26 August 2026
Kaunas

STATEMENT OF THE RESPONSIBLE PERSONS

We hereby confirm that, to the best of our knowledge, the interim financial statements of AB "East West Agro" for the six-month period ended 30 June 2026, prepared in accordance with the legislation of the Republic of Lithuania governing accounting and the preparation of financial statements, as well as the provisions of the Lithuanian Financial Reporting Standards, give a true and fair view of the Company's assets, liabilities, financial position, profit or loss, and cash flows.

Chief Executive Officer of AB "East West Agro"
Gediminas Kvietkauskas

Head of Finance and Accounting AB "East West Agro"
Rasa Okleiterienė

STATEMENTS OF FINANCIAL POSITION

No	ASSETS	Notes	2026 06 30	2025 12 31
A.	**NON-CURRENT ASSETS**		**14 083 860**	**14 441 338**
1.	INTANGIBLE ASSETS		145 712	156 308
1.1.	Development works		-	-
1.2.	Goodwill		-	-
1.3.	Computer software	1	141 366	152 240
1.4.	Concessions, patents, licenses, trademarks and similar rights		-	-
1.5.	Other intangible assets	1	4 346	4 068
1.6.	Paid advance payments		-	-
2.	TANGIBLE ASSETS		13 810 840	14 138 098
2.1.	Land	2	1 484 772	1 484 772
2.2.	Buildings and constructions	2	10 929 659	11 133 122
2.3.	Plant and machinery	2	342 477	431 137
2.4.	Transport means	2	650 165	655 842
2.5.	Other fixtures, fittings and tools	2	400 247	433 225
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	3 520	-
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		127 308	146 932
4.1.	Deferred income tax assets	3, 17	127 308	146 932
4.2.	Biological assets		-	-
4.3.	Other assets		-	-

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	ASSETS	Notes	2026 06 30	2025 12 31
B.	**CURRENT ASSETS**		**23 371 293**	**20 897 067**
1.	Inventories		16 510 409	15 748 037
1.1.	Raw materials, materials and components	4	15 977	26 255
1.2.	Production and work in progress		-	-
1.3.	Production		-	-
1.4.	Goods for resale	4	16 384 906	15 574 845
1.5.	Biological assets		-	-
1.6.	Non-current tangible assets for resale		-	-
1.7.	Paid advance payments	4	109 526	146 937
2.	AMOUNTS RECEIVABLE WITHIN ONE YEAR		6 854 743	5 144 701
2.1.	Trade receivables	6	6 587 621	3 732 285
2.2.	Receivables from Group's companies		-	-
2.3.	Receivables from associates		-	-
2.4.	Other amounts receivable	6	267 122	1 412 416
3.	Short-term investments		-	-
3.1.	Shares of the Group's companies		-	-
3.2.	Other investments		-	-
4.	CASH AND CASH EQUIVALENTS	7	6 141	4 329
C.	**COSTS OF FUTURE PERIODS AND ACCUMULATED INCOME**	5	**654 512**	**717 966**
	TOTAL ASSETS:		**38 109 665**	**36 056 371**

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	EQUITY AND LIABILITIES	Notes	2026 06 30	2025 12 31
D.	**EQUITY CAPITAL**		**12 687 954**	**12 597 808**
1.	CAPITAL		942 954	942 954
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)	(57 046)
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	7 970 000	7 879 854
5.1.	Reporting year profit (loss)		90 146	2 422 112
5.2.	Previous year profit (loss)		7 879 854	5 457 742
E.	GRANTS, SUBSIDIES		**-**	**-**
F.	PROVISIONS		**-**	-
1.	Provisions for pensions and similar obligations		**-**	**-**
2.	Tax provisions		-	-
3.	Other provisions		-	-
G.	**AMOUNTS PAYABLE AND OTHER LIABILITIES**		**23 977 931**	**23 452 226**
	AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER NON-CURRENT LIABILITIES		7 026 962	6 926 257
1.1.	Debt liabilities	10	475 545	357 750
1.2.	Payables to credit institutions	10	6 536 514	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	14 903	31 993

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	EQUITY AND LIABILITIES	**Notes**	**2026 06 30**	**2025 12 31**
2.	AMOUNTS PAYABLE WITHIN ONE YEAR AND OTHER CURRENT LIABILITIES		16 950 969	16 525 969
2.1.	Debt liabilities	10	130 752	224 087
2.2.	Payables to credit institutions	10	6 645 644	6 788 483
2.3.	Received advance payments	12	43 896	48 253
2.4.	Trade payables	12	8 630 053	8 510 802
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
2.9.	Liabilities related to employment	12	639 915	386 496
2.10.	Other amounts payable and current liabilities	12	860 709	412 823
H.	**ACCUMULATED COSTS AND INCOME OF FUTURE PERIODS**	13	**1 443 780**	**6 337**
	TOTAL EQUITY AND LIABILITIES:		**38 109 665**	**36 056 371**

PROFIT (LOSS) STATEMENT

Line No.	Items	Notes	For the six months of 2026	For the six months of 2025
1.	SALES REVENUE	14	15 707 343	21 270 324
2.	COST OF SALES	15	(11 808 874)	(17 450 294)
3.	CHANGE IN FAIR VALUE OF BIOLOGICAL ASSETS		-	-
4.	**GROSS PROFIT (LOSS)**		**3 898 469**	**3 820 030**
5.	Sales costs	15	(112 442)	(115 293)
6.	General and administrative costs	15	(3 483 363)	(2 664 017)
7.	Results from other activities	14	41 416	44 514
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	96 557	115 322
11.	Impairment in the value of financial assets and short-term investments		-	-
12.	Interest and similar costs	16	(347 956)	(193 906)
13.	**PROFIT (LOSS) BEFORE TAX**		**92 680**	**1 006 650**
14.	Income tax	17	2 534	
15.	**NET PROFIT (LOSS)**		**90 146**	**1 006 650**

STATEMENT OF CHANGES IN EQUITY

		Paid-up authorized or main capital	Share premium	Own shares (–)	Revaluation reserve		Reserves provided for by law		Other reserves	Retained profit (loss)	Total
					Non-current tangible assets	Financial assets	Legal or reserve capital	To acquire own shares			
1	**Balance as of December 31, 2024**	**1 000 000**	**2 875 000**	**(251 485)**	-	-	**100 000**	**800 000**	-	**6 449 335**	**10 972 850**
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	-	-	194 439	-	-	-	-	-	(194 439)	-
5	Profit (loss) not recognized in the profit (loss) statement	-	-	-	-	-	-	-	-	-	-
6	Reporting period net profit (loss)	-	-	-	-	-	-	-	-	2 422 112	**2 422 112**
7	Dividends	-	-	-	-	-	-	-	-	(797 154)	**(797 154)**
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	-	-	-	-	-	-	-	-	-	-
14	**Balance as of December 31, 2025**	**1 000 000**	**2 875 000**	**(57 046)**	-	-	**100 000**	**800 000**		**7 879 854**	**12 597 808**

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	**Balance as of January 1, 2026**	**1 000 000**	**2 875 000**	**(57 046)**	-	-	**100 000**	**800 000**	**-**	**7 879 854**	**12 597 808**
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	-	-	-	-	-	-	-	-	-	
19	Profit (loss) not recognized in the profit (loss) statement	-	-		-	-	-	-	-	-	**-**
20	Reporting period net profit (loss) (Note 9)	-	-		-	-	-	-	-	90 146	**90 146**
21	Dividends (Note 9)	-	-		-	-	-	-	-	-	**-**
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	**Balance as of June 30, 2026**	**1 000 000**	**2 875 000**	**(57 046)**	-	-	**100 000**	**800 000**	-	**7 970 000**	**12 687 954**

STATEMENT OF CASH FLOWS (INDIRECT)

No	Items	Notes	For the six months of 2026	For the six months of 2025
1.	**Operating cash flows**			
1.1.	Net profit (loss)	9	90 146	1 006 650
1.2.	Depreciation and amortization costs	1, 2	443 714	194 196
1.3.	Elimination of results from transferred non-current tangible and intangible assets		8 349	(1 249)
1.4.	Elimination of results from financing and investing activities	16	316 995	134 412
1.5.	Elimination of other non-monetary items		(268 149)	(2 859 766)
1.6.	Decrease (increase) in amounts receivable from Group's companies and associates		-	-
1.7.	Decrease (increase) in other amounts receivable after one year		-	-
1.8.	Decrease (increase) in deferred income tax assets	17	2 534	-
1.9.	Decrease (increase) in inventories, excluding the paid advance payments		(799 784)	(2 389 969)
1.10.	Decrease (increase) in paid advance payments		37 411	16 136
1.11.	Decrease (increase) in trade receivables		(2 855 336)	(3 471 502)
1.12.	Decrease (increase) in receivables from the Group's companies and associates		-	-
1.13.	Decrease (increase) in other amounts receivable		729 515	(136 716)
1.14.	Decrease (increase) in short-term investments		-	-
1.15.	Decrease (increase) in costs of future periods and accumulated income		63 453	35 136
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		114 893	8 128 647
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		(155 025)	(85 453)
1.24.	Increase (decrease) in liabilities related to employment		253 419	211 804
1.25.	Increase (decrease) in other amounts payable and liabilities		447 890	44 957

STATEMENT OF CASH FLOWS (INDIRECT) (CONTINUED)

No	Items	Notes	For the six months of 2026	For the six months of 2026
1.26.	Increase (decrease) in accumulated costs and income of future periods		1 437 443	4 422
	Net operating cash flows		**(132 532)**	**831 705**
2.	**Cash flows from investing activities**			
2.1.	Acquired non-current assets (investments excluded)	1, 2	300 018	(3 540 836)
2.2.	Transferred non-current assets (investments excluded)		28 056	27 199
2.3.	Acquired long-term investments		-	-
2.4.	Transferred long-term investments		-	-
2.5.	Provided loans		-	(496 346)
2.6.	Recovered loans		415 779	331 627
2.7.	Received dividends, interest	16	29 258	56 222
2.8.	Other increases in cash flows from investing activities		-	-
2.9.	Other decreases in cash flows from investing activities		-	-
	Net cash flows from investing activities		**773 111**	**(3 622 134)**
3.	**Cash flows from financing activities**			
3.1.	Cash flows related to shareholders		-	(797 154)
3.1.1.	Issued shares		-	-
3.1.2.	Shareholders' contributions to cover losses		-	-
3.1.3.	Own shares acquired		-	-
3.1.4.	Paid dividends	9	-	(797 154)
3.2.	Cash flows related to other sources of financing		(638 767)	3 587 326
3.2.1.	Increase in financial payables		256 840	3 853 583
3.2.1.1.	Acquired loans		256 840	3 853 583
3.2.1.2.	Issued bonds		-	-
3.2.2.	Decrease in financial payables		(895 607)	(266 257)
3.2.2.1	Returned loans		(399 680)	-
3.2.2.2.	Acquired bonds		-	-
3.2.2.3.	Paid interest	16	(346 253)	(190 634)
3.2.2.4.	Lease (financial lease) instalments		(149 674)	(75 623)
3.2.3.	Increase in other liabilities of the Company		-	-
3.2.4.	Decrease in other liabilities of the Company		-	-
3.2.5.	Other increase in cash flows from financing activities		-	-
3.2.6.	Other decrease in cash flows from financing activities		-	-
	Net cash flows from financing activities		**(638 767)**	**2 790 172**
4.	**Effect of changes in currency exchange rates on the balance of cash and cash equivalents**			
5.	**Net increase (decrease) in cash flows**		***1 812***	***(257)***
6.	**Cash and cash equivalents at the beginning of the period**		**4 329**	**3 979**
7.	**Cash and cash equivalents at the end of the period**	**7**	**6 141**	**3 722**

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 95, previous financial year average listed number of employees concluded to 84.

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 01/01/2026.

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 intensions 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:

Non-current intangible asset group	Useful life period
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:

Non-current tangible assets group	Useful life period (in years)
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 2026 an income tax rate of 17 per cent is applicable to the Company, in 2025 – 16 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 June 30, 2026, and December 31, 2025 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 30 June 2026, 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.