	-	-	-	-
17	Increase (decrease) in the value of effective hedging instrument	-	-	-	-	-	-	-	-	-	-
18	Acquired (sold) own shares	-	-	194 439	-	-	-	-	-	(194 439)	-
19	Profit (loss) not recognized in the profit (loss) statement	-	-	-	-	-	-	-	-	-	-
20	Reporting period net profit (loss) (Note 9)	-	-	-	-	-	-	-	-	2 422 112	<b>2 422 112</b>
21	Dividends (Note 9)	-	-	-	-	-	-	-	-	(797 154)	<b>(797 154)</b>
22	Other payouts	-	-	-	-	-	-	-	-	-	-
23	Formed reserves	-	-	-	-	-	-	-	-	-	-
24	Used reserves	-	-	-	-	-	-	-	-	-	-
25	Increase (decrease) in authorized capital or contributions by shareholders (share return)	-	-	-	-	-	-	-	-	-	-
26	Other increase (decrease) in authorized or main capital	-	-	-	-	-	-	-	-	-	-
27	Contributions to cover losses	-	-	-	-	-	-	-	-	-	-
28	<b>Balance as of December 31, 2025</b>	<b>1 000 000</b>	<b>2 875 000</b>	<b>(57 046)</b>	-	-	<b>100 000</b>	<b>800 000</b>	-	<b>7 879 854</b>	<b>12 597 808</b>

General manager

Gediminas Kvietkauskas

Chief Accountant

Rasa Vensloviene



## STATEMENT OF CASH FLOWS (INDIRECT)

No	Items	Notes	2025	2024
<b>1.</b>	<b>Operating cash flows</b>			
1.1.	Net profit (loss)	9	2 422 112	1 555 830
1.2.	Depreciation and amortization costs	1, 2	613 150	430 079
1.3.	Elimination of results from transferred non-current tangible and intangible assets		(4 497)	(38 618)
1.4.	Elimination of results from financing and investing activities	16	364 951	330 807
1.5.	Elimination of other non-monetary items		266 579	608 041
1.6.	Decrease (increase) in amounts receivable from Group's companies and associates		-	-
1.7.	Decrease (increase) in other amounts receivable after one year		-	104 000
1.8.	Decrease (increase) in deferred income tax assets	17	(22 865)	(6 563)
1.9.	Decrease (increase) in inventories, excluding the paid advance payments		(1 574 211)	(995 004)
1.10.	Decrease (increase) in paid advance payments		65 028	(152 579)
1.11.	Decrease (increase) in trade receivables		3 073 025	(919 672)
1.12.	Decrease (increase) in receivables from the Group's companies and associates		-	-
1.13.	Decrease (increase) in other amounts receivable		(61 584)	(758 645)
1.14.	Decrease (increase) in short-term investments		-	-
1.15.	Decrease (increase) in costs of future periods and accumulated income		(26 353)	(126 920)
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		(5 637 812)	6 958 959
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		69 572	24 530
1.24.	Increase (decrease) in liabilities related to employment		23 720	91 929
1.25.	Increase (decrease) in other amounts payable and liabilities		(369 712)	(127 275)

## STATEMENT OF CASH FLOWS (INDIRECT) (CONTINUED)

No	Items	Notes	2025	2024
1.26.	Increase (decrease) in accumulated costs and income of future periods		(774 374)	439 601
	<b>Net operating cash flows</b>		<b>(1 573 271)</b>	<b>7 418 500</b>
<b>2.</b>	<b>Cash flows from investing activities</b>			
2.1.	Acquired non-current assets (investments excluded)	1, 2	(4 096 809)	(7 621 741)
2.2.	Transferred non-current assets (investments excluded)		26 593	195 091
2.3.	Acquired long-term investments		-	-
2.4.	Transferred long-term investments		-	-
2.5.	Provided loans		(399 000)	(216 760)
2.6.	Recovered loans		84 221	425 765
2.7.	Received dividends, interest	16	113 551	44 966
2.8.	Other increases in cash flows from investing activities		-	-
2.9.	Other decreases in cash flows from investing activities		-	-
	<b>Net cash flows from investing activities</b>		<b>(4 271 444)</b>	<b>(7 172 680)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>			
3.1.	Cash flows related to shareholders		(797 154)	(798 441)
3.1.1.	Issued shares		-	-
3.1.2.	Shareholders' contributions to cover losses		-	-
3.1.3.	Own shares acquired		-	(10 975)
3.1.4.	Paid dividends	9	(797 154)	(787 466)
3.2.	Cash flows related to other sources of financing		6 642 219	554 514
3.2.1.	Increase in financial payables		7 543 497	1 875 000
3.2.1.1.	Acquired loans		7 543 497	1 875 000
3.2.1.2.	Issued bonds		-	-
3.2.2.	Decrease in financial payables		(901 278)	(1 320 486)
3.2.2.1.	Returned loans		(164 126)	(814 523)
3.2.2.2.	Acquired bonds		-	-
3.2.2.3.	Paid interest	16	(478 502)	(375 773)
3.2.2.4.	Lease (financial lease) instalments		(258 650)	(130 190)
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		-	-
	<b>Net cash flows from financing activities</b>		<b>5 845 064</b>	<b>(243 928)</b>
<b>4.</b>	<b>Effect of changes in currency exchange rates on the balance of cash and cash equivalents</b>			
<b>5.</b>	<b>Net increase (decrease) in cash flows</b>		<b>350</b>	<b>1 893</b>
<b>6.</b>	<b>Cash and cash equivalents at the beginning of the period</b>		<b>3 979</b>	<b>2 086</b>
<b>7.</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>7</b>	<b>4 329</b>	<b>3 979</b>

General Manager

Gediminas Kvietkauskas

Chief Accountant

Rasa Vensloviene

## 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 Sausinės str.1, Sausinės 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 Sausinės str.1, Sausinės 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 84, previous financial year average listed number of employees concluded to 81.

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 Lithuanian Financial Accounting Standards valid on 01/01/2025.

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 based on accrual and going concern principles. According to the accrual principle the impact of transactions and other events is acknowledged when they occur 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.

**Non-current Intangible Assets (continued)**

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.

Software within the category of intangible assets with an acquisition cost exceeding EUR 100 thousand is recognised at cost, comprising both acquisition cost and internally generated (development) cost. Development cost includes: costs of materials and services used or consumed in the development of the asset; employee benefit expenses of personnel directly involved in the development of the asset, including related payroll taxes; other costs directly attributable to the development of the intangible asset. Such assets are subsequently measured at cost less accumulated amortisation and impairment losses.

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
Software with an acquisition cost exceeding EUR 100 thousand	7 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 0,29-1. 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
Buildings with an acquisition cost exceeding EUR 10 million	30 years
Other equipment, structures and assets	8 years
Mobile phones	3 years
Plant and machinery	10 years
Furniture	6 years
Transport means	4 -10 years
Cargo vehicles	4 years
Computer hardware and means of connection	3 years
Other tangible assets	4 years

### ***Non-current Tangible Assets (continued)***

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 repair costs incurred 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 improves 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. Assets acquired under operating leases are depreciated over the remaining lease term.

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 devalued 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 on a 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 the form of an outcome of one or several events that took place after initial recognition of financial assets and which influenced expected future cash flows from financial assets.

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 occurred when the company on the current and prior periods paid for 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 exceeding 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.

### ***Equity Capital and Reserves (continued)***

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 reservation 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 based on 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 goods sold.

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.

Profits 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 assets.

### ***Costs (continued)***

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 are 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 products sold, 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, stationery, 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 results of changes in currency exchange rates, fines paid 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 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 based on non-covered liability balance. Financial costs are immediately recognized as profit or loss. Non-fixed lease charges are recognized as costs for 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.

### ***Foreign Currency (continued)***

Non-monetary items denominated in foreign currency and recognized at fair value are converted to applying to 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 in the profit (loss) statement of the reporting period.

### ***Income Tax***

Income tax costs reflect the amount of payable current year's 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 2025 an income tax rate of 16 per cent is applicable to the Company, in 2024 – 15 per cent.

#### 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 during 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, 2025, and December 31, 2024 the Company did not apply any derivative financial instruments with the purpose of managing 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.

***Financial Risk Management Policy (continued)***

***Foreign Currency Risk***

Most of the Company's transactions concluded within the financial year ending on 31 December 2025, 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
<b>Acquisition value</b>			
December 31, 2023	12 410	15 546	27 956
Acquired	-	10 458	10 458
Written-off (-)	-	(11 676)	(11 676)
Reclassifications	-	-	-
<b>December 31, 2024</b>	<b>12 410</b>	<b>14 328</b>	<b>26 738</b>
Acquired	142 373	-	142 373
Acquired in prior years	9 862	-	9 862
Written-off (-)	-	-	-
Reclassifications	-	-	-
<b>December 31, 2025</b>	<b>164 645</b>	<b>14 328</b>	<b>178 973</b>
<b>Accumulated amortization</b>			
December 31, 2023	(12 405)	(15 545)	(27 950)
Calculated for the period	-	(2 905)	(2 905)
Written-off (-)	-	11 675	11 675
Reclassifications	-	-	-
<b>December 31, 2024</b>	<b>(12 405)</b>	<b>(6 775)</b>	<b>(19 180)</b>
Calculated for the period	-	(3 485)	(3 485)
Written-off (-)	-	-	-
Reclassifications	-	-	-
<b>December 31, 2025</b>	<b>(12 405)</b>	<b>(10 260)</b>	<b>(22 665)</b>
<b>Balance value</b>			
<b>December 31, 2023</b>	<b>5</b>	<b>1</b>	<b>6</b>
<b>December 31, 2024</b>	<b>5</b>	<b>7 553</b>	<b>7 558</b>
<b>December 31, 2025</b>	<b>152 240</b>	<b>4 068</b>	<b>156 308</b>

As at 31 December 2025 and 2024, the Company did not hold any intangible assets received free of charge that were used in its operations.

As at 31 December, the acquisition cost of fully amortised intangible assets still in use amounted to EUR 14,970 in 2025 and EUR 16,280 in 2024.

#### **1. Non-current Intangible Assets (continued)**

In 2024, the Company initiated, and by the end of 2025 completed, an investment project related to the implementation of spare parts software. As the actual project costs exceeded initial expectations, a detailed review of this asset category was carried out. As a result, the Company introduced a new subcategory within intangible assets – software with an acquisition (development) cost exceeding EUR 100 thousand, assigned a longer useful life of 7 years. The acquisition (development) cost of such software includes not only costs of materials and services used or consumed in the development process, but also employee benefit expenses of personnel directly involved in development, including related payroll taxes. As a result of this reassessment, the carrying amount of the asset increased by EUR 9,862, which has been recognised in the current period as an adjustment relating to prior periods.

Amortisation of intangible assets is recognised in the statement of profit or loss under general and administrative expenses.



## 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
<b>Acquisition value</b>							
<b>December 31, 2023</b>	<b>1 310 972</b>	<b>432 167</b>	<b>1 846 345</b>	<b>1 121 010</b>	<b>635 559</b>	<b>380 018</b>	<b>5 726 071</b>
Acquired	173 800	-	144 555	230 884	42 000	7 324 247	7 915 486
Written-off (-)	-	-	(1 113 372)	(36 860)	(78 973)	-	(1 229 205)
<b>December 31, 2024</b>	<b>1 484 772</b>	<b>432 167</b>	<b>877 528</b>	<b>1 315 034</b>	<b>598 586</b>	<b>7 704 265</b>	<b>12 412 352</b>
Acquired	-	19 652	70 846	384 368	411 946	3 408 647	4 295 459
Acquired in prior years	-	-	-	-	-	35 458	35 458
Written-off (-)	-	-	(313 519)	(100 164)	(75 603)	(35 981)	(525 267)
Reclassifications	-	11 076 931	-	-	-	(11 112 389)	(35 458)
<b>December 31, 2025</b>	<b>1 484 772</b>	<b>11 528 750</b>	<b>634 855</b>	<b>1 599 238</b>	<b>934 929</b>	<b>-</b>	<b>16 182 544</b>
<b>Accumulated depreciation</b>							
<b>December 31, 2023</b>	<b>-</b>	<b>(171 799)</b>	<b>(307 208)</b>	<b>(581 892)</b>	<b>(493 613)</b>	<b>(35 981)</b>	<b>(1 590 493)</b>
Calculated for the period	-	(34 746)	(141 850)	(181 590)	(68 987)	-	(427 173)
Written-off (-)	-	-	229 823	2 048	78 961	-	310 832
<b>December 31, 2024</b>	<b>-</b>	<b>(206 545)</b>	<b>(219 235)</b>	<b>(761 434)</b>	<b>(483 639)</b>	<b>(35 981)</b>	<b>(1 706 834)</b>
Calculated for the period	-	(189 083)	(71 452)	(255 728)	(93 402)	-	(609 665)
Written-off (-)	-	-	86 969	73 766	75 337	35 981	272 053
<b>December 31, 2025</b>	<b>-</b>	<b>(395 628)</b>	<b>(203 718)</b>	<b>(943 396)</b>	<b>(501 704)</b>	<b>-</b>	<b>(2 044 446)</b>
<b>Balance value</b>							
<b>December 31, 2023</b>	<b>1 310 972</b>	<b>260 368</b>	<b>1 539 137</b>	<b>539 118</b>	<b>141 946</b>	<b>344 037</b>	<b>4 135 578</b>
<b>December 31, 2024</b>	<b>1 484 772</b>	<b>225 622</b>	<b>658 293</b>	<b>553 600</b>	<b>114 947</b>	<b>7 668 284</b>	<b>10 705 518</b>
<b>December 31, 2025</b>	<b>1 484 772</b>	<b>11 133 122</b>	<b>431 137</b>	<b>655 842</b>	<b>433 225</b>	<b>-</b>	<b>14 138 098</b>

## 2. Non-current Tangible Assets (continued)

No indicators of impairment of property, plant and equipment were identified.

In 2025, the Company reviewed the assets classified under buildings and structures and introduced a new subcategory within property, plant and equipment: *“Buildings used in operations and reconstruction of buildings included in the Register of Cultural Heritage of the Republic of Lithuania, where such buildings were constructed or reconstructed after 1 January 2002.”* This subcategory includes buildings with an acquisition (or construction) cost exceeding EUR 10 million, to which a longer useful life of 30 years is assigned. The acquisition (construction) cost includes not only costs of materials and services used or consumed in the construction process, but also employee benefit expenses of personnel directly involved in construction, including related payroll taxes. As a result of this reassessment, the carrying amount of the assets increased by EUR 35,458, which has been recognised in the current period as an adjustment relating to prior periods.

As at 31 December 2025 and 2024, the Company did not hold any property, plant and equipment received free of charge that were used in its operations.

Depreciation of property, plant and equipment recognised in the statement of profit or loss under general and administrative expenses amounted to EUR 609,665 in 2025 (2024: EUR 427,174).

As of 31 December 2025, a building owned by the Company is pledged to Swedbank as collateral for an overdraft facility. The pledge expires on 31 May 2026.

### Depreciated Assets in Use

<b>Asset group</b>	<b>2025.12.31.</b>	<b>2024.12.31.</b>
Transport	410 775	319 447
Plant and machinery	11 469	11 469
Other equipment	329 821	350 967
<b>Total</b>	<b>752 065</b>	<b>681 883</b>

### Balance Value of Leased Assets

<b>Asset group</b>	<b>2025.12.31.</b>	<b>2024.12.31.</b>
Vehicles acquired under finance leases	382 175	437 870
Vehicles acquired under operating leases	217 993	-
	<b>600 168</b>	<b>437 870</b>

### 3. Deferred income tax assets

Taxable and deductible temporary differences	Basis for deferred tax assets	Rate %	Deferred income tax assets
<b>2025.12.31.</b>			
Holiday accumulations	5 626	17	956
Inventory devaluation	296 963	17	50 484
Devaluation of bad and doubtful debts	343 725	17	58 433
Finance lease (reclassified from operating lease)	217 993	17	37 059
<b>Total:</b>	<b>646 314</b>	<b>X</b>	<b>146 932</b>
<b>2024.12.31.</b>			
Holiday accumulations	4 045	16	647
Inventory devaluation	251 056	16	40 169
Devaluation of bad and doubtful debts	320 362	16	51 258
<b>Total:</b>	<b>575 463</b>	<b>X</b>	<b>92 074</b>

### 4. Inventories and Paid Advance Payments

Items	Raw materials and components	Goods for resale	Paid advance payments	Total
<b>a) Acquisition cost of inventories</b>				
At the end of previous financial year	18 274	14 262 370	211 965	<b>14 492 609</b>
At the end of financial year	26 255	15 871 807	146 937	<b>16 044 999</b>
<b>b) Devaluation to net realizable value (reversal)</b>				
At the end of previous financial year	-	253 756	-	<b>253 756</b>
At the end of financial year	-	296 962	-	<b>296 962</b>
<b>c) Net realizable value at the end of financial year (a) - (b)</b>				
	<b>26 255</b>	<b>15 574 845</b>	<b>146 937</b>	<b>15 748 037</b>
Differences in evaluation if LIFO method was applied	-	-	-	-
Value of pledged inventories	-	15 574 845	-	<b>15 574 845</b>
Inventories held by third parties	-	-	-	-

As of 31 December 2025, all receivables of the Company were pledged to Swedbank as collateral for an overdraft facility. The pledge expires on 31 May 2026. Slow-moving inventories were written down in accordance with the Company's accounting policy. Supplier rebates received at year-end were recognised as a reduction in the cost of sales and did not reduce the carrying of inventories.

## 5. Costs of Future Periods

	2025.12.31	2024.12.31
Insurance	694 515	675 882
Other costs for future periods	17 814	14 932
Accrued revenue	4 814	-
Subscriptions	823	799
<b>Total</b>	<b>717 966</b>	<b>691 613</b>

## 6. Amounts Receivable within One Year

	2025.12.31.	2024.12.31.
Trade receivables	3 952 597	6 998 609
Allowance for doubtful trade receivables (-)	(220 312)	(193 299)
<i>Trade receivables – at amortised cost</i>	<i>3 732 285</i>	<i>6 805 310</i>
Loans granted	397 636	458 189
Allowance for expected credit losses on loans granted (-)	(123 413)	(127 063)
<i>Loans granted – at amortised cost</i>	<i>274 223</i>	<i>331 126</i>
Loans granted to related parties (Note 18)	415 779	101 000
Allowance for expected credit losses on loans granted to related parties (-)	-	-
<i>Loans granted to related parties (Note 18) – at amortised cost</i>	<i>415 779</i>	<i>101 000</i>
Accountable persons	-	393
Accrued receivable discounts	722 414	603 534
	<b>5 144 701</b>	<b>7 841 363</b>

As of 31 December 2025, all receivables are pledged to Swedbank AB as collateral for the overdraft facility. The pledge is valid until 31 May 2026.

During 2025, the repayment terms of loans granted to customers were extended to 2026–2027. No impairment losses were recognised on these loans in 2025. The allowance for expected credit losses decreased from EUR 127,063 as of 31 December 2024 to EUR 123,413 as of 31 December 2025.

## 7. Cash

	2025.12.31.	2024.12.31.
Cash in bank	17	1 036
Cash on hand	4 312	2 943
<b>Total</b>	<b>4 329</b>	<b>3 979</b>

As of 31 December 2025, all receivables are pledged in favour of Swedbank AB as security for the overdraft facility, with the pledge maturing on 31 May 2026.

## 8. 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	-	-
<b>TOTAL:</b>	<b>1 000 000</b>	<b>1 000 000</b>
2. State or municipal capital		
Own shares held by the company itself	(3 557)	(57 046)
Shares held by subsidiaries	-	-

All shares were fully paid as of 31 December 2025. The legal reserve represents a mandatory reserve in accordance with the laws of the Republic of Lithuania. At least 5% of distributable net profit is transferred to this reserve annually until it reaches 10% of the share capital. The legal reserve may only be used to cover accumulated losses. As at 31 December 2025, the legal reserve was fully formed and amounted to EUR 100,000 (31 December 2024: EUR 100,000).

On 21 March 2025, following a resolution of the Board of the Company, 12,800 treasury shares were transferred (granted) to nine employees of EWA. Following this transaction, as of 31 December 2025, the Company held 3,557 treasury shares with a carrying amount of EUR 57,046.

## 9. Profit Appropriation Project

Items	Year	Amount (Eur)
<b>Result – profit (loss) – available for appropriation</b>	<b>31.12.2024</b>	<b>6 449 335</b>
Dividends paid in 2025		(797 154)
Formed reserves to acquire own shares		(194 439)
Retained result – profit (loss)		2 422 112
<b>Result – profit (loss) – available for appropriation</b>	<b>31.12.2025</b>	<b>7 879 854</b>

At the date of approval of these financial statements, no decision has been made to distribute the profit for the current year.

## 10. Financial Payables

	2025.12.31.	2024.12.31.
<b>Non-current payables (over 5 years)</b>	-	-
<b>Non-current payables (2 to 5 years)</b>	<b>6 894 264</b>	<b>301 456</b>
Credit lines and loans (a)	6 536 514	-
Lease liabilities (b)	357 750	301 456
Investment loan (c)	-	-
<b>Current liabilities</b>	<b>7 012 570</b>	<b>6 098 314</b>
Credit lines and loans (a)	6 788 483	5 945 626
Lease liabilities (b)	224 087	152 688
Investment loan (c)	-	-
Amounts payable based on bills of exchange	<b>13 906 834</b>	<b>6 399 770</b>

(a) The Company has an overdraft facility with Swedbank AB with a limit of EUR 5,000,000, maturing on 31 May 2026. Information on pledged assets is disclosed in Property, Plant and Equipment (Note 2), Receivables (Note 6), Inventories (Note 4) and Cash (Note 7).

(b) Lease liabilities: payable to Swedbank under finance lease agreements, with maturities ranging from 2026 to 2030.

## 11. Deferred income tax liabilities

Taxable and deductible temporary differences	Basis for deferred tax liabilities	Rate %	Deferred income tax liabilities
<b>2025.12.31.</b>			
Finance lease (reclassified from operating lease)	188 196	17	31 993
<b>Total</b>	<b>188 196</b>	<b>X</b>	<b>31 993</b>

## 12. Amounts Payable within One Year

	2025.12.31.	2024.12.31.
Trade payables	8 510 802	14 133 226
VAT liabilities	401 999	780 001
Holiday accumulations	323 465	283 884
Income tax	155 025	85 453
Social insurance liabilities	63 031	78 765
Amounts received in advance	48 253	63 641
Other amounts payable	10 824	2 657
<b>Total:</b>	<b>9 513 399</b>	<b>15 427 627</b>

### 13. Accumulated Costs and Income from Future Periods

	<b>2025.12.31.</b>	<b>2024.12.31.</b>
Accumulated costs*	6 337	780 711

\* 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.

### 14. Revenue

	<b>2025</b>	<b>2024</b>
<b>Income from sold services and goods</b>	<b>41 942 368</b>	<b>31 871 711</b>
Income from sold goods	40 918 251	30 801 745
Income from provided services	1 024 117	1 069 966
<b>Income from other activities (result)</b>	<b>143 702</b>	<b>296 075</b>
Profit from sold non-current assets	4 497	38 618
Other income	139 205	257 457

### 15. Costs

	<b>2025</b>	<b>2024</b>
<b>Cost of sales</b>	<b>33 165 722</b>	<b>24 971 887</b>
Cost of sold goods	33 165 722	24 971 887
<b>Sales costs</b>	<b>173 654</b>	<b>162 074</b>
Marketing costs	173 654	162 074
<b>General and administrative costs</b>	<b>5 616 597</b>	<b>5 082 142</b>
Rental costs	183 081	369 118
Salaries costs	3 294 117	3 017 629
Depreciation and amortization costs	613 150	430 079
Consulting costs	81 689	39 376
Car repair and maintenance costs	434 108	389 673
Other costs	1 010 452	836 267

## 16. Financing and Investing Activities

	<b>2025</b>	<b>2024</b>
<b>Income</b>	<b>195 204</b>	<b>220 742</b>
Interest	113 551	44 966
Fines and charges on overdue payments	81 653	175 776
<b>Costs</b>	<b>492 962</b>	<b>387 705</b>
Interest on received loans	390 493	289 951
Lease and factoring interest costs	88 009	34 384
Fines and charges on overdue payments	3 408	256
Negative effect of changes in currency rates	195	66
Other financial operating expenses	10 857	63 048
<b>Results</b>	<b>(297 758)</b>	<b>(166 963)</b>

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

## 17. Income Tax Costs

	<b>2025</b>	<b>2024</b>
Current income tax expense	(434 092)	(235 453)
Income tax expense relating to prior periods recognised in the current period	1 000	-
Deferred income tax (Notes 3, 11)	19 949	6 563
Deferred income tax relating to prior periods recognised in the current period (Notes 3, 11)	2 916	-
	<b>(410 227)</b>	<b>(228 890)</b>

## 18. Transactions with Management and Other Related Persons

Remuneration of key management personnel (2 individuals) amounted to EUR 252,825 in 2025 (2024: EUR 206,162). During 2025, loans of EUR 399,000 were granted to the Chief Executive Officer (2024: EUR 101,000). As at 31 December 2025, the outstanding balance of loans granted to the CEO amounted to EUR 415,799. No other remuneration, loans, guarantees, benefits or transfers of assets were provided to key management personnel.

The Board of the Company consists of three members. During 2025, no loans, guarantees, other payments or benefits were granted, accrued or transferred to the Board member who is not an employee of the Company.

In accordance with Lithuanian financial reporting standards (LFAS), related parties of the Company include shareholders, key management personnel and entities directly controlled by shareholders. Transactions with related parties are carried out on an arm's length basis. Information on transactions with related parties is presented below:

**18. Transactions with Management and Other Related Persons (continued)**

	<b>2025</b>	<b>2024</b>
Sales to related parties	5 896	71 482
Purchases from related parties	42 000	-
	<b>2025</b>	<b>2024</b>
Receivables from related parties	20 470	765
Loans granted to related parties (Note 6)	415 779	101 000

**19. 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 31-05-2026.

**20. Contingent Liabilities**

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

**21. 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.

General Manager

Gediminas Kvietkauskas

Chief Accountant

Rasa Vensloviene

# EWA

## EAST WEST AGRO, AB MANAGEMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025



# 2026

## Content

<b>1. About the Company</b> .....	36
<b>1.1. Company Overview</b> .....	36
<b>1.2. Review of operations and Development</b> .....	36
<b>Business Focus</b> .....	36
<b>Investments</b> .....	37
<b>Grants</b> .....	37
<b>Key Projects Implemented in 2025</b> .....	37
<b>Certifications and Memberships</b> .....	39
<b>1.3. Principal Risks and Their Management</b> .....	39
<b>Risk Management Objectives and Principles</b> .....	40
<b>Risk Management Process</b> .....	41
<b>2. Analysis of the Company's Financial Performance</b> .....	43
<b>2.1. Analysis of Financial and Non-Financial Performance</b> .....	43
<b>2.2. Environmental and Social Responsibility Information</b> .....	44
<b>Environmental Matters</b> .....	44
<b>Social Responsibility</b> .....	45
<b>3. Corporate Governance and Sustainability</b> .....	47
<b>3.1. Governance Model</b> .....	47
<b>The Board of Directors</b> .....	47
<b>The Chief Executive Officer</b> .....	49
<b>General Meeting of Shareholders (GMS)</b> .....	50
<b>3.2. Share Capital</b> .....	51
<b>3.3. People and Remuneration</b> .....	51
<b>3.4. Related Party Transactions</b> .....	53
<b>3.5. Other Information</b> .....	54
<b>3.6. Sustainability and Responsible Business</b> .....	54
<b>Sustainability Strategy and Future Commitments</b> .....	54
<b>Environmental Protection and Operational Efficiency</b> .....	55
<b>Resource Management</b> .....	55

<b>Social Responsibility and Community Engagement</b> .....	55
<b>Risk Management System</b> .....	56
<b>Monitoring and Governance</b> .....	56
<b>4. Future Plans</b> .....	57
<b>4.1. Business Outlook</b> .....	57
<b>4.2. Research and Development</b> .....	57

# 1. About the Company

This section provides an objective overview of the current position of **AB East West Agro** (hereinafter the Company or EWA), including a review of its operations and development as well as a description of the principal risks and uncertainties that may affect the Company's activities.

## 1.1. Company Overview

- AB East West Agro, company code 300588407, registered office at Sausinės g. 1, Sausinės village, Kaunas district, Lithuania.
- As at 31 December of the reporting year, the Company did not hold shares in any subsidiaries or associated companies.
- The average number of employees during the reporting financial year was 84 (81 in the previous financial year).



## 1.2. Review of operations and Development

### Business Focus

The Company specialises in the wholesale and retail distribution of agricultural machinery and spare parts for agricultural equipment.

The Company's core business activities include:

- ✓ sales of new and used agricultural machinery;
- ✓ supply of spare parts for agricultural equipment;
- ✓ technical servicing and maintenance of machinery;
- ✓ agricultural machinery rental services.

EWA is the official importer in Lithuania of agricultural machinery manufactured by

Massey Ferguson, one of the world's leading producers of agricultural equipment.

The Company's headquarters is in central Lithuania, in Sausinés village (Kaunas district), near the Kaunas–Klaipėda motorway. The site houses the Company's administration, customer service department and machinery service centre.

In addition, the Company operates three regional sales and service centres located in Šiauliai, Kupiškis and Plungė.

The Company's mobile service unit consists of approximately 40 fully equipped service vehicles, enabling technicians to provide maintenance and repair services directly at customers' farms.

## Investments

In 2025, the Company continued investing in the development of its operational infrastructure and production capacity. The main investments included:

- commissioning of a newly constructed production and administrative building at Sausinés g. 1, Kaunas district;
- acquisition of trucks, machinery and technical equipment;
- upgrades of the Company's IT infrastructure to support larger-scale projects and improve operational efficiency.

During the reporting period, the Company also invested in intangible assets, including the development of digital solutions aimed at improving internal process management and operational efficiency.

The Company's internally developed and continuously enhanced software solutions represent an important intangible resource directly contributing to the efficiency of its business model and the creation of long-term value.

Continuous investment in digital capabilities enables the Company to:

- provide agricultural machinery solutions that better match customer needs;
- deliver advanced, digitally supported technical service solutions;
- offer competitive pricing to customers.

These investments support the Company's ability to maintain its market position and achieve its strategic objectives.

## Grants

The Company did not receive any grants or public funding during the reporting financial year.

## Key Projects Implemented in 2025

According to the agricultural machinery registry, the Lithuanian tractor market increased by 99.8%, reaching 1,031 units, while the combine harvester market grew by 36.2%,

reaching 128 units.

The agricultural machinery market in Lithuania reached its highest level in the past five years, largely driven by record levels of EU funding aimed at farm modernisation. Sales of Massey Ferguson tractors increased by 54.3%, reaching 152 units. While the European agricultural machinery market overall still showed limited signs of recovery in 2025, the Lithuanian market demonstrated significant growth.

Grain harvests in Lithuania were relatively strong during the year; however, farm revenues were negatively affected by a significant decline in grain purchase prices. From mid-year onwards, dairy farms also experienced declining revenues due to falling raw milk purchase prices.

#### Revenue breakdown of EWA agricultural machinery segment by product category, million EUR

Product category	31.12.2025		31.12.2024		Change 2025 vs 2024		31.12.2023		Change 2025 vs 2023	
	Value	%	Value	%	Value	%	Value	%	Value	%
Machinery sales	35,24	84%	24,15	76%	45,9%		28,52	81%	23,6%	
Spare parts and services	4,17	10%	4,8	15%	-13,1%		4,71	13%	-11,5%	
Other sales	2,53	6%	2,92	9%	-13,4%		1,95	6%	29,7%	
	<b>41,94</b>	<b>100%</b>	<b>31,87</b>	<b>100%</b>			<b>35,18</b>	<b>100%</b>		

#### Breakdown of agricultural machinery revenue by product category, million EUR

	31.12.2025		31.12.2024		Change 2025 vs 2024		31.12.2023		Change 2025 vs 2023	
	Value	%	Value	%	Value	%	Value	%	Value	%
Tractors	22,22	63%	14,4	60%	54,3%		13,92	49%	59,6%	
Combine harvesters	7,04	20%	5,99	25%	17,5%		9,55	33%	-26,3%	
Implements	5,98	17%	3,76	15%	59,0%		5,05	18%	18,4%	
	<b>35,24</b>	<b>100%</b>	<b>24,15</b>	<b>100%</b>			<b>28,52</b>	<b>100%</b>		



### Agricultural machinery market\*, units

	2025	2024	2023	2022	2021
<b>Tractors</b>					
Total registered	1031	516	666	934	807
Massey Ferguson tractors	152	96	83	171	141
Massey Ferguson tractor market share (%)	15%	19%	12%	18%	17%
<b>Combine harvesters</b>					
Total registered	128	94	175	181	177
Massey Ferguson combine harvesters	22	17	31	30	30
Massey Ferguson combine harvesters market share (%)	17%	18%	18%	17%	17%

\* Includes newly registered agricultural machinery intended for professional farming operations and registered by legal entities



### Certifications and Memberships

The implementation of the above-mentioned projects does not require specialised certifications or professional licenses. The Company is, however, a member of various industry associations and business organisations. Further information on these memberships is provided in Section 2.2 of this report.

### 1.3. Principal Risks and Their Management

The Company's operations may be affected by a variety of internal and external risks. The main categories of risks that may impact the Company's activities include, but are not limited to:

- macroeconomic and geopolitical risks;
- strategic risks;
- risks related to corruption and unethical business conduct;
- cybersecurity, network quality and infrastructure resilience risks;
- risks related to employee competencies, skills and leadership capabilities;
- financial risks;
- environmental and technological change risks;
- privacy and data protection risks;
- social and ethical risks.

In the course of its daily operations, the Company is exposed to various financial and non-financial risks and uncertainties. Among the most significant identified risk factors are:

- fluctuations in operating cash inflows;
- the cyclical nature and uncertainty of EU support programs;
- inflation and changes in interest rates;
- credit and liquidity risks;
- shortage of qualified and skilled employees;
- changes in legislation and the regulatory environment;
- supply chain disruptions and component price volatility due to geopolitical developments;
- fluctuations in electricity and fuel prices.

The management of these risks is carried out by the Company's management team together with the heads of departments and business units, under the supervision of the Chief Executive Officer.

## **Risk Management Objectives and Principles**

The objective of EWA's risk management framework is to protect the Company's value, reputation, customers, stakeholders and shareholders, while promoting a risk-aware culture within the organisation and enabling informed decision-making aligned with the Company's strategic objectives.

The Company's risk management system is based on the following principles:

- continuous improvement and organisational learning;
- transparency and clear accountability;
- integration of risk management into key business processes;
- data-driven decision-making;
- a preventive and forward-looking approach;
- leadership responsibility and strengthening of a risk-aware culture across the organisation.

## **Risk Management Process**

To ensure sustainable development and adapt to a dynamic business environment, the Company applies a structured and proactive risk management process consisting of the following key stages.

### **1. Risk Identification**

The Company continuously analyses potential impacts arising from both internal and external risk factors.

Risk identification is carried out using both top-down and bottom-up approaches.

Employees at all levels are encouraged to actively participate in the identification of risks and to report potential risks in a timely manner.

Risks are assessed across different time horizons:

- short-term — up to 1 year;
- medium-term — 2 to 4 years;
- long-term — 5 years and beyond;
- depending on their relevance and potential impact on the Company's operations.

### **2. Risk Assessment**

Risks are assessed based on their likelihood and potential impact on the Company's operations, in accordance with the Company's internal risk assessment methodology.

Based on these criteria, the risk level is determined, ranging from low to very high.

Identified risks are classified into the following main categories:

#### ***Strategic Risks***

*Risks that may affect the Company's long-term objectives and strategy, including representation agreements, market conditions, the competitive environment, regulatory changes in the agricultural sector, and external factors such as political and geopolitical developments.*

#### ***Financial Risks***

*Risks related to financing, market fluctuations, changes in exchange rates and interest rates, as well as credit and liquidity risks and investment risks.*

#### ***Operational Risks***

*Risks related to day-to-day operational processes, including customer insolvency, IT system failures, cybersecurity incidents, supply chain disruptions, operational efficiency and human capital management.*

#### ***Legal and Compliance Risks***

*Risks associated with compliance with legal and regulatory requirements, including litigation risks, potential sanctions and penalties, and breaches of contractual obligations.*

### 3. Risk Mitigation

Based on the assessed level of risk, the Company determines appropriate risk management measures. Risks may be:

- accepted;
- mitigated;
- avoided;
- transferred (for example through insurance or contractual arrangements).

All risks exceeding the Company's defined risk tolerance level must be mitigated through appropriate control and management measures.

### 4. Monitoring and Reporting

Risk monitoring is performed on an ongoing basis to ensure that risk mitigation measures remain effective and that management decisions are taken in a timely manner.

The process includes:

- quarterly reviews of key risks and mitigation measures;
- monitoring of Key Risk Indicators (KRIs);
- event-based risk assessments;
- preparation of internal management reports;
- continuous monitoring of the external environment.



## 2. Analysis of the Company's Financial Performance

This section provides information on the Company's financial performance, as well as disclosures related to environmental matters, including climate-related actions, personnel matters, and anti-corruption and anti-bribery measures. Particular attention is given to the prevention of bribery of foreign public officials in international business transactions, in accordance with applicable legal requirements.

This section also presents information on the Company's shares, including treasury shares held by the Company, their nominal value and the proportion of share capital represented by such shares. In addition, it includes information on treasury shares acquired or transferred during the reporting period, their nominal value and share in the Company's share capital, as well as details regarding the consideration paid for treasury shares where such shares were acquired or transferred for remuneration. Furthermore, this section provides information on the reasons for the acquisition of treasury shares during the reporting period, the Company's representative offices and branches, as well as events occurring after the reporting date.

### 2.1. Analysis of Financial and Non-Financial Performance

The Company manages its operations and presents financial reporting based on a single operating segment, which comprises the wholesale and retail sale of agricultural machinery and spare parts, as well as the servicing and maintenance of agricultural equipment.

The Company's financial statements have been prepared in accordance with the Lithuanian Financial Reporting Standards (LFAS / Business Accounting Standards – BAS).

	2025	2024	Change 2025 vs 2024	2023	Change 2025 vs 2023
Revenue	41 942 368	31 871 711	31,60%	35 180 439	19,22%
Gross profit	8 776 646	6 899 824	27,20%	6 860 940	27,92%
Gross profit margin (%)	20,93%	21,65%	-0,72%	19,50%	1,42%
Operating profit	3 130 097	1 951 683	60,38%	2 045 704	53,01%
Operating profit margin (%)	7,46%	6,12%	1,34%	5,81%	1,65%
Adjusted EBITDA	4 238 751	2 638 203	60,67%	2 745 062	54,41%
Adjusted EBITDA margin (%)	10,11%	8,28%	1,83%	7,80%	2,30%
Net profit for the period	2 422 112	1 555 830	55,68%	1 667 984	45,21%
Net profit margin (%)	5,77%	4,88%	0,89%	4,74%	1,03%

	2025	2024	Change 2025 vs 2024	2023	Change 2025 vs 2023
Total assets	36 056 371	33 580 958	7,37%	24 355 197	48,04%
Shareholders' equity	12 597 808	10 972 850	14,81%	10 215 462	23,32%
Net cash flows from operating activities	-1 573 271	7 418 500	-8 991 771	-4 390 108	2 816 837
Capital expenditures (CAPEX)	4 437 832	7 925 944	-44,01%	1 992 991	122,67%
Earnings per share (EPS)	2,42	1,56	55,68%	1,67	45,21%
Net debt	13 906 834	6 399 770	117,30%	5 319 141	161,45%

In 2025, AB East West Agro (EWA) (hereinafter – the Company) generated revenue of EUR 41.9 million, representing an increase of 31.6% compared to 2024. Net profit increased by 55.68%, reaching EUR 2.42 million, while adjusted EBITDA grew by 60.67% to EUR 4.24 million.

During the second half of 2025, the Company successfully completed a strategic investment project – the development of a new machinery sales, logistics and service centre. The total area of the administrative, warehouse and production facilities amounts to 5,000 square meters.

Non-financial performance indicators related to climate-related actions, personnel matters, and anti-corruption and anti-bribery measures are disclosed in greater detail in Section 1.3 of this report.

The Company encourages the reporting of any potentially unethical conduct by employees or representatives of the Company, including cases of discrimination, corruption, or other breaches of sustainability principles. Such concerns may be reported via email at [info@ewa.lt](mailto:info@ewa.lt). This reporting channel is available to both employees and external stakeholders.

## 2.2. Environmental and Social Responsibility Information

### Environmental Matters

Through its operations, the Company is committed to contributing to the development of sustainable agriculture, thereby supporting:

- the reduction of negative environmental impact;
- the improvement of societal well-being and civic engagement;
- regional development, particularly in rural areas;
- the implementation of circular economy principles in agriculture;
- the promotion of sustainable investments in farming operations.

The Company is a member of the Automotive Manufacturers and Importers Association and cooperates with VšĮ Žaliasis taškas and UAB Žalvaris to ensure:

- transparent and efficient collection and recycling of waste in accordance with Lithuanian legislation;
- waste prevention through the promotion of reuse and reduction of waste generation;
- increased awareness and education among employees, partners and the wider public regarding responsible consumption, proper waste sorting and disposal, and waste collection points.

In its daily operations in 2025, the Company implemented an advanced logistics strategy aimed at optimising transportation routes to and from customers. This initiative contributed to reduced fuel consumption and lower direct emissions.

The Company has also developed infrastructure that encourages employees to adopt a more sustainable lifestyle, including:

- providing facilities for waste sorting and reduction in offices and service centres;
- promoting the use of electric vehicles and reducing CO<sub>2</sub> emissions.

Through these initiatives, the Company directly contributes to addressing environmental challenges.

## Social Responsibility

The Company adheres to principles of social responsibility and actively supports meaningful community initiatives. Key ongoing initiatives include:

### *Industry community engagement*

EWA actively participates in the largest agricultural exhibitions, such as the annual “Ka pasėsi...” agricultural exhibition, which serves not only as a platform for presenting agricultural machinery but also for knowledge exchange and strengthening the farming community.

### *National partnerships*

The Company supports the Lithuanian basketball club BC Žalgiris, thereby contributing to the development of Lithuanian sport and the country's international visibility.

### *Support for education*

Each year, EWA awards one-time named scholarships to third- and fourth-year undergraduate students of the Agronomy Faculty and the Engineering Faculty of Vytautas Magnus University Agriculture Academy.

During the reporting year, the Company also provided targeted financial support to more than 20 organisations engaged in meaningful activities at both regional and national levels.

The key areas of support include:

- youth engagement, particularly initiatives promoting children's and youth sports;
- humanitarian support, contributing to regional resilience and crisis preparedness;
- strengthening rural communities, including support for community activities and cultural and social projects within the farming community.

The total amount of financial support provided in 2025 amounted to EUR 61,753.

The Company is also a member of several local professional and industry associations and actively participates in their activities by sharing expertise, contributing to discussions on improving the regulatory framework of the agricultural sector, and advocating for the sustainable development of the sector.

The Company represents its values and the interests of the sector through participation in the following organisations:

- the Lithuanian Association of Agricultural Companies (LŽŪBA);
- the Lithuanian Farmers' Union (LŪS);
- the Lithuanian Marketing Association (LiMA).

*Through these initiatives, the Company expresses its commitment to operating not only as an economically responsible business entity but also as a responsible social partner seeking to create long-term value for the agricultural sector and society as a whole, while actively contributing to the development of social capital.*

## 3. Corporate Governance and Sustainability

### 3.1. Governance Model

EWA operates under a transparent three-tier governance model, ensuring a clear separation of functions and effective oversight.

The General Meeting of Shareholders (GMS) is the highest governing body of the Company. Its competence and procedures for convening are defined by the laws of the Republic of Lithuania and the Company's Articles of Association.

The Board of Directors is a collegial management body responsible for strategic oversight and risk supervision.

The Chief Executive Officer (CEO) is the sole executive body responsible for the implementation of strategy, day-to-day management of the Company, and its representation.

#### The Board of Directors

The Board of Directors is a collegial body established in accordance with the Company's Articles of Association and performs supervisory functions as set out in the Law on Companies of the Republic of Lithuania.

Board members are elected and dismissed by the General Meeting of Shareholders for a four-year term of office. The Board consists of three members, at least one-third of whom must be independent. The Board elects its Chairperson from among its members.

#### Key Responsibilities of the Board

The main responsibilities of the Board include:

- reviewing and approving the Company's strategy;
- monitoring and evaluating the implementation of strategy, financial performance, budgets and changes in assets;
- reviewing and approving the Company's management and/or organisational structure;
- adopting decisions on the establishment or closure of branches and representative offices, amendments to their regulations, and participation in other legal entities;
- deciding on the transfer or restriction of rights related to shares held by the Company;
- adopting decisions on matters falling within the Board's competence under applicable laws, the Company's Articles of Association, or delegated by the General Meeting of Shareholders, including significant transactions proposed by the CEO;
- analysing and evaluating information on the organisation of the Company's activities, financial performance, budgets, inventory and other accounting data;

- ensuring ongoing oversight of the implementation of decisions and compliance with the approved budget;
- appointing independent experts (Board advisors) to provide guidance on specific areas of business development or investments;
- approving the Company's sustainability (ESG) strategy and monitoring its implementation;
- approving risk management plans and making decisions regarding significant transactions and bank guarantees.

### **Board Activities**

The composition of the Board remained unchanged during the reporting period.

Board meetings are held at least once per quarter, with additional ad hoc meetings convened as necessary.




The Board operated in accordance with its 2025 action plan, which was fully implemented. All planned agenda items were reviewed, along with additional matters related to the Company's operations and organisation that arose during the year.

### **Key Topics Discussed in 2025**

During 2025, the Board focused on the following key areas:

- Financial stability: issuance, amendment and extension of bank guarantees;
- Strategic planning: review of the 2026 budget and the risk management plan;
- Organisational changes: approval of updates to the management and organisational structure.

## Board Members

	Description	Experience	Education	Other current positions
	<p><b>Gediminas Kvietkauskas</b>  <b>Chair of the Board</b>  <b>(Executive Member)</b></p> <p>Area of expertise:                      Commercial operations</p> <p>Term of office: 30 May 2017 – 29 May 2027</p>	<p>Co-founder of AB East West Agro with more than 20 years of experience in strategic business management, international trade and agricultural machinery market analysis. His expertise includes company development, financial planning and investment project management.</p>	<p>Aleksandras Stulginskis University (currently Vytautas Magnus University), degree in Engineering</p>	<p>Chief Executive Officer of AB East West Agro (company code 300588407; registered address: Sausinės g. 1, Sausinės village, LT-54312 Kaunas district, Lithuania).</p> <p>Chair of the Board of AB East West Agro.</p> <p>Member of the Presidium of the Lithuanian Association of Agricultural Companies (LŽŪBA).</p> <p>Member of the Senate Committee of Vytautas Magnus University.</p>
	<p><b>Danas Šidlauskas</b>  <b>valdybos narys (Non-Executive Member)</b></p> <p>Area of expertise:                      Finance</p> <p>Term of office: 30 May 2017 – 29 May 2027</p>	<p>Co-founder of AB East West Agro</p>	<p>Aleksandras Stulginskis University (currently Vytautas Magnus University), degree in Engineering</p>	<p>Member of the Board of AB East West Agro (non-executive; represents the interests of major shareholders and is not involved in the day-to-day management of the Company).</p>
	<p><b>Linas Strėlis</b>  <b>Valdybos narys</b>  <b>(Independent Member)</b></p> <p>Area of expertise:                      Commercial operations</p> <p>Term of office: 30 May 2018 – 29 May 2026</p>	<p>Investor with more than 25 years of experience in strategic business management, finance and the agricultural sector. His expertise includes corporate governance and the supervision of investment projects. Long-standing member of the Board of AUGA Group AB.</p>	<p>Kaunas Polytechnic Institute (currently Kaunas University of Technology), degree in Engineering</p>	<p>Chief Executive Officer of UAB LS Capital and UAB Biglis.</p> <p>Member of the Board of AB Vilkyškių pieninė (VILVI Group).</p> <p>Member of the Board of AB Umega Group.</p>

## The Chief Executive Officer

The Chief Executive Officer (CEO) of EWA is the sole executive body of the Company, responsible for the day-to-day management of its operations.

The CEO organises and manages the Company's activities, acts on behalf of the Company and has the authority to enter into transactions on a unilateral basis, except in cases where the Company's Articles of Association or applicable laws require otherwise.

The competence, appointment and dismissal procedures of the CEO are governed by applicable laws, other legal acts and the Company's Articles of Association. The CEO is appointed and dismissed by the Board of Directors. Information about the CEO is provided above.

The CEO is responsible for the day-to-day management of EWA and has the authority to represent the Company individually.

### **Key Responsibilities of the CEO**

- Strategy implementation: ensuring the execution of the approved business strategy and achievement of operational objectives;
- Financial management and reporting: submitting proposals to the Board regarding annual budgets; ensuring the preparation of annual financial statements; preparing proposals on profit distribution (including dividends), as well as interim financial statements and interim reports where required;
- Operational management: performing functions assigned under applicable laws, the Company's Articles of Association, resolutions of the General Meeting of Shareholders and the Board, as well as the CEO's job description; resolving operational matters not assigned to other governing bodies;
- Execution of decisions: ensuring the implementation of decisions adopted by the General Meeting of Shareholders and the Board.

### **General Meeting of Shareholders (GMS)**

The General Meeting of Shareholders (GMS) is the highest governing body of the Company.

The competence and procedures of the GMS are governed by the Law on Companies of the Republic of Lithuania and the Company's Articles of Association.

The key responsibilities of the GMS include:

- Strategic governance and corporate documentation: approval of the Company's strategy, amendments to the Articles of Association, and decisions on share capital increases or reductions;
- Formation and supervision of governing bodies: election and removal of Board members, determination of their remuneration and contractual terms, and appointment of authorised persons to sign agreements with Board members;
- Approval of financial results and profit allocation: approval of annual and interim financial statements and decisions on profit (loss) distribution, including dividends;
- Strategic structural decisions: decisions on reorganisation, separation, restructuring or liquidation of the Company;
- Investment and operational matters: decisions on the establishment or closure of

branches and representative offices, participation in other legal entities, and disposal or restriction of shares held by the Company;

- Audit: appointment and removal of the audit firm, as well as approval of audit fees;
- Other matters: execution of other functions assigned under applicable laws and the Company's Articles of Association.

### **3.2. Share Capital**

The share capital of AB East West Agro amounts to EUR 1,000,000 and is divided into 1,000,000 ordinary registered shares with a nominal value of EUR 1.00 each. All shares carry voting rights at the General Meeting of Shareholders.

As at 31 December 2024, the Company held 16,357 treasury shares with a total value of EUR 251,485.

On 21 March 2025, following a decision of the Board of Directors, 12,800 treasury shares were transferred (granted) to nine employees of the Company.

As at 31 December 2025, the Company held 3,557 treasury shares with a total value of EUR 57,046.

Dividends paid to shareholders amounted to: EUR 797 154 in 2025, EUR 787 466 in 2024.

### **3.3. People and Remuneration**

The Company applies an approved and effective remuneration system, which governs employee compensation, salary calculation, payment terms, and categorisation of employees based on roles and qualifications. It also defines remuneration structures and conditions for additional compensation.

The objective of the remuneration system is to ensure sustainable and efficient management of personnel costs, while creating a motivational framework that encourages employees to contribute to the achievement of the Company's strategic objectives, mission, vision and values.

The remuneration framework is designed to attract, motivate and retain qualified employees who contribute to the long-term success of the Company.

#### **Remuneration Principles**

The remuneration system is based on the following key principles:

#### **Internal equity**

Compensation is determined based on the level of responsibility, performance, competencies, qualifications, knowledge and skills. Comparable roles are remunerated at similar levels.

### **External competitiveness**

The Company aims to provide competitive remuneration in line with labour market conditions, ensuring the ability to attract and retain talent.

### **Transparency**

Employees are provided with clear and understandable criteria for determining remuneration.

### **Flexibility**

Where necessary, individual arrangements may be applied to attract or retain key employees or manage employee turnover risks, while maintaining core remuneration principles.

### **Equal opportunities**

The Company ensures a non-discriminatory remuneration system regardless of gender, age, nationality, race, social status, religion, sexual orientation or other factors.



### **Remuneration Setting**

Employee remuneration is determined based on:

- internal job grading and salary ranges;
- the Company's financial capacity;
- employee competencies;
- labour market benchmarks.

Salary ranges are benchmarked against median compensation levels in the national

labour market and the agricultural sector.

Employment contracts are generally concluded for an indefinite term, with fixed-term contracts applied where appropriate.

### Remuneration Structure

The remuneration system may consist of fixed and variable components.

Fixed remuneration includes:

- base salary;
- additional benefits (where applicable).

Variable remuneration may include:

- annual performance-based bonuses;
- performance-related supplements;
- one-off bonuses.

Remuneration policies, calculation and payment procedures are governed by the Company's internal remuneration system and employment contracts.

The remuneration system is reviewed at least annually or upon changes in legislation.

### Remuneration Disclosure

In 2025, the Company's total payroll amounted to EUR 3.29 million (2024: EUR 3.02 million).

Total remuneration accrued to senior management (2 individuals who are also members of the Board) amounted to EUR 252,825 in 2025 (2024: EUR 206,162).

During 2025, no loans, guarantees or other payments were granted to Board members who are not employees of the Company, nor were any assets transferred to them.

Employee category	2025		2024	
	Average number of employees	Payroll, EUR	Average number of employees	Payroll, EUR
Senior Management	2	252 825	2	206 162
Middle management, experts and specialists	82	3 163 522	79	2 811 467
<b>Total</b>	<b>84</b>	<b>3 416 347</b>	<b>81</b>	<b>3 017 629</b>

## 3.4. Related Party Transactions

In accordance with the Lithuanian Financial Reporting Standards (LFAS / BAS), related parties of the Company include shareholders, members of management and entities directly related to the shareholders.

Transactions with related parties are conducted on an arm's length basis.

Detailed information on related party transactions is disclosed in the financial statements as at 31 December 2025, Note 18.

### **3.5. Other Information**

The Company does not hold investments in subsidiaries or associates and does not have branches or representative offices established in the Republic of Lithuania or in other jurisdictions. There were no significant events after the reporting date.

### **3.6. Sustainability and Responsible Business**

#### **Sustainability Strategy and Future Commitments**

Sustainability is an integral part of EWA's long-term strategy and business development.

The Company aims to contribute to the development of a resilient, modern and sustainable agricultural ecosystem in Lithuania, ensuring responsible use of natural resources, social well-being and long-term value creation for shareholders, partners and society.

The Company recognises that the agricultural sector is closely linked to environmental challenges, including climate change, biodiversity preservation, and responsible soil and water management. In this context, EWA seeks to promote responsible and sustainable agricultural practices across its value chain and to cooperate with farmers, partners and other stakeholders.

The Company is currently in the process of defining its sustainability priorities and assessing key environmental, social and governance (ESG) areas relevant to its operations and stakeholder expectations.

It is expected that the Company will formalise its sustainability policy in the near term and establish clear, measurable and long-term ESG objectives, aligned with the European Sustainability Reporting Standards (ESRS).

The Company's strategic sustainability priorities are expected to include:

- employee safety and well-being;
- employee experience and engagement;
- diversity and equal opportunities;
- responsible supply chain management;
- sustainable value creation and technological advancement in the agricultural sector, contributing to the reduction of environmental impact.

The Company also aims to strengthen transparent and responsible governance, maintain high ethical standards and ensure effective risk management.

## Environmental Protection and Operational Efficiency

The Company is already implementing practical measures to reduce its environmental impact:

- *Logistics optimisation:* in 2025, the Company implemented route optimisation strategies, resulting in reduced fuel consumption and lower emissions;
- *Circular economy:* in cooperation with Žaliasis taškas and UAB Žalvaris, the Company ensures proper waste collection and recycling. The reuse of machinery components is encouraged to extend product life cycles.

## Resource Management

To reduce its environmental footprint, the Company continues to invest in electric vehicle charging infrastructure across its locations. These investments support the gradual transition of the Company's fleet and promote sustainable mobility.

In addition, waste sorting practices are implemented across all business units to ensure responsible handling of recyclable materials.

## Social Responsibility and Community Engagement

The Company acts not only as a business entity but also as an active social partner contributing to the development of social capital in Lithuania.

- *Support and contributions:* in 2025, the Company provided EUR 61,753 in financial support to more than 20 organisations, focusing on youth sports, humanitarian aid and strengthening regional resilience;
- *Strategic partnerships:* the Company is a long-term supporter of BC Žalgiris and actively participates in major agricultural exhibitions;
- *Industry leadership:* through participation in organisations such as the Lithuanian Farmers' Union, the Lithuanian Association of Agricultural Companies and LiMA, the Company contributes to transparent sector regulation and industry development.



## Risk Management System

EWA's risk management system supports the Company's stability in a dynamic market environment and is based on principles of transparency, management accountability and continuous improvement.

The main risk categories include:

- *Strategic risks*: dependence on key supplier agreements, cyclicity of EU funding and geopolitical factors;
- *Financial risks*: cash flow fluctuations due to seasonality, interest rate changes and customer credit risk;
- *Operational risks*: supply chain disruptions, shortage of qualified service engineers and cybersecurity risks;
- *Legal and compliance risks*: tightening emission standards, environmental regulations and data protection requirements.

## Monitoring and Governance

The Company plans to further develop its sustainability monitoring and disclosure framework, including risk assessment based on likelihood and impact, with classification from low to very high risk levels.

The Company conducts quarterly monitoring of Key Risk Indicators (KRIs). Risks exceeding tolerance levels are mitigated through control measures, transferred (e.g. insurance) or avoided.

EWA intends to progressively develop its sustainability policy in line with applicable legislation, capital market practices and international sustainability reporting standards.

The Company expects that the consistent integration of sustainability principles into its operations will contribute to long-term resilience, responsible development of the agricultural sector in Lithuania and sustainable value creation for all stakeholders.



## 4. Future Plans

This section outlines the Company's operational plans and forecasts, as well as its research and development activities.

### 4.1. Business Outlook

The Company's management has prepared the budget for 2026, which forecasts:

- revenue of approximately EUR 40 million.
- profit before tax of approximately EUR 1.5 million.
- EBITDA of approximately EUR 2.9 million.

The Company's strategy remains unchanged, focusing on high value-added premium products for professional farming.

As a result, the average horsepower of tractors and combine harvesters sold continues to increase, which also leads to a higher average unit price.

### 4.2. Research and Development

In 2026, the Company continued to develop and improve its service offering.

The Company invested in both tangible assets and digitalisation, including the implementation of innovative internal process solutions and further development of operational capabilities (as described in Section 1.2 "Investments").

General Manager

Gediminas Kvietkauskas