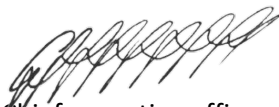


2021 March 05

Approval of AB East West Agro responsible persons

We, the undersigned chief executive officer Gediminas Kvietkauskas and chief financial officer Danas Šidlauskas, confirm that, to our knowledge, the unaudited financial statements of AB East West Agro for the year ended 2020 as at 31 December, is true and fair and reflects the entity's assets, liabilities, financial position, profit or loss and cash flows.

A handwritten signature in black ink, appearing to be 'G. Kvietkauskas', written in a cursive style.

Chief executive officer / Gediminas Kvietkauskas

A handwritten signature in blue ink, appearing to be 'D. Šidlauskas', written in a cursive style.

Chief financial manager / Danas Šidlauskas

i5 years
together

www.ewa.lt

EWA i5

INTERIM REPORT FOR YEAR 2020

AB East West Agro



HIGHLIGHTS OF 2020

- Market of new tractors, dedicated for professional farming, increased by 29.5% (to 698 units) compared to year 2019 (539 units)
- For the first time in company's history the 1st place in tractor market has been reached. The market share of Massey Ferguson tractors represented by EWA reached a record 20.2% (18.2% in 2019). In total 141 units of MF tractors were registered in 2020.
- Market of new harvesters, dedicated for professional farming, registered 24.8% more (121 units) than in 2019 (97 units). Massey Ferguson combine market share reached 24.8% (19.6% in 2019).
- With the growing volume of equipment sold and serviced in North-West Lithuania, the company has invested in the quality of service and services in this region. In September, a new technical trade department was opened in Plungė.
- In December, a non-public bond issue of EUR 1.5 million was issued, the purpose of which was to refinance a loan granted by the venture capital fund in 2015. The total loan repaid amounts to EUR 2.4 million with accrued interest. An average annual interest rate was 17.06%. The annual interest rate on the bonds issued will range between 12% -16%, depending on Debt/EBITDA ratio. The average interest rate in 2021 will be 12.33%. The maturity date of the bonds is December 4, 2022, early partial or full redemption of the bonds is possible.
- The Covid-19 pandemic, which started in the beginning of 2020, caused some inconveniences to company's operations, such as restrictions on contacts with customer, suppliers and restrictions on technical demonstration. Also in 2020, the payment terms of some suppliers have worsened and the appetite for bank lending deteriorated sharply. This did not allow the sales potential to be fully exploited in a year of good climatic conditions. However, previous years' investments in IT infrastructure have avoided many inconveniences and losses. The company deferred part of the tax payables until end of 2022, which allowed to maintain the liquidity. In 2021, if the situation does not change substantially and the vaccination plan is implemented at a similar pace as currently planned by the government, hopefully significant losses related to the impact of Covid-19 on the company's operations can be avoided.

OPENING OF A NEW OFFICE IN PLUNGĖ





KEY FINANCIAL INDICATORS

	2016.12.31	2017.12.31	2018.12.31	2019.12.31	2020.12.31
Revenue ('000 EUR)	22 791	26 050	27 052	17 967	29 430
Gross profit ('000 EUR)	3 879	4 569	5 048	3 070	4 897
Gross profit margin, %	17,0%	17,5%	18,7%	17,1%	16,64%
EBITDA ('000 EUR)	2 267	1 814	2 358	436	2 649
EBITDA, adjusted ('000 EUR)	2 331	2 194	2 358	519	2 679
Net profit ('000 EUR)	1 521	867	930	-752	1 381
Net profit margin, %	6,7%	3,3%	3,4%	-4,2%	4,69%
EPS	3,04	1,39	0,93	-0,752	1,38
Financial debt ('000 EUR)	5 388	6 447	8 789	7 021	1 720



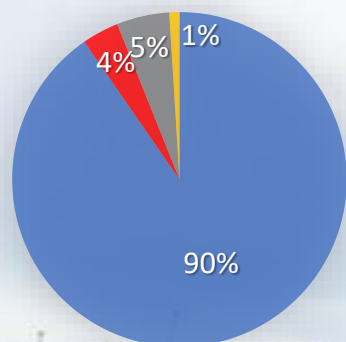




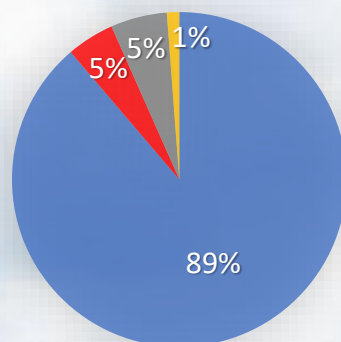
REVENUE DISTRIBUTION BY PRODUCT GROUPS

	2016.12.31	2017.12.31	2018.12.31	2019.12.31	2020.12.31
Machinery ('000 EUR)	20 597	23 120	23 568	15 079	26 438
Spare parts ('000 EUR)	812	1 200	1 693	1 825	2 036
Equipment ('000 EUR)	1 161	1 419	1 193	315	181
Services ('000 EUR)	221	311	598	748	775

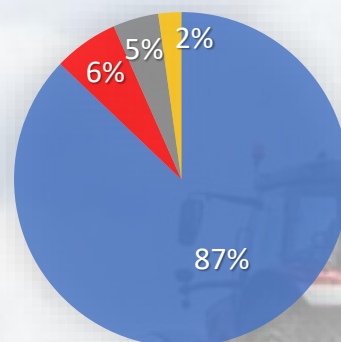
2016.12.31



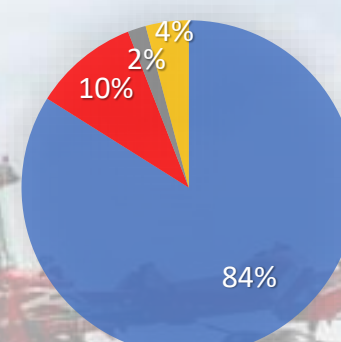
2017.12.31



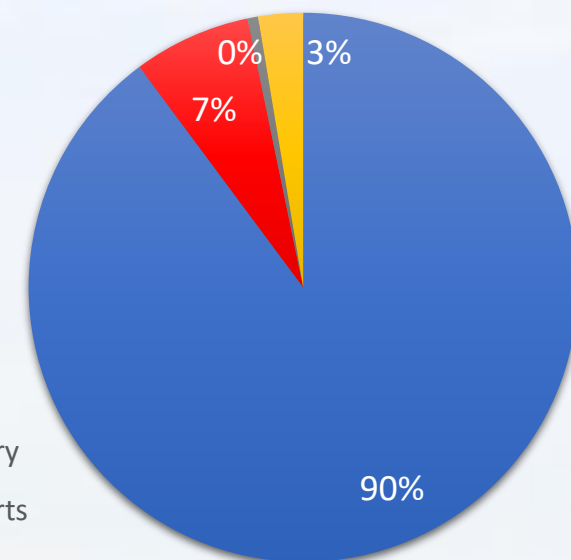
2018.12.31



2019.12.31



2020.12.31



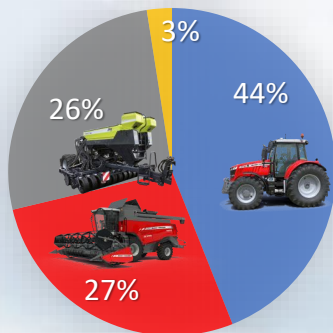
■ Machinery
■ Spare parts
■ Equipment
■ Services



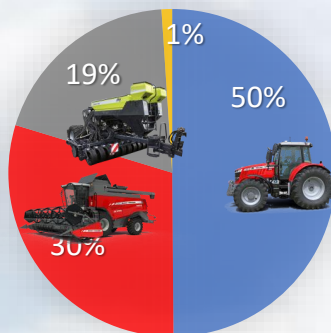
MACHINERY DISTRIBUTION BY PRODUCTS

	2016.12.31	2017.12.31	2018.12.31	2019.12.31	2020.12.31
Tractors ('000 EUR)	9 058	11 531	11 202	7 233	13 259
Combine harvesters ('000 EUR)	5 624	6 897	6 238	3 146	4 810
Implements ('000 EUR)	5 406	4 450	4 697	4 171	6 601
Other ('000 EUR)	509	242	1 431	529	351

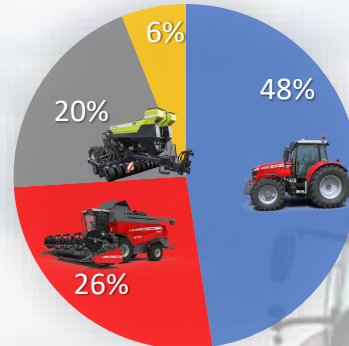
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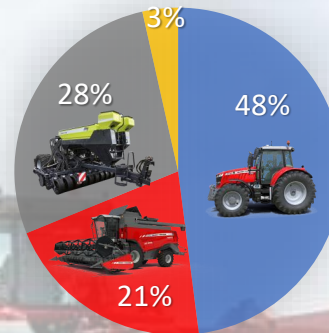
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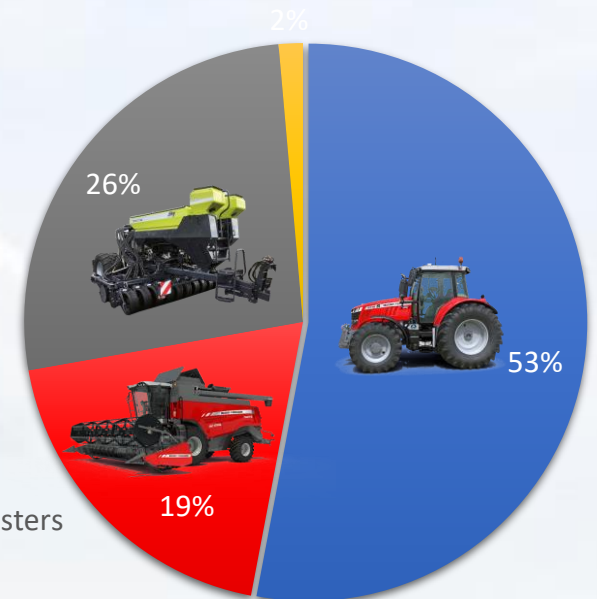


2019.12.31



- Tractors
- Combine harvesters
- Implements
- Other

2020.12.31

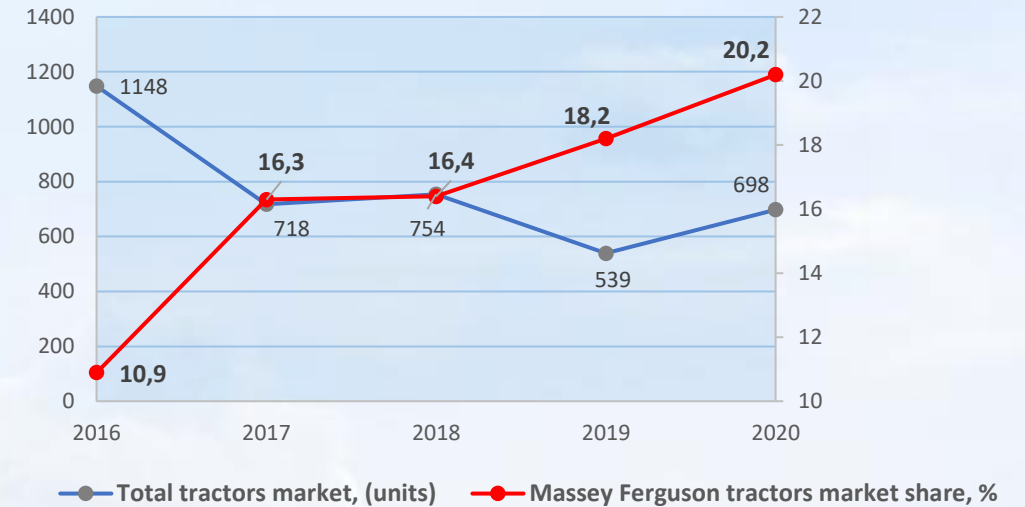




AGRICULTURAL MACHINERY MARKET*

Tractors	2016	2017	2018	2019	2020
Total (units)	1148	718	754	539	698
Massey Ferguson tractors (units)	125	117	124	98	141
Massey Ferguson tractors market share, %	10,9%	16,3%	16,4%	18,2%	20,2%

Combine harvesters	2016	2017	2018	2019	2020
Total (units)	175	212	164	97	121
Massey Ferguson combine harvesters (units)	32	43	40	19	30
Massey Ferguson combine harvesters market share, %	18,3%	20,3%	24,4%	19,6%	24,8%



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





COMMENT ON COMPANY'S RESULTS

Favorable natural conditions in 2020 led the yields of agricultural products to both high quantity and quality. Rapeseed and wheat harvests were among the highest in history. Average purchase prices have been high throughout the year and still maintain the upward trend.

Wheat	2018	2019	2020
Yield, t	2 838 900	3 723 400	4 461 800
Avg. price, Eur/t	182,7	175,8	182,9

Rapeseed	2018	2019	2020
Yield, t	433 500	595 000	922 500
Avg. price, Eur/t	358,8	360,8	372,6

In 2020, the new agricultural machinery sales market was still below long-term average, but good yields and improved farms financial performance increased investments in agricultural machinery. The implementation of EU subsidy programs also proceeded efficiently and smoothly.

EWA is steadily increasing its market share in the tractor and combine market. Due to the low market numbers in 2017-2019, the need for new machinery remains high, forecasting the market uptrend in 2021.

Management of the company forecasts the sales revenue for FY2021 to reach 31,5 mil EUR. Profit before taxes should reach 1,78 mil EUR, EBITDA should be 2,5 mil EUR.

The main tasks in 2021 will be to further increase the sales of higher profitability products and services, and to strengthen the position in the markets of tractors and combine harvesters. Ways to expand geographically in the region are also being sought in collaboration with key suppliers.



COMPANY PROFILE

East West Agro (EWA) is one of the major agricultural machinery and equipment sales companies in Lithuania. Main activities:

- Sales of new agricultural machinery,
- Engineering and sales of grain storage equipment,
- Aftersales service, spare parts supply.

EWA represents a total of almost 20 international producers, which include globally recognized manufacturers of agricultural equipment such as Massey Ferguson, Sulky, Dalbo and others.

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

Company has three more machinery sales and service centers – at Šiauliai, Plungė and Kupiškis.

MAIN SHAREHOLDERS

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

* Company owns 8180 of it's own shares

