

## **CONFIRMATION OF COMPANY'S RESPONSIBLE PERSONS**

2022 August 25

We, Gediminas Kvietkauskas, General Manager of East West Agro AB, and Rasa Venslovienė, Chief Accountant of AB East West Agro, confirm that, to our knowledge, the unaudited financial statements of East West Agro AB for the six-month period ended 30 June 2022 are true and correct and presents fairly the assets, liabilities, financial position, profit/loss of the company. For the six-month period ending on 30 June 2022 the semi-annual report correctly shows the overview of business development and activities, the condition of the company.

Generalinis direktorius

Gediminas Kvietkauskas

Vyriausia buhalterė

Rasa Venslovienė

The background of the slide is a close-up, low-angle shot of the front of a red vehicle, likely a truck or heavy-duty car. The focus is on the headlight assembly and the front grille. A license plate is visible on the right side, displaying the number '8740 S'. The lighting is dramatic, with the red paint of the vehicle standing out against a dark, almost black background.

# EWA

AB EAST WEST AGRO  
INTERIM RESULTS FOR  
6 MONTHS OF 2022  
(unaudited)

The difficult natural conditions of 2022 had a negative impact on the quality of the crop, but Lithuanian farms managed to grow about 20% more of the main crops compared to 2021, ~ 7.5 million tons. Higher yields and record commodity prices allow forecasting the growth of farm incomes, but the cost of agricultural production is significantly higher due to increased prices of fertilizers, fuel and labor.

The agricultural machinery market maintains growth in 2022, although for the second year in a row there is a shortage of machinery and machinery manufacturers cannot fulfill the market demand. Production processes are expected to return to normal in the first quarter of 2023.

The general atmosphere in the agricultural sector is positive - the last few years have been financially successful and profitable for farms. The purchasing power of farms remains strong, financing sources willingly and competitively finance investments. Similar trends should continue in the coming years, although it is difficult to assess the impact of rising interest rates and a possible economic slowdown on the agricultural market.









The company's management maintains the budget for 2022 unchanged, in which the expected sales revenue should reach 38.3 MEUR. Profit before taxes should reach 2.7 MEUR, EBITDA will reach 3.2 MEUR.

The company's board, while preparing the annual profit distribution project for the shareholders' meeting, will try to allocate 30-45% of the annual net profit to dividends, if the business environment and creditorial obligations allow it.

In May 2022 the company purchased a 4.3 ha plot in Sausinės km, Kaunas district, near the Vilnius-Klaipėda highway. An innovative EWA trade and service center will be developed on the site. The aim is to increase the volume and quality of sales of higher profitability products and services and to strengthen position in the market.

Opportunities for geographic expansion in the region continue to be explored in cooperation with key suppliers.



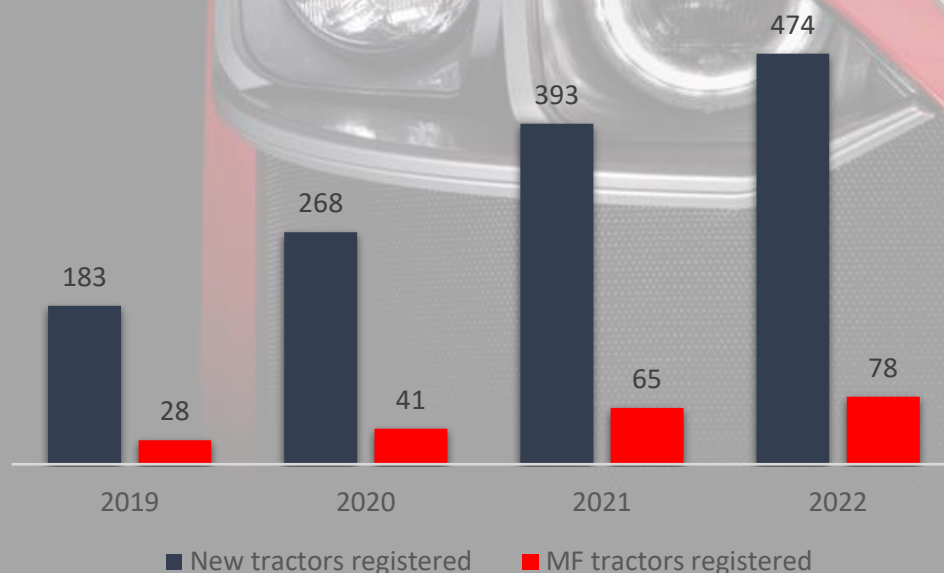




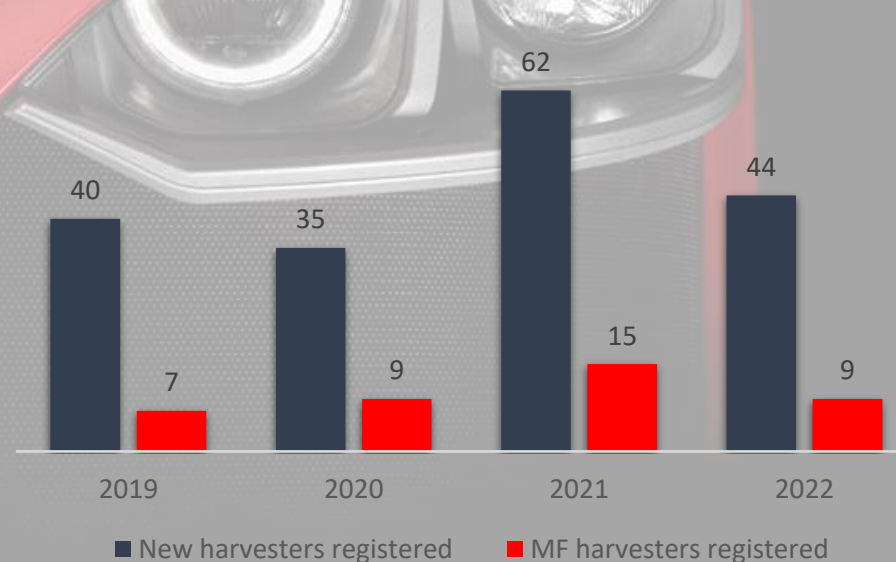
	6 months of 2022	6 months of 2021	Change
Number of new tractors registered	474	393	+21 %
Number of MF tractors registered	78	65	+20 %
Number of new harvesters registered	44	62	-29 %
Number of MF harvesters registered	9	15	-40 %

6 months of 2020	6 months of 2019
268	183
41	28
35	40
9	7

**New tractor market comparison  
6 months 2019-2022**



**New harvest market comparison  
6 months 2019-2022**









## KEY FINANCIAL INDICATORS

# EWA

	2022.06.30	2021.06.30	Change
Sales revenue, MEUR	19,60	16,88	+16%
Gross margin, MEUR	3,15	2,63	+20%
Total costs, MEUR	2,10	1,62	+29%
Profit (loss) before taxes, MEUR	1,05	0,94	+12%
EBITDA, MEUR	1,28	1,27	0%
EBITDA, TTM, MEUR	3,35	3,36	0%
Financial debt, MEUR	2,48	2,66	-7%
Number of employees	82	80	+3%





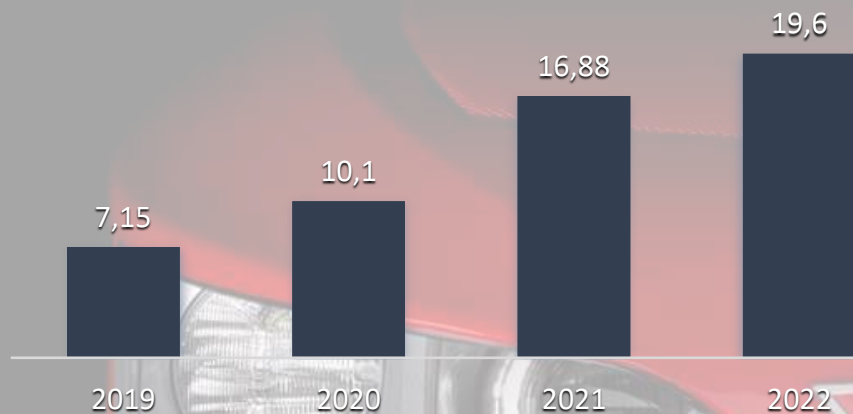




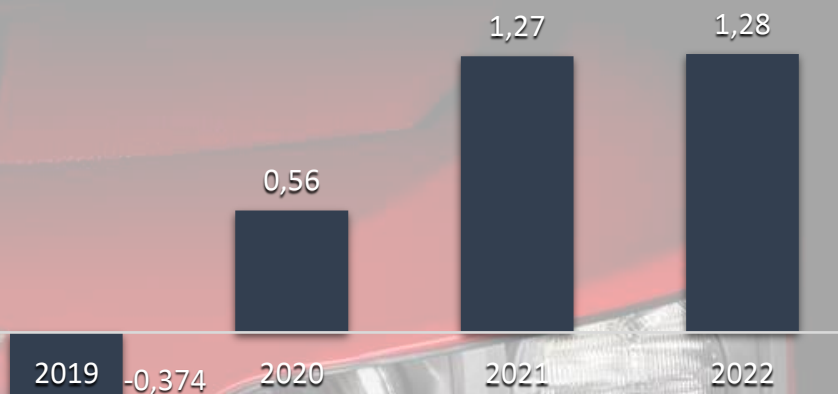
## KEY FINANCIAL INDICATORS

# EWA

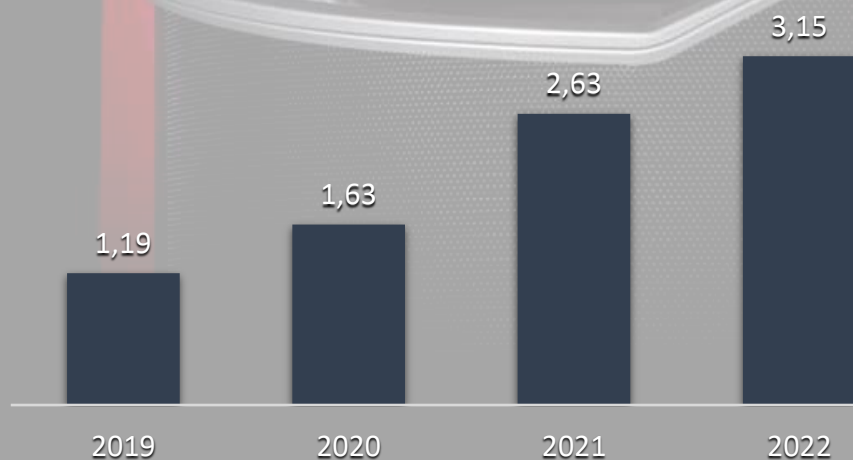
### Sales revenue, MEUR



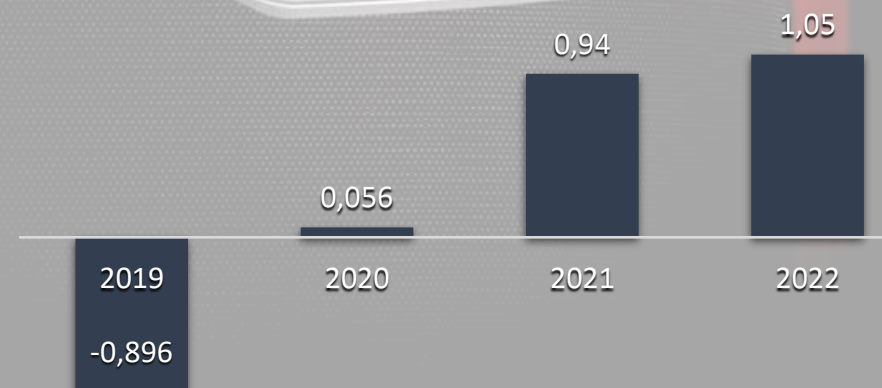
### EBITDA, MEUR



### Gross margin, MEUR



### Profit (loss) before taxes, MEUR









# PROFIT (LOSS) STATEMENT

EWA

EUR thousands	2022.06.30	2021.06.30	2020.06.30
Sales revenue	19 604	16 882	10 076
Cost of sales	16 458	14 256	8 448
<b>GROSS PROFIT</b>	<b>3 147</b>	<b>2 626</b>	<b>1 628</b>
Cost of sales	35	40	38
General and administrative costs	2 104	1 576	1 400
<b>TOTAL COSTS</b>	<b>2 139</b>	<b>1 616</b>	<b>1 438</b>
<b>RESULTS FROM OPERATING ACTIVITIES</b>	<b>1 008</b>	<b>1 010</b>	<b>189</b>
<b>RESULTS OF OTHER ACTIVITIES</b>	<b>15</b>	<b>30</b>	<b>23</b>
Financial income	68	43	160
Financial costs	43	143	316
<b>RESULTS OF FINANCIAL ACTIVITIES</b>	<b>25</b>	<b>(100)</b>	<b>(156)</b>
<b>Profit (LOSS) BEFORE TAX</b>	<b>1 048</b>	<b>940</b>	<b>56</b>
Income tax	1	-	-
<b>NET PROFIT (LOSS)</b>	<b>1 047</b>	<b>940</b>	<b>56</b>
<b>EBITDA</b>	<b>1 280</b>	<b>1 270</b>	<b>575</b>









# BALANCE SHEET



ASSETS (EUR thousands)	2022.06.30	2021.06.30	2020.06.30
Intangible assets			4
Tangible assets	3 623	1 961	2 135
Financial assets	104	484	759
Other non-current assets	75	71	172
<b>NON-CURRENT ASSETS</b>	<b>3 802</b>	<b>2 516</b>	<b>3 070</b>
Inventories	11 018	8 770	10 149
Paid advance payments	268	421	440
Trade receivables	11 760	7 540	6 839
Other amounts receivable	1 158	313	897
Cash and cash equivalents	6	4 716	3
<b>CURRENT ASSETS</b>	<b>24 210</b>	<b>21 760</b>	<b>18 328</b>
<b>COSTS OF FUTURE PERIODS AND ACCUMULATED INCOME</b>	<b>268</b>	<b>193</b>	<b>170</b>
<b>TOTAL ASSETS</b>	<b>28 280</b>	<b>24 469</b>	<b>21 568</b>
<b>EQUITY AND LIABILITIES (EUR thousands)</b>			
Authorised (subscribed) or main capital	1 000	1 000	1 000
Share premium	2 875	2 875	2 875
Reserves	299	390	303
Retained profit (loss)	3 835	2 360	772
<b>EQUITY</b>	<b>8 009</b>	<b>6 625</b>	<b>4 950</b>
Debt liabilities	316	1 560	694
Payables to credit institutions	2 113	1 030	90
Other payables and long-term liabilities	117	2 748	
<b>NON-CURRENT LIABILITIES</b>	<b>2 546</b>	<b>5 338</b>	<b>784</b>
Debt liabilities	49	69	5 130
Received advance payments	438	275	200
Trade payables	11 331	8 711	5 722
Amounts payable on basis of bills of exchange and cheques			160
Liabilities related to employment	233	206	404
Other amounts payable and current liabilities	3 070	2 545	2 312
<b>CURRENT LIABILITIES</b>	<b>15 121</b>	<b>11 806</b>	<b>13 928</b>
<b>TOTAL LIABILITIES</b>	<b>17 667</b>	<b>17 144</b>	<b>14 712</b>
<b>ACCUMULATED COSTS AND INCOME OF FUTURE PERIODS</b>	<b>2 604</b>	<b>700</b>	<b>1 906</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28 280</b>	<b>24 469</b>	<b>21 568</b>







## ABOUT COMPANY

# EWA

Lithuanian capital company EWA is one of the largest agricultural machinery trading companies in Lithuania. The main areas of activities are trading of new and used agricultural machinery and spare parts, servicing and maintenance of agricultural machinery, machinery rental services.

EWA is the official exclusive importer in Lithuania of Massey Ferguson, one of the world's largest manufacturers of agricultural machinery.

The company's head office is located in the central part of Lithuania - Kaunas district, in the village of Kumpiai, on the highway Kaunas - Klaipėda. The administration of EWA operates here, as well as the customer service department and technical maintenance center.

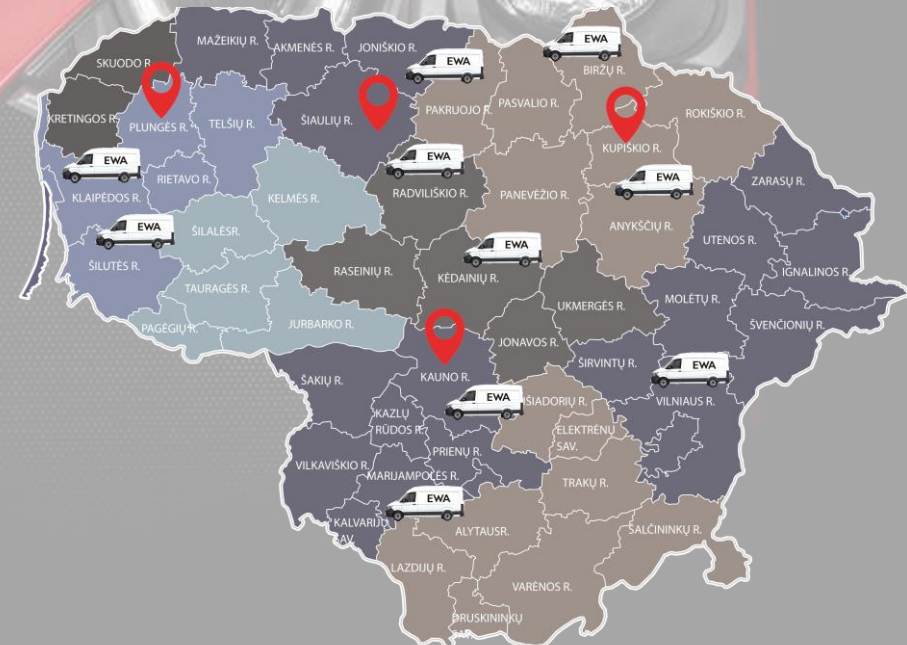
The company has three more trade and service centers - in Šiauliai, Kupiškis and Plungė.

The mobile service team consists of about 40 specially equipped cars.

## MAIN SHAREHOLDERS

Name	Percentage of shares
Danas Šidlauskas	39,91%
Gediminas Kvietkauskas	39,69%
Multi Asset Selection Fund	8,63%
Other	11,77%

\* Company owns 26 156 of it's own shares





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