EWA

AB East West Agro

ANNUAL REPORT, INDEPENDANT AUDITOR‘S REPORT AND FINANCIAL STATEMENTS

FOR THE FISCAL YEAR, ENDED DECEMBER 31, 2023

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ANNUAL REPORT 2023

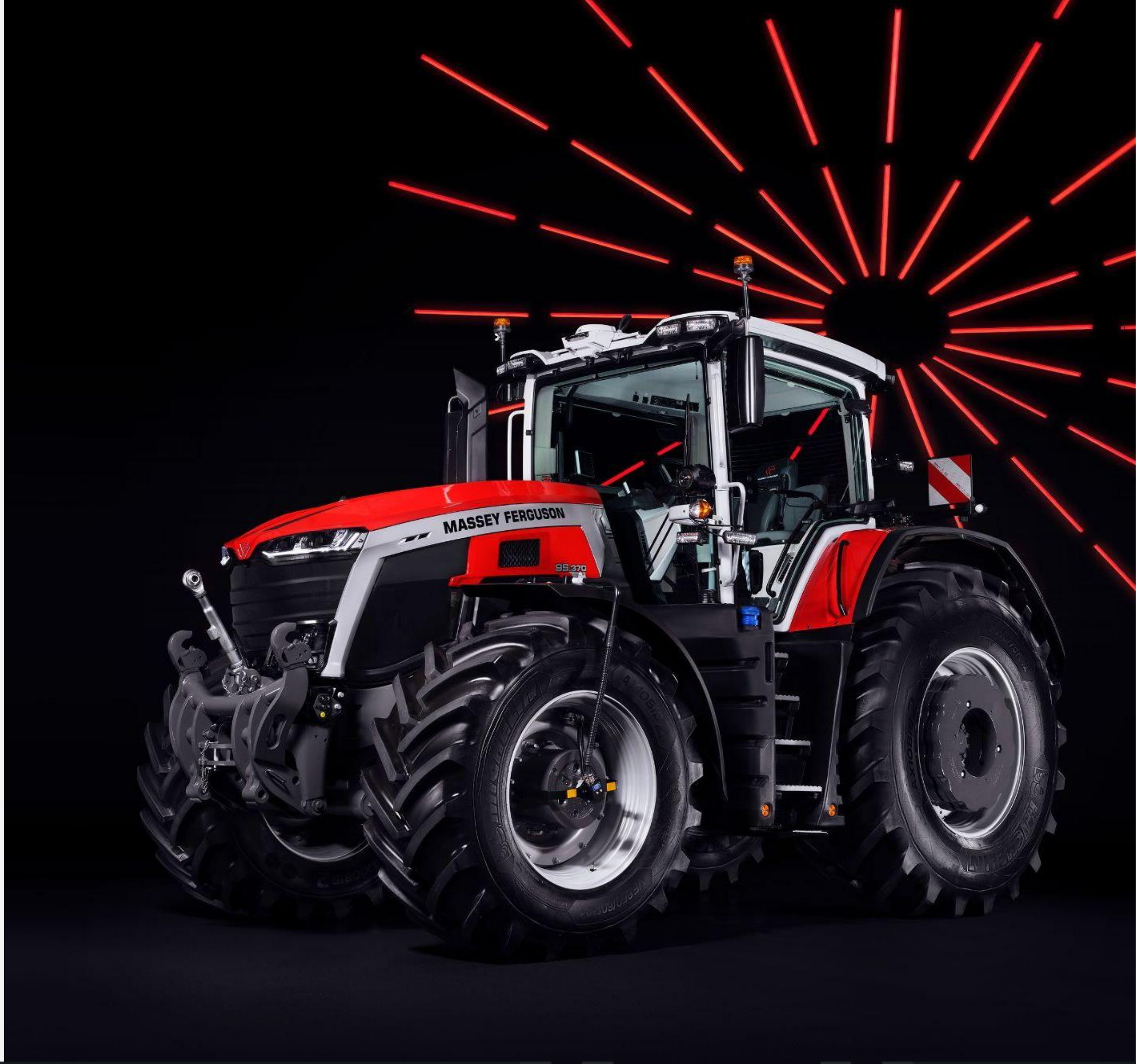
FOR FISCAL YEAR, ENDED DECEMBER 31, 2023

Comment

In 2023, AB East West Agro (EWA) (hereinafter referred to as the Company) generated revenues of 35 million euros, which decreased by 18 % compared to 2022. Net profit decreased by 51 % to 1.67 million euros, and EBITDA decreased by 40 % to 2.64 million euros.

According to the Agricultural Machinery Register data, the tractor market contracted by 29 %, while the grain combine harvesters market remained stable, decreasing by 3.5 %. The main supplier (Massey Ferguson) failed to meet global tractor demand, leading to a shortage of tractors for the Company in the first half of the year. At the same time, the supply of grain combines was smooth, so the Company successfully compensated for the tractor shortage with successful grain combine sales in the first half of the year.

In the second half of the year, equipment supply recovered, but there was a significant drop in equipment demand not only in Lithuania but also throughout Europe. The increasing interest rate (EURIBOR), falling grain purchase prices, and high production costs due to record-high fertilizer prices (acquired in 2022) began to significantly impact the market.



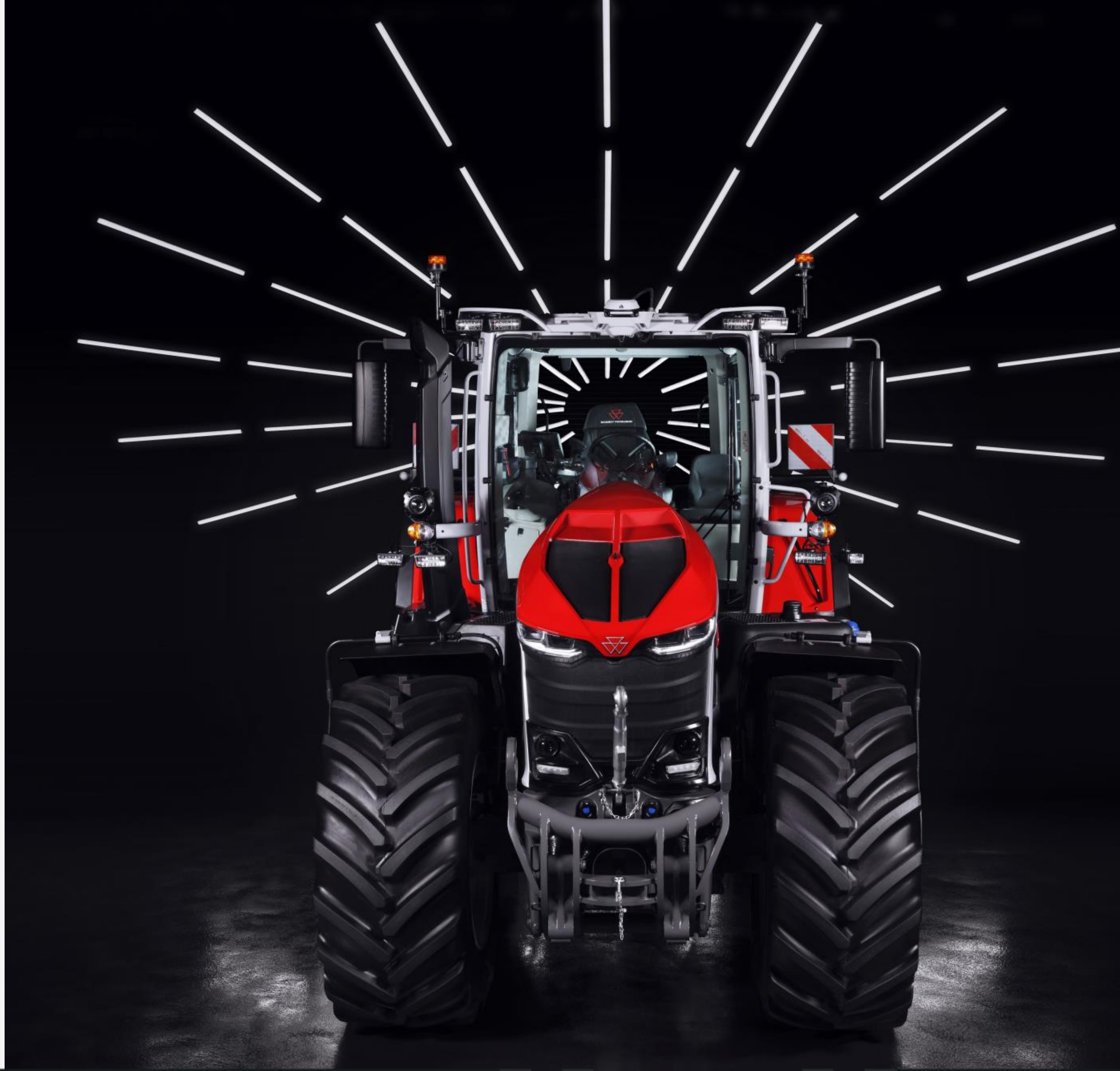
Comment

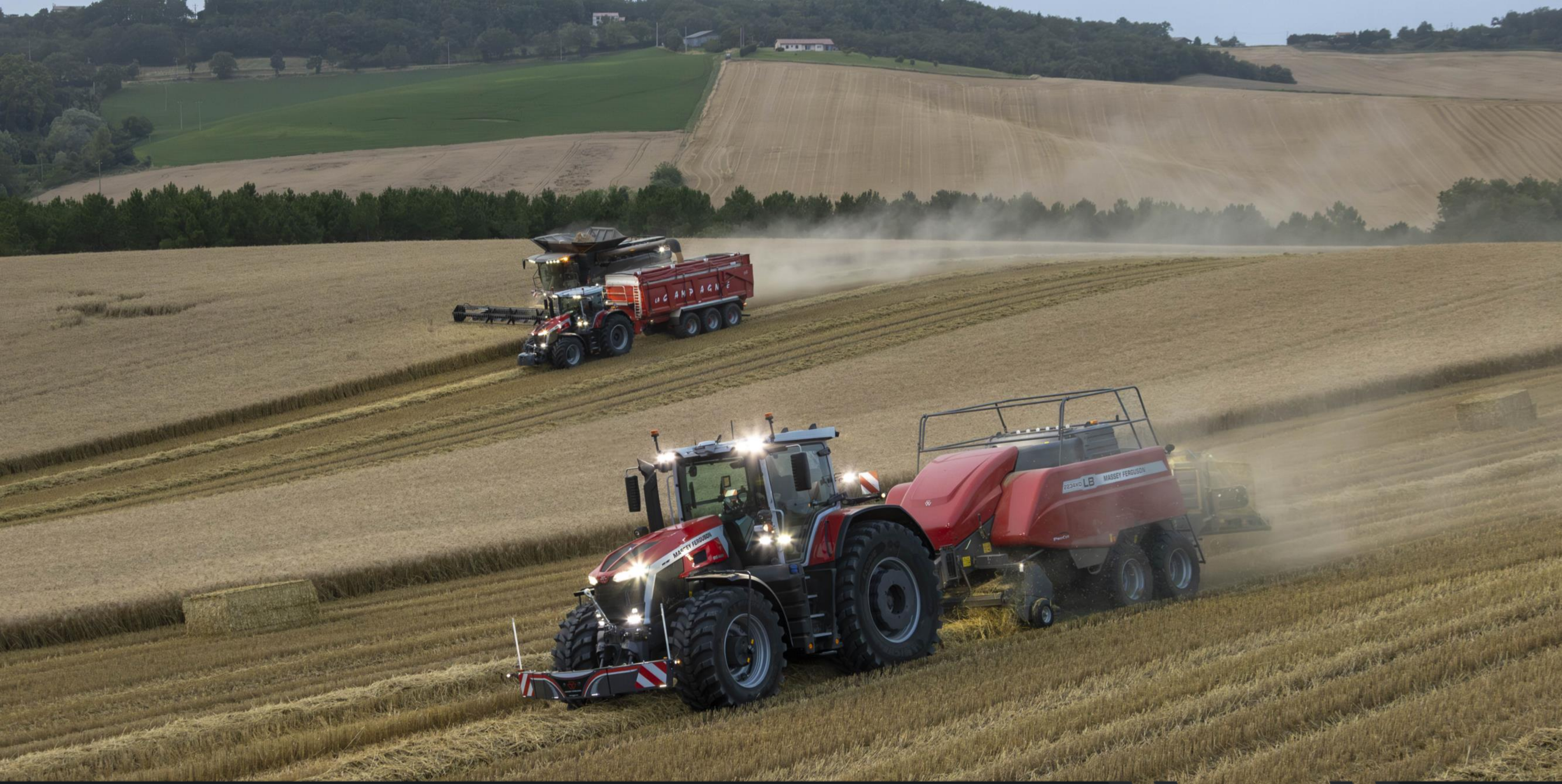
The situation in the livestock sector has been challenging - purchase prices for raw milk and meat cattle remain extremely low. Natural conditions were also unfavorable: in some parts of the country, a natural drought was declared, and the harvest in northern Lithuania suffered from hails.

Farms are finding it increasingly difficult to comply with the requirements of the European green course, as they increase the cost of production and make it non-competitive in the global market. Subsidization lags behind the requirements and fails to compensate for the losses incurred. This has provoked protests from farms not only in Lithuania but also across almost the entire European Union.

Protests yield positive results for farms, as both European and national decisions are being reviewed, with discussions on their cancellation or postponement. It is expected that the EU's green course concept will adapt to current political issues worldwide, thereby facilitating the operation and financial situation of farms.

The geopolitical situation in the world has a hard-to-predict influence on global grain prices, as a result of which Lithuanian farms cannot sustainably and clearly assess the income of the future harvest.

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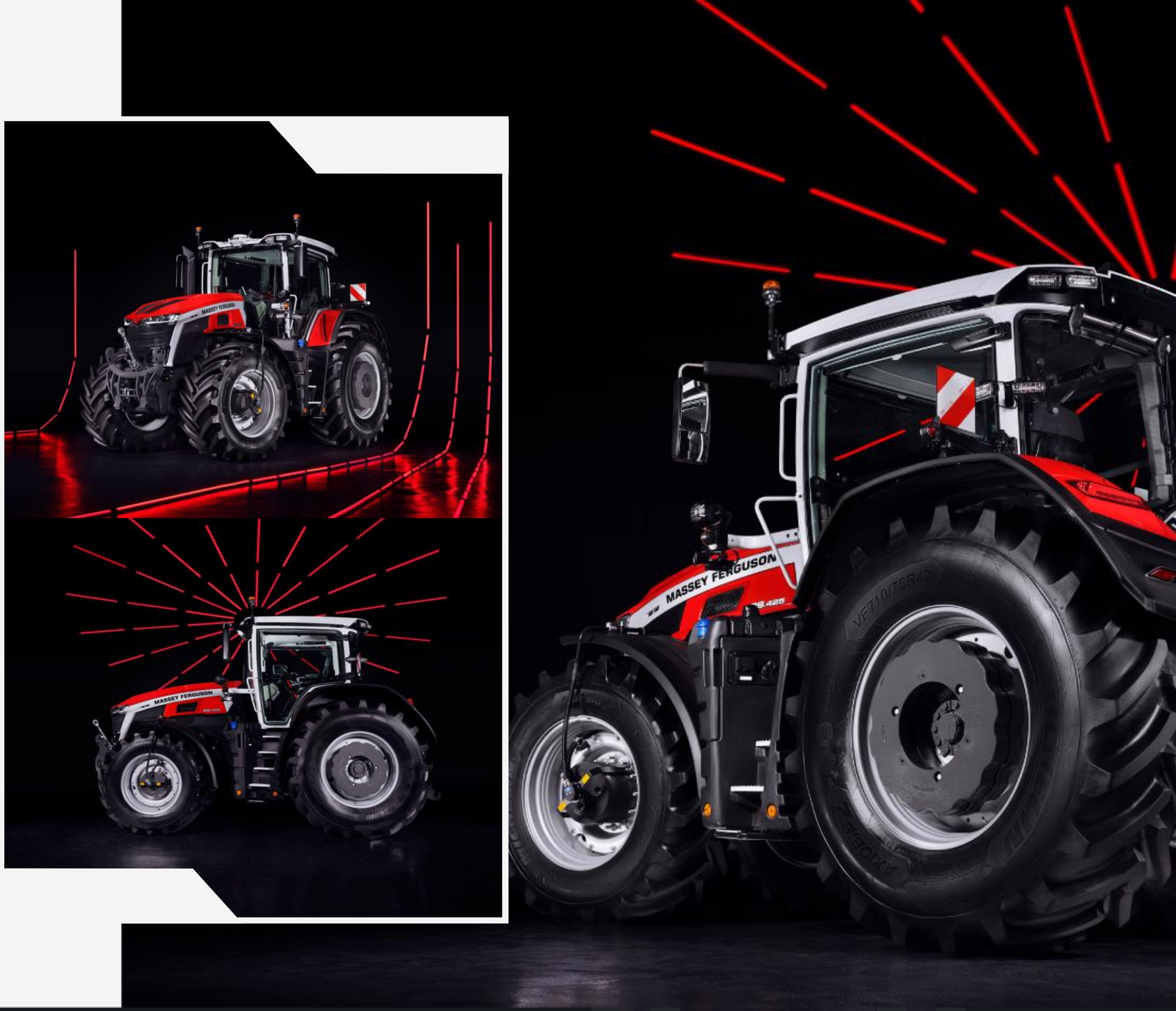
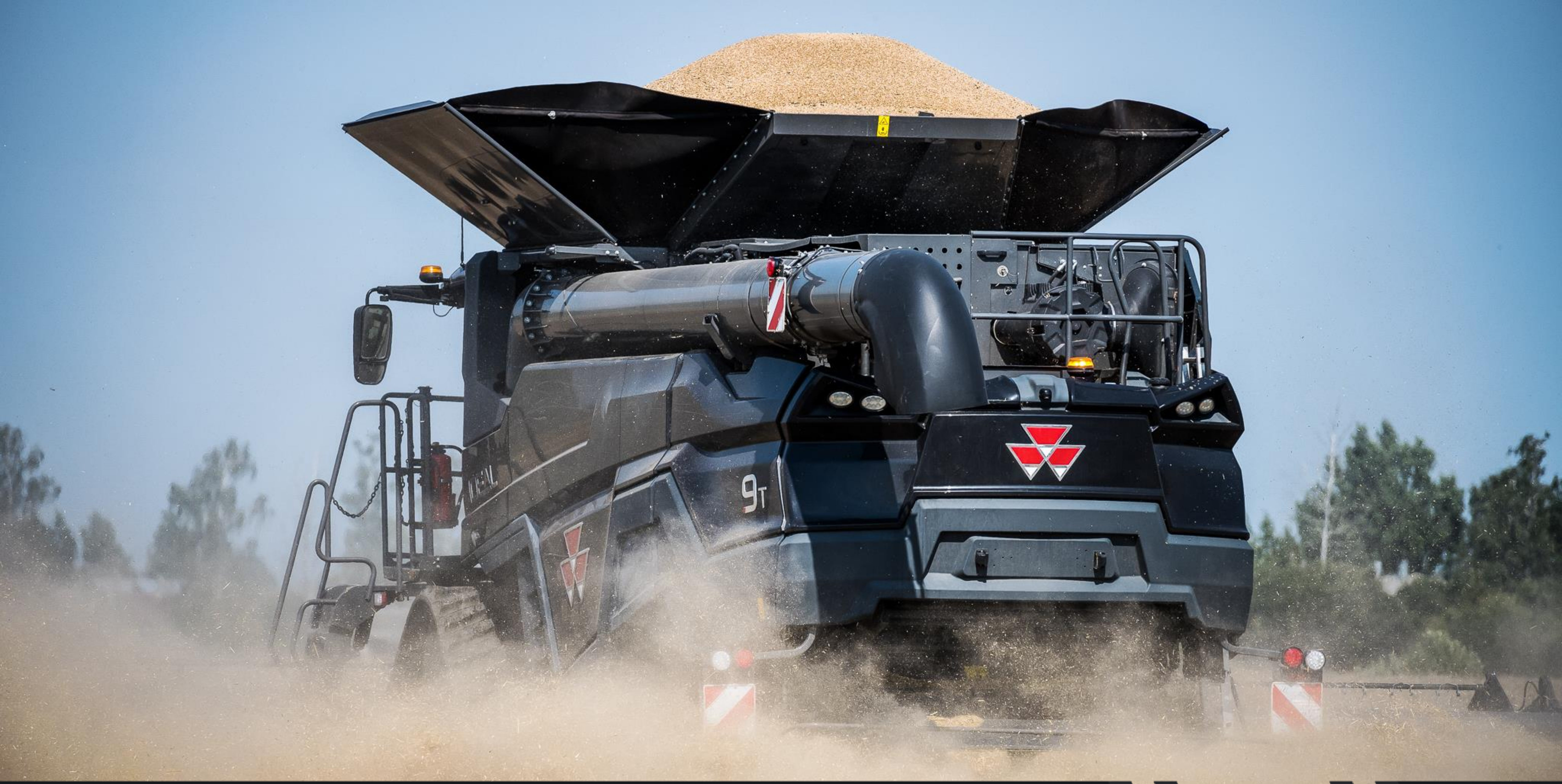
Budget

The company's management has drafted the budget for the year 2024, in which projected sales revenue should reach 37 million euros, pre-tax profit should amount to 2 million euros, and EBITDA is expected to reach 2.9 million euros.

The EWA strategy remains unchanged - focusing on high value premium products aimed at professional farming. It leads to the fact that the average unit power of sold tractors and combines increases every year, and the average unit price increases accordingly - in 2023 it was 25% higher compared to last year and compared to 2021 - the price of combine harvesters increased by 65%, and by 51% of tractors, respectively.

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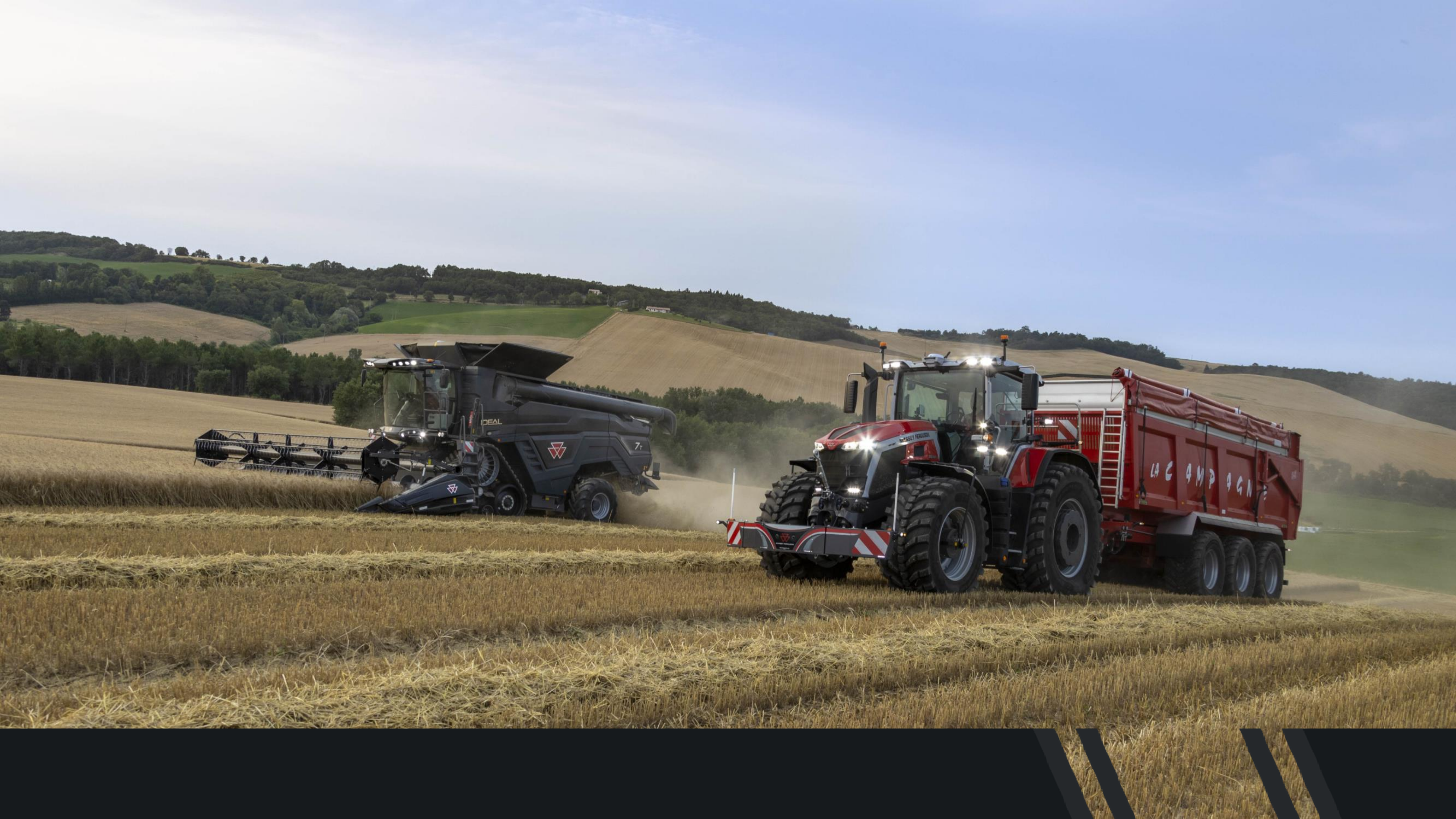
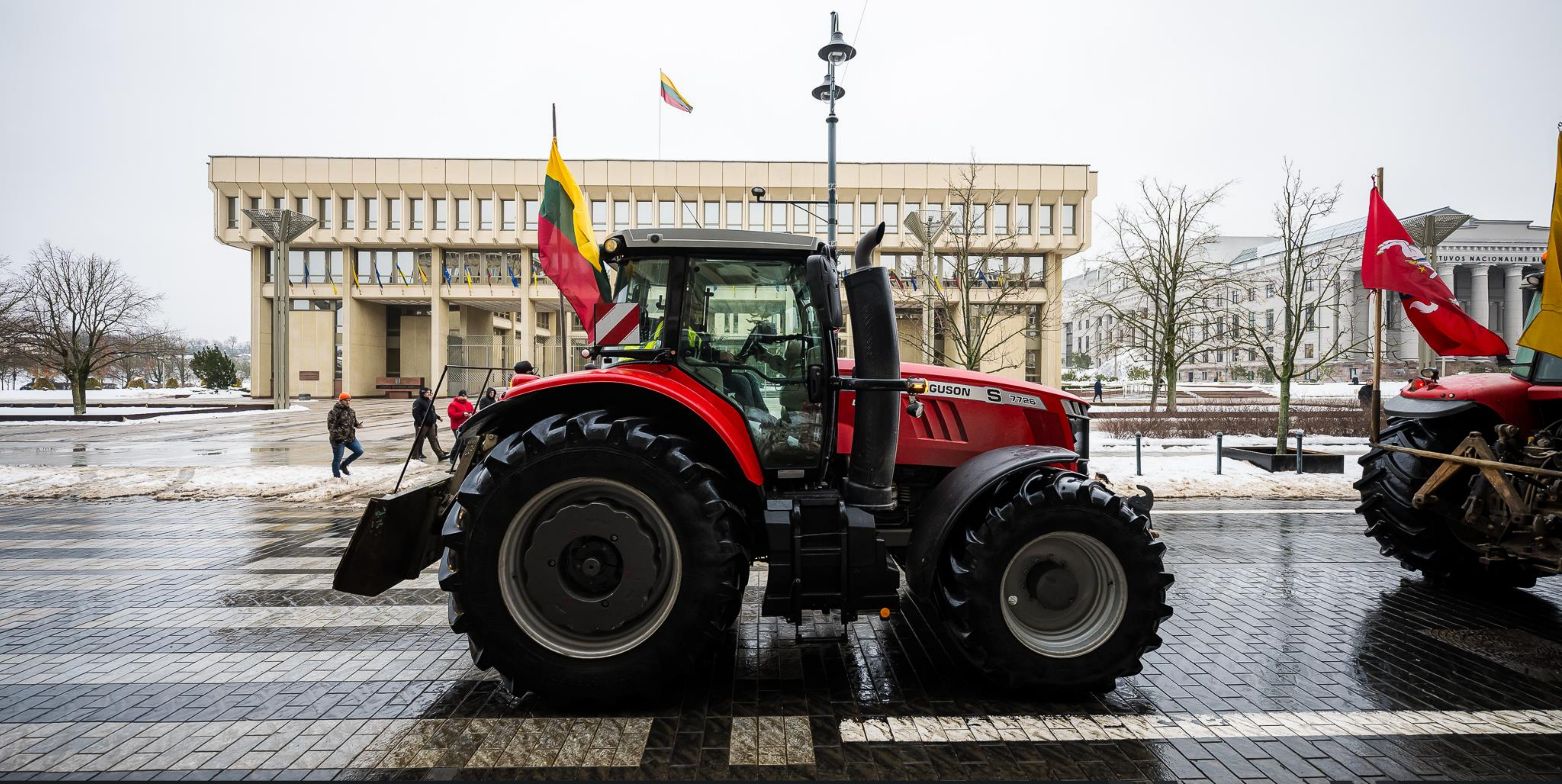
Key Financial Indicators

Indicator	2021.12.31	2022.12.31	2023.12.31
Revenue, mil. Eur	35,57	42,69	35,18
Gross Profit, mil. Eur	6,33	8,33	6,86
Gross Profit Margin, %	17,79	19,50	19,50
EBITDA, mil. Eur	3,06	4,43	2,64
Net Profit, mil. Eur	2,05	3,39	1,67
Net Profit Margin, %	5,76	7,95	4,75
EPS, Eur	2,05	3,39	1,67
Financial Debt, mil. Eur	1,43	0,32	5,32



Revenue Distribution by Product Groups

Product Group	2021.12.31	2022.12.31	2023.12.31	(2022-2023)
Machinery Sales, mil. Eur	31,52	36,37	28,52	-21,58%
Spare Parts Sales, Services, mil. Eur	3,56	4,22	4,71	+11,61%
Other, mil. Eur	0,49	2,10	1,95	-7,14%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Machinery Distribution by Products

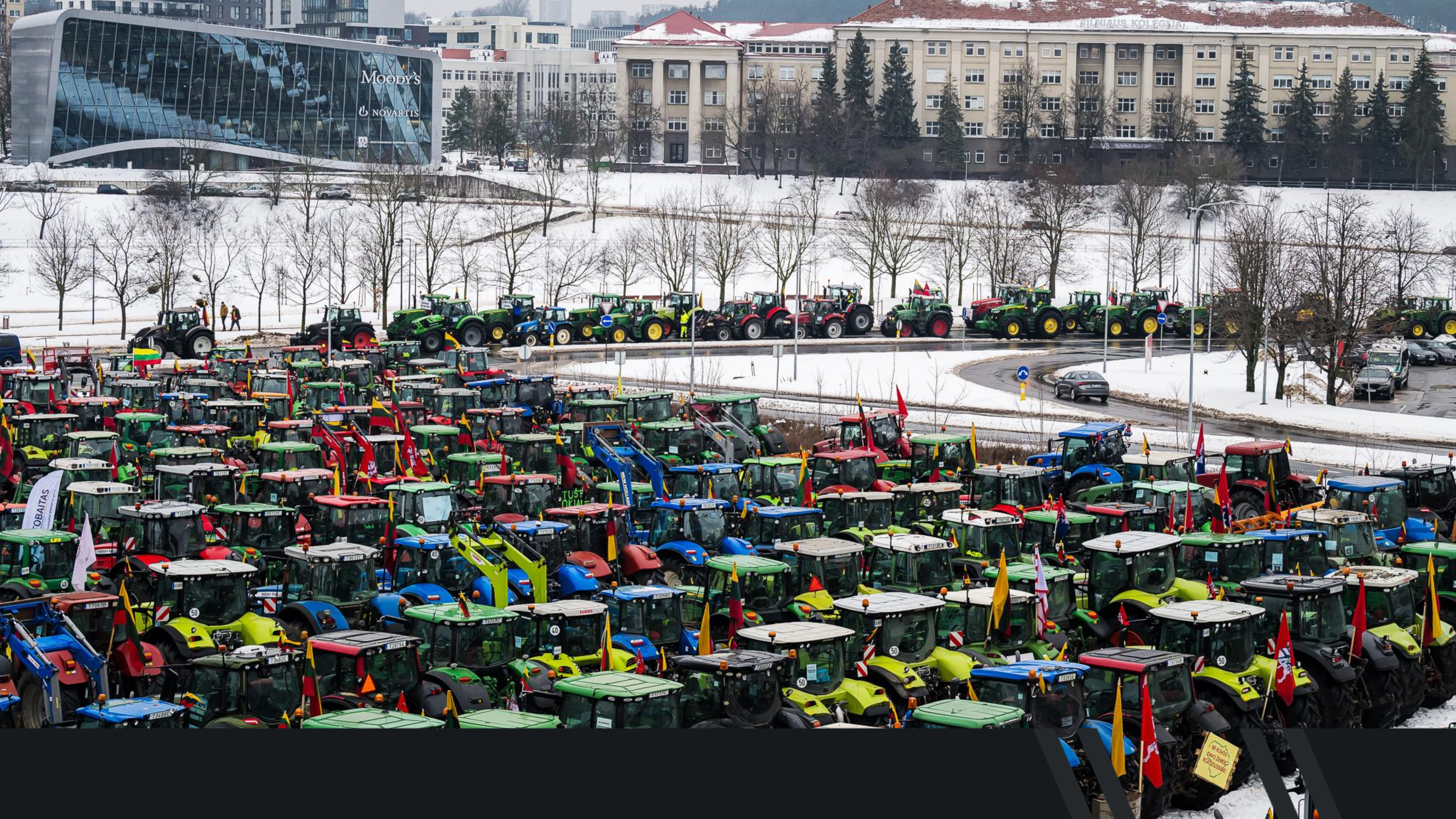
Product	2021.12.31	2022.12.31	2023.12.31	(2022-2023)
Tractors, mil. Eur	17,45	21,83	13,92	-36,23%
Combine Harvesters, mil. Eur	7,62	8,05	9,55	+18,63%
Implements, mil. Eur	6,45	6,49	5,05	-22,19%

Agricultural Machinery Market*

Tractors	2019	2020	2021	2022	2023
Total, units	539	698	807	934	666
Massey Ferguson Tractors, units	98	141	141	171	83
Massey Ferguson Tractors Market Share, %	18	20	18	18	12

Combine Harvesters	2019	2020	2021	2022	2023
Total, units	97	121	177	181	175
Massey Ferguson Combine Harvesters, units	19	30	30	30	31
Massey Ferguson Combine Harvesters Market Share, %	20	25	17	17	18

* Market of new machines dedicated to professional farming, registered by farm entities.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Shareholders

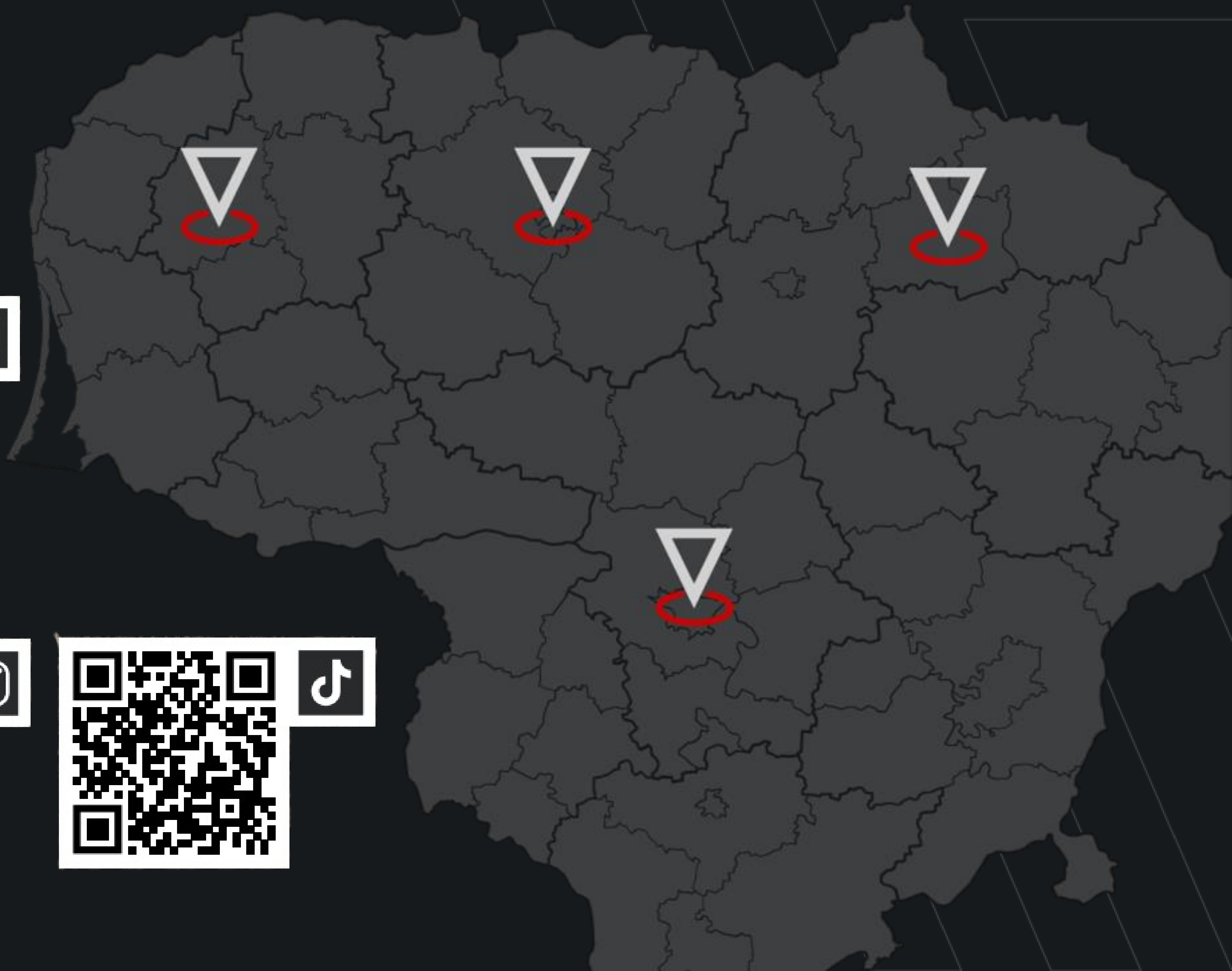
Shareholder	Percentage of shares, %
Danas Šidlauskas	40,00
Gediminas Kvietkauskas	39,69
Multi Asset Selection Fund	9,16
Kiti smulkieji akcininkai	11,15

The company has purchased 25568 units or 2,56% of own shares wit a nominal value of 25568 EUR. The purpose of acquiring shares: providing shares to company's emploees, maintaining liquidity of shares.

Positions held by managers in other companies:
General manager Gediminas Kvietkauskas: UAB Raudona saulė – chairman of the board
Chairman of the board Danas Šidlauskas: UAB Raudona saulė – board member
Board member Linas Strėlis: UAB Biglis – director, UAB Investicija kubu - board member, UAB Raudona saulė - board member, AB Vilkyškių pieninė - board member, AB East West Agro - board member, AB Umega - board member

EWA

AB East West Agro



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AB "East West Agro"

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of AB "East West Agro" (the Company), which comprise the balance sheet as of December 31, 2023, 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 significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and (of) its financial performance and its cash flows for the year then ended in accordance with the Lithuanian Financial Reporting Standards.

Basis for Qualified Opinion

In the Company's balance sheet of December 31, 2023 and December 31, 2022 item "Costs of future periods and accumulated income" costs of warranty services resold to buyers of goods was accrued to the amount of TEUR 534 and respectively TEUR 201. In our opinion, these costs should be included in the cost of sales therefore, on December 31, 2023 and December 31, 2022 balance sheet, item "Costs of future periods and accumulated income" should be reduced by TEUR 534 and TEUR 201 and respectively retained earnings should be reduced by TEUR 426 of reporting period and by TEUR 201 of previous periods.

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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the requirements of the Law on Audit of Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements 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 qualified opinion.

Other Information

The other information comprises the information included in the Company's annual 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.

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 the information included in the Company's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements and whether an annual report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of the audit of financial statements, in our opinion, in all material respects:

- The information given in the Company's annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Company's annual report has been prepared in accordance with the requirements of the Law on Corporate Reporting 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 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 skepticism 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 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.

Arvydas Ziziliauskas
Certified auditor
Auditor certificate No. 000467
Jonavos str. 60, Kaunas
28 March, 2024
Grant Thornton Baltic UAB
Audit firm certificate No. 001513

**This is an unofficial translation into English of the Statutory Auditors' report and Financial statements issued in the Lithuanian language. The financial statements of AB "East West Agro" originally issued in the Lithuanian language have been audited.*

BALANCE SHEET

	ASSETS	Notes No.	2023.12.31.	2022.12.31.
A.	NON-CURRENT ASSETS		**4 325 095**	**3 404 911**
1.	INTANGIBLE ASSETS		6	6
1.1.	Development works			
1.2.	Goodwill			
1.3.	Computer software	1	5	5
1.4.	Concessions, patents, licenses, trademarks and similar rights			
1.5.	Other intangible assets	1	1	1
1.6.	Paid advance payments			
2.	TANGIBLE ASSETS		4 135 578	3 218 348
2.1.	Land	2	1 310 972	1 298 972
2.2.	Buildings and constructions	2	260 368	295 114
2.3.	Plant and machinery	2	1 539 137	921 307
2.4.	Transport means	2	539 118	417 394
2.5.	Other fixtures, fittings and tools	2	141 946	139 530
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	344 037	146 031
3.	FINANCIAL ASSETS		104 000	104 000
3.1.	Shares of Group's companies			
3.2.	Loans to the Group's companies			
3.3.	Amounts receivable from the Group's companies			
3.4.	Shares of associates			
3.5.	Loans to associates			
3.6.	Amounts receivable from associates			
3.7.	Long-term investments			
3.8.	Amounts receivable after one year	3	104 000	104 000
3.9.	Other financial assets			
4.	OTHER NON-CURRENT ASSETS		85 511	82 557
4.1.	Deferred income tax assets	4	85 511	82 557
4.2.	Biological assets			
4.3.	Other assets			

	ASSETS	Notes No.	2023.12.31.	2022.12.31.
B.	CURRENT ASSETS		**19 465 409**	**21 176 058**
1.	Inventories		13 091 270	10 999 457
1.1.	Raw materials, materials and components	5	15 680	12 314
1.2.	Production and work in progress			
1.3.	Production			
1.4.	Goods for resale	5	13 016 204	10 811 883
1.5.	Biological assets			
1.6.	Non-current tangible assets for resale			
1.7.	Paid advance payments	5	59 386	175 260
2.	AMOUNTS RECEIVABLE WITHIN ONE YEAR		6 372 053	7 719 224
2.1.	Trade receivables	7	5 885 638	5 786 766
2.2.	Receivables from Group's companies			
2.3.	Receivables from associates			
2.4.	Other amounts receivable	7	486 415	1 932 458
3.	Short-term investments		---	58 236
3.1.	Shares of the Group's companies			
3.2.	Other investments			58 236
4.	CASH AND CASH EQUIVALENTS	8	2 086	2 399 141
C.	COSTS OF FUTURE PERIODS AND ACCUMULATED INCOME	6	**564 693**	**226 201**
	TOTAL ASSETS:		**24 355 197**	**24 807 170**

	EQUITY AND LIABILITIES	Notes No.	2023.12.31.	2022.12.31.
D.	EQUITY CAPITAL		**10 215 462**	**10 204 012**
1.	CAPITAL		619 685	546 728
1.1.	Authorized (subscribed) or main capital	9	1 000 000	1 000 000
1.2.	Subscribed unpaid capital (-)			
1.3.	Own shares (-)		(380 315)	(453 272)
2.	SHARE PREMIUM		2 875 000	2 875 000
3.	REVALUATION RESERVE (RESULTS)			
4.	RESERVES		900 000	600 000
4.1.	Legal reserve or reserve capital	9	100 000	100 000
4.2.	To acquire own shares		800 000	500 000
4.3.	Other reserves			
5.	RETAINED PROFIT (LOSS)	10	5 820 777	6 182 284
5.1.	Reporting year profit (loss)		1 595 027	3 393 817
5.2.	Previous year profit (loss)		4 225 750	2 788 467
E.	GRANTS, SUBSIDIES			
F.	PROVISIONS		---	---
1.	Provisions for pensions and similar obligations			
2.	Tax provisions			
3.	Other provisions			
G.	AMOUNTS PAYABLE AND OTHER LIABILITIES		**13 798 625**	**12 554 165**
1.	AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER NON-CURRENT LIABILITIES		322 736	301 239
1.1.	Debt liabilities	11	296 407	229 790
1.2.	Payables to credit institutions	11		
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	12	26 329	71 449

	EQUITY AND LIABILITIES	Notes No.	2023.12.31.	2022.12.31.
2.	AMOUNTS PAYABLE WITHIN ONE YEAR AND OTHER CURRENT LIABILITIES		13 475 889	12 252 926
2.1.	Debt liabilities	11	137 585	86 080
2.2.	Payables to credit institutions	11	4 885 149	
2.3.	Received advance payments	13	54 104	664 439
2.4.	Trade payables	13	7 183 804	9 508 020
2.5.	Amounts payable on the basis of bills of exchange and cheques	11		
2.6.	Amounts payable to the Group's companies	13		
2.7.	Amounts payable to associates			
2.8.	Income tax liabilities	13	60 923	343 624
2.9.	Liabilities related to employment	13	270 847	287 724
2.10.	Other amounts payable and current liabilities	13	883 477	1 363 039
H.	ACCUMULATED COSTS AND INCOME OF FUTURE PERIODS	14	**341 110**	**2 048 993**
	TOTAL EQUITY AND LIABILITIES:		**24 355 197**	**24 807 170**

PROFIT (LOSS) STATEMENT

Line No.	Items	Notes No.	2023	2022
1.	SALES REVENUE	15	35 180 439	42 688 312
2.	COST OF SALES	16	(28 319 499)	(34 363 537)
3.	CHANGE IN FAIR VALUE OF BIOLOGICAL ASSETS			
4.	GROSS PROFIT (LOSS)		**6 860 940**	**8 324 775**
5.	Sales costs	16	(93 221)	(111 057)
6.	General and administrative costs	16	(4 833 518)	(4 430 227)
7.	Results from other activities	15	111 503	131 350
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	17	197 814	147 536
11.	Impairment in the value of financial assets and short-term investments			
12.	Interest and similar costs	17	(285 602)	(85 763)
13.	PROFIT (LOSS) BEFORE TAX		**1 957 916**	**3 976 614**
14.	Income tax	18	(289 932)	(582 797)
15.	NET PROFIT (LOSS)		**1 667 984**	**3 393 817**

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, 2021**	**1 000 000**	**2 875 000**	**(260 713)**	**---**	**---**	**100 000**	**400 000**	**---**	**3 474 407**	**7 588 694**
2	Result of changes in accounting policy										0
3	Result of material error corrections										0
4	Recalculated balance as of December 31, 2021	**1 000 000**	**2 875 000**	**(260 713)**	**---**	**---**	**100 000**	**400 000**	**---**	**3 474 407**	**7 588 694**
5	Correction of errors from previous year										
6	Increase (decrease) in the value of effective hedging instrument										---
7	Acquired (sold) own shares			(192 559)							(192 559)
8	Profit (loss) not recognized in the profit (loss) statement										---
9	Reporting period net profit (loss)									3 393 817	3 393 817
10	Dividends									(585 940)	(585 940)
11	Other payouts										---
12	Formed reserves							100 000		(100 000)	---
13	Used reserves										---
14	Increase (decrease) in authorized capital or contributions by shareholders (share return)										---
15	Other increase (decrease) in authorized or main capital										---
16	Contributions to cover losses										---
17	Balance as of December 31, 2022	**1 000 000**	**2 875 000**	**(453 272)**	**---**	**---**	**100 000**	**500 000**	**---**	**6 182 284**	**10 204 012**

		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			
18	Increase (decrease) in the value of non-current tangible assets										---
19	Increase (decrease) in the value of effective hedging instrument										---
20	Acquired (sold) own shares			72 957							72 957
21	Profit (loss) not recognized in the profit (loss) statement									(72 957)	(72 957)
22	Reporting period net profit (loss)									1 667 984	1 667 984
23	Dividends									(1 656 534)	(1 656 534)
24	Other payouts										---
25	Formed reserves							300 000		(300 000)	---
26	Used reserves										---
27	Increase (decrease) in authorized capital or contributions by shareholders (share return)										---
28	Other increase (decrease) in authorized or main capital										---
29	Contributions to cover losses										---
30	Balance as of December 31, 2023	**1 000 000**	**2 875 000**	**(380 315)**	**---**	**---**	**100 000**	**800 000**	**---**	**5 820 777**	**10 215 462**

STATEMENT OF CASH FLOWS (INDIRECT)

Line No.	Items	Notes No.	2023	2022
1.	Operating cash flows			
1.1.	Net profit (loss)		1 667 984	3 393 817
1.2.	Depreciation and amortization costs		426 924	383 855
1.3.	Elimination of results from transferred non-current tangible and intangible assets		(21 106)	(11 857)
1.4.	Elimination of results from financing and investing activities		137 743	(21 772)
1.5.	Elimination of other non-monetary items		565 804	394 362
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		(2 954)	(7 581)
1.9.	Decrease (increase) in inventories, excluding the paid advance payments		(2 207 687)	(2 349 963)
1.10.	Decrease (increase) in paid advance payments		115 874	260 152
1.11.	Decrease (increase) in trade receivables		(98 872)	2 240 115
1.12.	Decrease (increase) in receivables from the Group's companies and associates			
1.13.	Decrease (increase) in other amounts receivable		773 133	(360 814)
1.14.	Decrease (increase) in short-term investments		58 236	(7 546)
1.15.	Decrease (increase) in costs of future periods and accumulated income		(338 492)	101 051
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		(2 934 551)	1 315 320
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		(282 701)	(8 987)
1.24.	Increase (decrease) in liabilities related to employment		(16 877)	40 057
1.25.	Increase (decrease) in other amounts payable and liabilities		(524 682)	(2 997 920)

Line No.	Items	Notes No.	2023	2022
1.26.	Increase (decrease) in accumulated costs and income of future periods		(1 707 883)	453 977
	Net operating cash flows		**(4 390 107)**	**2 816 267**
2.	Cash flows from investing activities			
2.1.	Acquired non-current assets (investments excluded)		(1 744 473)	(1 845 528)
2.2.	Transferred non-current assets (investments excluded)		124 864	143 412
2.3.	Acquired long-term investments		---	---
2.4.	Transferred long-term investments		---	---
2.5.	Provided loans		(1 416 239)	(616 103)
2.6.	Recovered loans		2 089 151	374 521
2.7.	Received dividends, interest		117 219	94 280
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		**(829 478)**	**(1 849 418)**
3.	Cash flows from financing activities			
3.1.	Cash flows related to shareholders		(1 656 534)	(778 499)
3.1.1.	Issued shares			
3.1.2.	Shareholders’ contributions to cover losses			
3.1.3.	Own shares acquired			(192 559)
3.1.4.	Paid dividends		(1 656 534)	(585 940)
3.2.	Cash flows related to other sources of financing		4 479 064	(1 222 412)
3.2.1.	Increase in financial payables		5 885 149	---
3.2.1.1.	Acquired loans		5 885 149	---
3.2.1.2.	Issued bonds			
3.2.2.	Decrease in financial payables		(1 406 085)	(1 222 412)
3.2.2.1	Returned loans		(1 000 000)	(1 029 983)
3.2.2.2.	Acquired bonds		---	---
3.2.2.3.	Paid interest		(254 962)	(72 509)
3.2.2.4.	Lease (financial lease) instalments		(151 123)	(119 920)
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		**2 822 530**	**(2 000 910)**
4.	Effect of changes in currency exchange rates on the balance of cash and cash equivalents			
5.	Net increase (decrease) in cash flows		***(2 397 055)***	***(1 034 062)***
6.	Cash and cash equivalents at the beginning of the period		2 399 141	3 433 203
7.	Cash and cash equivalents at the end of the period		2 086	2 399 141

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 Tikslo str.10, Kumpių 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 Tikslo str.10, Kumpiai 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 79, previous financial year average listed number of employees concluded to 80.

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 Reporting Standards valid on 01/01/2023.

When managing the accounting records and preparing the financial statements the Company follows general accounting principles: entity, going concern, periodicity, consistency, monetary measure, accrual, comparison, prudence, neutrality and content relevance.

Financial statements are prepared on the basis of accrual and going concern principles. According to the accrual principle the impact of transactions and other events is acknowledged when it occurs and is registered in accounting records and presented in the financial statements of the related period. Additionally, financial statements are prepared under assumption that the Company has no 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. Amortization is calculated following the straight-line method. Useful life period and amortization method are both reviewed at the end of every reporting period with prospective execution of any changes in accounting evaluation.

The following intangible asset groups and useful life periods are determined:

Non-current intangible asset group	Useful life period
Computer software	3 years
Other intangible assets	4 years

Non-current Tangible Assets

Non-current tangible assets are assets that the Company manages and controls, from which the Company expects economic benefit in the future periods, which shall be used for over one year, acquisition (production) cost of which can be reliably measured and the value of which is higher than the determined minimal asset value for that group.

Non-current tangible assets are recognized at acquisition (production) cost less accumulated depreciation and accumulated losses of impairment in value, if they exist.

Depreciation of non-current tangible assets is calculated following the straight-line method. Liquidation value is determined and is equal to EUR 0,29.

Assets with acquisition value higher than EUR 144,81 and useful life period longer than one year are capitalized. Mobile phones are recognized as non-current assets only in cases, where their value exceeds EUR 434,43.
The following useful life periods on the basis of asset groups are determined:

Non-current tangible assets group	Useful life period (in years)
Mobile phones	3 years
Plant and machinery	10 years
Inventory, furniture	6 years
Transport means	6 -10 years
Cargo vehicles	4 years
Computer hardware and means of connection	3 years
Other tangible assets	4 years

At the end of each year the Company reviews non-current asset useful life periods, balance values and depreciation methods and evaluates the impact of change, if it exists, and recognizes it prospectively.

Repair and maintenance costs related to non-current tangible assets already in the exploitation are added to the book value of non-current tangible assets, if they prolong the asset's useful life period or improve its beneficial features. All other incurred repair costs are recognized as costs in the profit (loss) statement at the time they are incurred.

Repair costs on leased assets and/or assets exploited under the beneficial-use contract, which prolong the useful life period of leased asset or improve the beneficial features, are attributed to the asset and are recognized as costs during the remaining lease period.

Assets acquired under financial lease are depreciated applying the same useful life periods as applied to owned assets.

Profit earned or losses incurred after the transfer of non-current tangible asset are recognized in the profit (loss) statement of the same year.

Inventories

Inventories are recognized at net cost or net realizable value, depending on which one is lower. Net realizable value is recognized at sales price under regular business conditions less calculated production completion costs and possible selling costs.

Net cost of inventories includes costs of acquisition, transportation and preparation for sale. Net cost of spare parts is calculated following the FIFO method, large technique method of specific prices. When calculating the net cost of goods, the Company includes part of received discounts for yet unsold goods acquired from suppliers.

Inventories in transit are recognized when the risks and rewards of ownership have been transferred to the Company.

Inventories are managed by dividing them into machinery and spare parts. If the inventories are in stock for over than 4 years it is devaluated by 20 per cent, those stored for over 5 years by 50 per cent and those in storage for over 6 years by 100 per cent.

Loans and Amounts Receivable

Trade receivables, loans and other amounts receivable under fixed instalments or instalments calculated following the determined method and which are not traded in active market are recognized as Loans and Amounts Receivable.

Initially loans and amounts receivable are recognized at acquisition cost and in subsequent periods are accounted for at amortized cost applying the effective interest rate method less any losses of impairment in value. Interest income is recognized applying the effective interest rate method, except for current amounts receivable, as recognition of their interest would be insignificant.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash on the way and cash in bank accounts, and other current and very liquid investments of up to three months (from the date of the contract), which can be readily convertible into known amounts of cash, and which are subject to insignificant risk of changes in value.

Financial Assets

Financial assets are stated at cost basis. Direct acquisition costs are included in the cost of a financial asset.

Impairment in the Value of Financial Assets

Financial assets are evaluated at each date of financial statements to determine whether indications of impairment in value exist. It is considered that the value of financial asset decreases when objective factors exist in a form of an outcome of one or several events that took place after initial recognition of financial asset and which influenced expected future cash flows from financial asset.

The book value of total financial assets is directly reduced by calculated losses of impairment in value. The sole exception is trade receivables the book value of which is reduced through the provisions account. When the trade receivable is irrecoverable, its amount is written off through provisions account. Previously written off, but recovered amounts reduce the provisions account. Changes in book values of provisions are recognized as profit or loss.

If the amount of losses of impairment in value for subsequent periods decreases and that decrease can be objectively linked to an event, which occurred after the losses of impairment in value were recognized, the previously recognized losses of impairment in value are restored through profit or loss, but only until the book value of investment on the day of reversing the losses of impairment in value does not exceed the amortized cost, which would have existed, if the losses of impairment in value would not have been recognized in the previous periods.

Effective Interest Rate Method

Effective interest rate method is a method applied to distribute the amortized cost estimate of financial assets and liabilities and interest income and costs within a respective period. Effective interest rate is an interest rate that accurately discounts estimated future cash flows (including all paid or received taxes, which are integral part of effective interest rate, transaction costs and other payments or discounts) to net initial recognition book value within the foreseen period of financial assets and liabilities or (if applicable) within a respective period that is shorter.

Deferred costs

Deferred costs are occurred when the company on the current and prior periods paid the coming periods continuing services which amount will be uniformly recognized as an expense in future periods when incurred.

Equity Capital and Reserves

Equity capital of the Company includes paid-up part of the authorized capital, share premium, legal reserve, revaluation reserve and retained profit (loss).

Ordinary registered shares are measured at their par value. Amount received for sold shares exceed of their nominal value is presented as share premium. Additional costs related to new share emission reduce share premium. Any profit or loss related to sale, emission or annulment of own shares is not recognized in the income statement.

According to the Law on Companies of the Republic of Lithuania the legal reserve must amount to 1/10 of the authorized capital. If the legal reserve is insufficient, 1/20 of net profit is to be attributed until the required amount is reached. The amount which exceeds the amount of stated legal reserve can be redistributed when distributing the profit of the Company. If a legal reserve is used to cover the losses of the Company, it must be formed again.

The account of retained profit (loss) includes accumulated and not yet distributed profit or not yet covered losses for the current and previous reporting periods.

Profit appropriation is registered in the accounting records of the Company when the owners pass a respective decision to distribute the profit, i.e., at the date of the shareholder meeting regardless of the profit earning period.

Financial liabilities

Financial liabilities are recorded in the accounting when the Company assumes an obligation to pay cash or settle other financial assets. Payables for goods and services are measured at cost, i.e., the value of the assets or services received. At the beginning of the loan, they are stated at cost and subsequently measured at amortized cost. Accrued interest is accounted for in other items payable.

Financial liabilities include payables for goods and services received, loans and finance lease liabilities.

Current liabilities are liabilities that must be settled within one year from the balance sheet date.

Income

Income is recognized on the basis of accrual principle, i.e., registered in the accounting records when it is earned, irrespective of money receipts. Income is measured at fair value taking into consideration granted and planned discounts as well as returns and write-downs of sold goods.

Sales revenue is recognized, registered in accounting records and presented in the financial statements when the goods are sold, and the income amount is reliably evaluated. Income from rendered services is recognized, registered in accounting records and presented in the financial statements when the transaction is completed, and the amount of income and expenses related to the service transaction and its completion can be measured reliably.

Profit from used non-current asset transfer and other income not related to the operating activity of the Company and received from third parties, excluding financing activity income and extraordinary gain, are attributed to the income from other activities.

Positive result of changes in currency exchange rates, received interest, fines and interest on overdue payments covered by clients, received dividends, reversal of investment value impairment is all considered to be income from financing activity.

Costs

Costs are recognized in the accounting records following accrual and comparison principles in the reporting period, during which the related income is earned, irrespective of the time the money was spent. Expenses, which are not related to the income earned in the reporting period, but intended for income earning in the future periods, are registered in the accounting records and presented in the financial statements as the assets.

Cost of sales comprises expenses incurred during the current reporting period and related to goods sold and services rendered during the current period. This account includes only that part of costs, which is related to products, goods sold, and services rendered during the reporting period.

Operating costs comprise expenses incurred during the current period and related to the operating activities of the Company and providing the basis for reporting period income earning, but they do not depend on the amount of sold products, goods and services. Operating costs are recognized, registered in the accounting records and presented in the financial statements of the reporting period they are incurred in. Depreciation of buildings, insurance, salaries of employees in administration, advertising, business trips, stationaries, car exploitation, press subscription, staff training costs and other costs, not attributable to costs from other activities and (or) financing activities, are included in operating costs.

Losses incurred from sold used non-current assets and other costs, which are not related to the operating activity of the Company but are incurred when earning the income from other activities, are attributable to the costs from other activities.

Negative result of changes in currency exchange rates, paid fines and interest on overdue payments, interest and liability fees related to financial payables and impairment in investment value are all considered to be expenses from financing activities.

Accrued costs

Amounts recognized in the period of the current and previous periods for the continuing services received as an expense of the company, for which the company has undertaken to pay in future periods.

During the reporting period and previous reporting periods, the cost of sales recognized in respect of sales of goods under which the company has undertaken to pay in future reporting periods.

Accounting for Lease

Lease is recognized as financial lease when according to the lease terms basically all risk and benefit attached to the ownership of an asset is transferred. All other leases are classified as operating lease.

The Company acting as a Lessee
Assets leased under financial lease are initially recognized as Company's assets in the value equal to the fair value of leased assets at the beginning of the lease or, if lower, current value of minimal lease instalments. Respective lessor's liability is presented in the balance sheet as financial lease liability.

Lease instalments are distributed between financial costs and coverage of unpaid liabilities to reflect the permanent indicator of return on liability on the basis of non-covered liability balance. Financial costs are immediately recognized as profit or loss. Non-fixed lease charges are recognized as costs of the period when they are incurred.

Foreign Currency

Transactions in foreign currency are presented in Euro applying the official currency rate announced by the Bank of Lithuania on the day of transaction, which is approximately equal to market rate. At the end of each reporting period monetary items denominated in foreign currency are converted on the basis of the rate on that day.
Non-monetary items denominated in foreign currency and recognized at fair value are converted applying the interest rate of the day when the fair value was determined. Non-monetary items recognized at acquisition cost and expressed in foreign currency are not converted.
Monetary assets and liabilities are converted into Euro applying the rate on the financial statements date. Income and costs incurred due to changes in currency rates when converting monetary assets or liabilities into Euro are included into profit (loss) statement of the reporting period.

Income Tax

Income tax costs reflect the amount of payable current year tax and deferred tax.

Current Year Tax
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 both 2023 and 2022 an income tax rate of 15 per cent is applicable to the Company.

Deferred Tax
Deferred tax is recognized on the basis of temporary differences between the book values of assets and liabilities in the financial statements and their respective tax basis. Deferred tax liabilities are recognized as a total for all temporary differences and deferred tax assets are only recognized in a part that will likely reduce the current taxable profit in the future when realizing temporary differences. Those assets and liabilities are not recognized, if temporary differences are related to goodwill or if assets or liabilities recognized in the course of transaction (other than business merger) do not affect either taxable, or financial income.

Financial Risk Management Policy

Credit Risk

The Company is not subject to significant credit risk concentration, as it is distributed among a big number of buyers.

Credit risk related to funds in the banks is limited, as the Company pursues transactions with banks that have sufficient credit ratings attributed by foreign rating agencies.

Interest Rate Risk
The Company borrows funds under fixed and varied interest rates. The Company manages the risk by maintaining an appropriate combination of loans with fixed and varied interest rates.

As of December 31, 2023 and December 31, 2022 the Company did not apply any derivative financial instruments with the purpose to manage the risk of interest rate fluctuations.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient reserves, banking services and reserve credit instruments, constantly monitoring actual and forecasted cash flows and coordinating return terms for financial assets and liabilities.

The policy of the Company is to maintain enough cash and cash equivalents or to secure financing in credit lines of respective quantities seeking to fulfil liabilities foreseen in strategic plans.

Foreign Currency Risk

Most of the Company's transactions concluded within the financial year ended on 31 December 2023, 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.

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Notes

1. Non-current Intangible Assets

Items	Computer software	Other intangible assets	Total
Acquisition value			
December 31, 2021	12 410	15 546	27 956
Acquired			---
Written-off (-)			
Reclassifications			---
December 31, 2022	12 410	15 546	27 956
Acquired			---
Written-off (-)			
Reclassifications			---
December 31, 2023	**12 410**	**15 546**	**27 956**
Accumulated amortization			
December 31, 2021	12 405	15 545	27 950
Calculated for the period			---
Written-off (-)			
Reclassifications			---
December 31, 2022	12 405	15 545	27 950
Calculated for the period			---
Written-off (-)			---
Reclassifications			---
December 31, 2023	**12 405**	**15 545**	**27 950**
Balance value			
December 31, 2021	**5**	**1**	**6**
December 31, 2022	**5**	**1**	**6**
December 31, 2023	**5**	**1**	**6**

As of December 31, 2023 and December 31, 2022 the Company did not operate any intangible assets received free-of-charge.

Acquisition cost of fully amortized non-current intangible assets still used in Company's operations concluded to 27 955 EUR as of December 31, 2023 and 27 955 EUR as of December 31, 2022.

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
Acquisition value							
December 31, 2021	46 200	432 167	1 678 829	795 095	549 813	37 661	3 539 765
Acquired	1 252 772	---	307 322	94 868	76 474	144 351	1 875 787
Written-off (-)	---	---	-773 550	-20 576	-58 503	---	-852 629
Reclassifications							
December 31, 2022	1 298 972	432 167	1 212 601	869 387	567 784	182 012	4 562 923
Acquired	12 000	---	1 418 768	291 559	72 658	198 006	1 992 991
Written-off (-)	---	---	-785 024	-39 936	-4 883	---	-829 843
Reclassifications							
December 31, 2023	**1 310 972**	**432 167**	**1 846 345**	**1 121 010**	**635 559**	**380 018**	**5 726 071**
Accumulated depreciation							
December 31, 2021		102 308	389 949	352 392	411 073	34 120	1 289 842
Calculated for the period	---	34 745	160 556	120 177	66 515	1 861	383 854
Written-off (-)	---	---	-259 211	-20 576	-49 334	---	-329 121
Transferred from item to item							
December 31, 2021		137 053	291 294	451 993	428 254	35 981	1 344 575
Calculated for the period	---	34 746	153 794	168 144	70 240	---	426 924
Written-off (-)	---	---	-137 880	-38 245	-4 881	---	-181 006
Reclassifications							
December 31, 2023		**171 799**	**307 208**	**581 892**	**493 613**	**35 981**	**1 590 493**
Balance value							
December 31, 2021	**46 200**	**329 859**	**1 288 880**	**442 703**	**138 740**	**3 541**	**2 249 923**
December 31, 2022	**1 298 972**	**295 114**	**921 307**	**417 394**	**139 530**	**146 031**	**3 218 348**
December 31, 2023	**1 310 972**	**260 368**	**1 539 137**	**539 118**	**141 946**	**344 037**	**4 135 578**

No indications of impairment in the value of non-current tangible assets were detected.

As of December 31, 2023, and December 31, 2022 the Company did not operate any tangible assets received free-of-charge.

Depreciation of Company's non-current tangible assets was recognized in the profit (loss) statement, item of comprehensive costs and amounted 426 924 EUR (2022 m. 383 855 EUR).

As of 31 December 2023, the building is pledged to Swedbank AB as a guarantor for the repayment of the investment loan received. The pledge ends on May 31, 2024.

Depreciated Assets in Use

Asset group	Acquisition cost (EUR)
Transport	290 686
Plant and machinery	11 469
Other equipment	361 681
Total	**663 836**

Balance Value of Leased Assets

Asset group	2023.12.31.	2022.12.31.
Transport	428 305	309 550
Plant and machinery	---	---

3. Amounts Receivable after One Year

Amounts receivables from 2 to 5 years	2023.12.31.	2022.12.31.
Long-term investments		
Long - term trade receivables		
Advance deposit for rent	104 000	104 000
Loans granted to buyers		
Total:	**104 000**	**104 000**

As of 31 December 2023, receivables after one year consist of an advance deposit of EUR 104,000 under long-term lease agreements, which is not discounted as it will be credited for the last lease payments.

4. Deferred Income Tax Assets

Taxable and deductible temporary differences	Basis for deferred tax assets	Rate %	Deferred income tax assets
2023.12.31			
Holiday accumulations	2 504	15	376
Inventory devaluation	248 252	15	37 238
Devaluation of bad and doubtful debts	319 316	15	47 897
Total	**570 072**	**X**	**85 511**
2022.12.31			
Holiday accumulations	2 319	15	348
Inventory devaluation	168 869	15	25 330
Devaluation of bad and doubtful debts	379 195	15	56 879
Total	**550 383**	**X**	**82 557**

5. Inventories and Paid Advance Payments

Items	Raw materials and components	Goods for resale	Paid advance payments	Total
a) Acquisition cost of inventories				
At the end of previous financial year	12 314	10 987 052	175 260	11 174 626
At the end of financial year	15 680	13 265 658	59 386	13 340 724
b) Devaluation to net realizable value (reversal)				
At the end of previous financial year		175 169		175 169
At the end of financial year		249 454		249 454
c) Net realizable value at the end of financial year (a) - (b)	**15 680**	**13 016 204**	**59 386**	**13 091 270**
Differences in evaluation if LIFO method was applied				---
Value of pledged inventories		13 016 204		---
Inventories held by third parties				---

As of 31 December 2023, all goods in turnover were pledged to Swedbank, AB as a guarantee for liability fulfilment. The pledge ends on May 31, 2024. Non-moving inventories were devaluated following the accounting policy. Discounts received from suppliers at the end of the year were included in sales cost (reduction), but the value of inventories was not reduced as a result.

6. Costs of Future Periods

	2023.12.31	2022.12.31
Insurance	552 614	216 707
Subscription	422	279
Other costs of future periods	11 657	9 215
Total	**564 693**	**226 201**

7. Amounts Receivable within One Year

	2023.12.31.	2022.12.31.
Trade receivables	6 072 982	6 007 207
Provided loans	366 632	850 750
Accountable persons	24 814	2 634
Income tax receivable from the budget	---	---
Salary subsidy receivable	---	---
Other amounts receivable	226 941	1 237 828
Doubtful debts (-)	(319 316)	(379 195)
Total:	**6 372 053**	**7 719 224**

As of December 31, 2023, all amounts receivable are pledged to Swedbank, AB as a guaranty for loan coverage. The pledge ends on May 31, 2024.

8. Cash

	2023.12.31.	2022.12.31.
Cash in bank	747	2 397 864
Cash on hand	1 339	1 277
Total:	**2 086**	**2 399 141**

As of December 31, 2023 funds in bank accounts are pledged to Swedbank, AB as a guarantee for loan coverage. The pledge ends on May 31, 2024.

9. 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		
TOTAL:	**1 000 000**	**1 000 000**
2. State or municipal capital		
Own shares held by the company itself	(25 568)	(380 315)
Shares held by subsidiaries		

As of 31 December 2023, all shares were fully covered. Legal reserve is an obligatory reserve foreseen by the laws of the Republic of Lithuania. At least 5 per cent of net profit available for distribution is attributed to legal reserve annually until it reaches an amount equal to 10 per cent of authorized capital. It can be used solely to cover accumulated losses. As of 31 December 2022, legal reserve concluded to EUR 100.000 EUR (December 31, 2021 - 100 000 EUR).

10. Profit Appropriation Project

Items	Year	Amount (EUR)
Retained result – profit (loss)	2022.12.31.	6 182 284
Dividends 2022		(1 656 534)
Formed reserves to acquire own shares		(300 000)
Net financial year result – profit (loss) 2022		1 595 027
Result – profit (loss) – available for appropriation	2023.12.31.	5 820 777
Contributions by shareholders to cover losses		
Transferred from reserves		
Profit available for appropriation		5 820 777
Profit appropriation:		
- Reserves provided for by law		
- Increase of authorized capital		
- Dividends		
- Other		
Retained result – profit (loss)		5 820 777

11. Financial Payables

	2023.12.31.	2022.12.31.
Non-current payables (over 5 years)	**---**	---
Non-current payables (2 to 5 years)	**296 407**	**229 790**
Credit lines and loans (a)		
Lease liabilities (b)	296 407	229 790
Investment loan (c)		
Current liabilities	**5 022 734**	**86 080**
Credit lines and loans (a)	4 885 149	
Lease liabilities (b)	137 585	86 080
Investment loan (c)		
Amounts payable on the basis of bills of exchange		
Total:	**5 319 141**	**315 870**

(a) Swedbank overdraft unused (limit EUR 5 000 000), agreement expiration date of 31-05-2024. Information on pledged assets is provided in the section on non-current assets (Note 2), amounts receivable (Note 7), inventories (Note 5) and cash (Note 8).
(b) Leasing liabilities for Swedbank leasing, maturity date 2024-2028 years.

12. Other amounts payables and long-term liabilities

	2023.12.31.	2022.12.31.
Social insurance liabilities (a)	26 329	71 449
Liabilities under tax loan agreements (b)		
Total:	**26 329**	**71 449**

(a) The State Social Insurance Fund Board under the Ministry of Social Security and Labor has been granted a tax deferral until 15-07-2025.

13. Amounts Payable within One Year

	2023.12.31.	2022.12.31.
Amounts received in advance	54 104	664 439
Trade payables	7 183 804	9 508 020
Holiday accumulations	175 665	162 763
Social insurance liabilities	94 516	124 961
Income tax	60 923	343 624
Personal income tax liabilities	---	---
VAT liabilities	881 192	1 360 373
Liabilities to STI under tax loan agreements		
Other amounts payable	2 951	2 666
Total:	**8 453 155**	**12 166 846**

14. Accumulated Costs and Income from Future Periods

	2023.12.31.	2022.12.31.
Accumulated costs*	341 110	2 048 993

***** 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.

15. Income

	2023	2022
Income from sold services and goods	**35 180 439**	**42 688 312**
Income from sold goods	34 201 414	41 677 511
Income from provided services	979 025	1 010 801
Income from other activities	**111 503**	**131 350**
Profit from sold non-current assets	21 106	11 857
Other income	90 397	119 493

16. Costs

	2022	2021
Cost of sales	**28 319 499**	**34 363 537**
Cost of sold goods	28 319 499	34 363 537
Sales costs	**93 221**	**111 057**
Marketing costs	93 221	111 057
General and administrative costs	**4 833 518**	**4 430 227**
Rental costs	341 800	288 757
Salaries costs	2 856 503	2 644 593
Depreciation and amortization costs	426 924	383 855
Consulting costs	83 771	47 769
Car repair and maintenance costs	344 567	389 195
Other costs	779 953	676 058

17. Financing and Investing Activities

	2023	2022
Income	**197 834**	**147 543**
Interest	117 219	94 280
Fines and charges on overdue payments	80 595	53 117
Positive effect of changes in currency rates	20	146
Costs	**285 622**	**85 770**
Interest on received loans	179 994	19 699
Lease and factoring interest costs	25 013	9 433
Fines and charges on overdue payments	18 668	2 759
Negative effect of changes in currency rates	75	7
Other financial operating expenses	61 872	53 872
Results	**(87 788)**	**61 773**

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

18. Income Tax Costs

Income tax costs of the Company included declared income tax, which for 2023 concluded to EUR 285 923 (In 2022 – EUR 589 246). Also, the income tax income from the deferred tax asset is EUR 2 954 EUR (In 2022, the income tax income from the deferred tax asset amounted EUR 7 581).

19. Transactions with Management and Other Related Persons

The Managers of administration (3 persons) were paid EUR 256 749 of salary within 2023 (EUR 267 902 within 2022). The Managers owe EUR 30 000 to the Company. The Managers of administration received no other income, loans, guarantees or pay-outs.

The Board of the Company consists of three persons. During 2023 no loans, guarantees, other disbursements or accruals, or disposals of assets were made to a member of the company's board who is not an employee of the company.

20. 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 31-05-2024.

21. Contingent Liabilities

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

22. 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 Venslovienė