

Financial statements for period of
12 months of 2021
AB East West Agro
(unaudited)

BALANCE SHEET

ASSETS		Notes No.	2021.12.31	2020.12.31
A.	NON-CURRENT ASSETS		2 756 898	2 504 804
1.	INTANGIBLE ASSETS		6	2 012
1.1.	Development works			
1.2.	Goodwill			
1.3.	Computer software	1	5	878
1.4.	Concessions, patents, licenses, trademarks and similar rights			
1.5.	Other intangible assets	1	1	1 134
1.6.	Paid advance payments			
2.	TANGIBLE ASSETS		2 249 923	1 998 411
2.1.	Land	2	46 200	46 200
2.2.	Buildings and constructions	2	329 859	253 330
2.3.	Plant and machinery	2	1 288 880	1 352 652
2.4.	Transport means	2	442 703	173 204
2.5.	Other fixtures, fittings and tools	2	138 740	160 540
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	3 541	12 485
3.	FINANCIAL ASSETS		431 993	433 177
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		50 690	
3.8.	Amounts receivable after one year	3	381 303	433 177
3.9.	Other financial assets			
4.	OTHER NON-CURRENT ASSETS		74 976	71 204
4.1.	Deferred income tax assets	4	74 976	71 204
4.2.	Biological assets			
4.3.	Other assets			

ASSETS		Notes No.	2021.12.31	2020.12.31
B.	CURRENT ASSETS		21 422 489	17 681 504
1.	Inventories		8 909 646	8 332 236
1.1.	Raw materials, materials and components	5	3 853	2 274
1.2.	Production and work in progress			
1.3.	Production			
1.4.	Goods for resale	5	8 470 381	7 908 493
1.5.	Biological assets			
1.6.	Non-current tangible assets for resale			
1.7.	Paid advance payments	5	435 412	421 469
2.	AMOUNTS RECEIVABLE WITHIN ONE YEAR		9 079 640	8 953 150
2.1.	Trade receivables	7	7 783 766	7 753 277
2.2.	Receivables from Group's companies			
2.3.	Receivables from associates			
2.4.	Other amounts receivable	7	1 295 874	1 199 873
3.	Short-term investments		---	---
3.1.	Shares of the Group's companies			
3.2.	Other investments			
4.	CASH AND CASH EQUIVALENTS	8	3 433 203	396 118
C.	COSTS OF FUTURE PERIODS AND ACCUMULATED INCOME	6	327 252	142 310
	TOTAL ASSETS:		24 506 639	20 328 618

EQUITY AND LIABILITIES		Notes No.	2021.12.31	2020.12.31
D.	EQUITY CAPITAL		7 588 694	6 098 946
1.	CAPITAL		739 287	953 187
1.1.	Authorized (subscribed) or main capital	9	1 000 000	1 000 000
1.2.	Subscribed unpaid capital (-)			
1.3.	Own shares (-)		(260 713)	(46 813)
2.	SHARE PREMIUM		2 875 000	2 875 000
3.	REVALUATION RESERVE (RESULTS)			
4.	RESERVES		500 000	350 000
4.1.	Legal reserve or reserve capital	9	100 000	100 000
4.2.	To acquire own shares		400 000	250 000
4.3.	Other reserves			
5.	RETAINED PROFIT (LOSS)	10	3 474 407	1 920 759
5.1.	Reporting year profit (loss)		2 048 947	1 204 808
5.2.	Previous year profit (loss)		1 425 460	715 951
E.	GRANTS, SUBSIDIES			
F.	PROVISIONS		---	---
1.	Provisions for pensions and similar obligations			
2.	Tax provisions			
3.	Other provisions			
G.	AMOUNTS PAYABLE AND OTHER LIABILITIES		15 322 929	13 885 516
1.	AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER NON-CURRENT LIABILITIES		409 374	4 339 905
1.1.	Debt liabilities	11	292 805	1 562 368
1.2.	Payables to credit institutions	11		30 000
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	116 569	2 747 537

EQUITY AND LIABILITIES		Notes No.	2021.12.31	2020.12.31
2.	AMOUNTS PAYABLE WITHIN ONE YEAR AND OTHER CURRENT LIABILITIES		14 913 555	9 545 755
2.1.	Debt liabilities	11	110 316	67 810
2.2.	Payables to credit institutions	11	1 029 983	60 000
2.3.	Received advance payments	13	370 716	325 521
2.4.	Trade payables	13	8 486 423	5 176 985
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	352 611	26 905
2.9.	Liabilities related to employment	13	247 667	259 504
2.10.	Other amounts payable and current liabilities	13	4 315 839	3 628 886
H.	ACCUMULATED COSTS AND INCOME OF FUTURE PERIODS	14	1 595 016	344 156
	TOTAL EQUITY AND LIABILITIES:		24 506 639	20 328 618

PROFIT (LOSS) STATEMENT

Line No.	Items	Notes No.	2021	2020
1.	SALES REVENUE	15	35 567 254	29 430 416
2.	COST OF SALES	16	(29 240 342)	(24 533 743)
3.	CHANGE IN FAIR VALUE OF BIOLOGICAL ASSETS			
4.	GROSS PROFIT (LOSS)		6 326 912	4 896 673
5.	Sales costs	16	(101 688)	(75 029)
6.	General and administrative costs	16	(3 757 487)	(2 948 643)
7.	Results from other activities	15	117 835	14 871
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	96 753	180 542
11.	Impairment in the value of financial assets and short-term investments			
12.	Interest and similar costs	17	(238 640)	(671 000)
13.	PROFIT (LOSS) BEFORE TAX		2 443 620	1 397 414
14.	Income tax	18	(394 673)	(192 606)
15.	NET PROFIT (LOSS)		2 048 947	1 204 808

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, 2019	1 000 000	2 875 000	---	---	---	100 000	250 000	---	715 951	4 940 951
2 Result of changes in accounting policy										0
3 Result of material error corrections										0
4 Recalculated balance as of December 31, 2019	1 000 000	2 875 000	---	---	---	100 000	250 000	---	715 951	4 940 951
5 Correction of errors from previous year										
6 Increase (decrease) in the value of effective hedging instrument										---
7 Acquired (sold) own shares			(46 813)							(46 813)
8 Profit (loss) not recognized in the profit (loss) statement										---
9 Reporting period net profit (loss)									1 204 808	1 204 808
10 Dividends										---
11 Other payouts										---
12 Formed reserves										---
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, 2020	1 000 000	2 875 000	(46 813)	---	---	100 000	250 000	---	1 920 759	6 098 946

	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										---
19										---
20			(213 900)							(213 900)
21										---
22									2 048 947	2 048 947
23									(345 299)	(345 299)
24										---
25							150 000		(150 000)	---
26										---
27										---
28										---
29										---
30	1 000 000	2 875 000	(260 713)	---	---	100 000	400 000	---	3 474 407	7 588 694

STATEMENT OF CASH FLOWS (INDIRECT)

Line No.	Items	Notes No.	2021	2020
1.	Operating cash flows			
1.1.	Net profit (loss)		2 048 947	1 204 808
1.2.	Depreciation and amortization costs		384 722	410 919
1.3.	Elimination of results from transferred non-current tangible and intangible assets		(64 290)	7 391
1.4.	Elimination of results from financing and investing activities		142 151	490 678
1.5.	Elimination of other non-monetary items		2 460	
1.6.	Decrease (increase) in amounts receivable from Group's companies and associates			
1.7.	Decrease (increase) in other amounts receivable after one year		51 874	325 640
1.8.	Decrease (increase) in deferred income tax assets		(3 772)	100 937
1.9.	Decrease (increase) in inventories, excluding the paid advance payments		(563 467)	1 256 362
1.10.	Decrease (increase) in paid advance payments		(13 943)	(153 476)
1.11.	Decrease (increase) in trade receivables		(30 489)	(2 734 134)
1.12.	Decrease (increase) in receivables from the Group's companies and associates			
1.13.	Decrease (increase) in other amounts receivable		(64 804)	(703 883)
1.14.	Decrease (increase) in short-term investments			
1.15.	Decrease (increase) in costs of future periods and accumulated income		(184 942)	77 552
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		3 354 633	21 768
1.21.	Increase (decrease) in amounts payable within one year on the basis of bills of exchange and cheques		---	(382 387)
1.22.	Increase (decrease) in current payables to Group's companies and associates			
1.23.	Increase (decrease) in income tax liabilities		325 706	26 905
1.24.	Increase (decrease) in liabilities related to employment		(11 837)	73 562
1.25.	Increase (decrease) in other amounts payable and liabilities		(1 944 015)	5 712 427

Line No.	Items	Notes No.	2021	2020
1.26.	Increase (decrease) in accumulated costs and income of future periods		1 250 860	56 503
	Net operating cash flows		4 679 795	5 791 572
2.	Cash flows from investing activities			
2.1.	Acquired non-current assets (investments excluded)		(886 377)	(703 728)
2.2.	Transferred non-current assets (investments excluded)		674 238	689 630
2.3.	Acquired long-term investments		(50 690)	
2.4.	Transferred long-term investments			
2.5.	Provided loans		(724 695)	(661 329)
2.6.	Recovered loans		693 498	1 112 195
2.7.	Received dividends, interest		62 278	56 995
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		(231 748)	493 763
3.	Cash flows from financing activities			
3.1.	Cash flows related to shareholders		(559 198)	(46 813)
3.1.1.	Issued shares			
3.1.2.	Shareholders' contributions to cover losses			
3.1.3.	Own shares acquired		(213 900)	(46 813)
3.1.4.	Paid dividends		(345 298)	
3.2.	Cash flows related to other sources of financing		(852 028)	(5 848 658)
3.2.1.	Increase in financial payables		999 983	1 500 000
3.2.1.1.	Acquired loans		999 983	
3.2.1.2.	Issued bonds		---	1 500 000
3.2.2.	Decrease in financial payables		(1 852 011)	(7 348 658)
3.2.2.1.	Returned loans		(60 000)	(6 300 464)
3.2.2.2.	Acquired bonds		(1 500 000)	
3.2.2.3.	Paid interest		(177 884)	(549 017)
3.2.2.4.	Lease (financial lease) instalments		(114 127)	(499 177)
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		(1 411 227)	(5 895 471)
4.	Effect of changes in currency exchange rates on the balance of cash and cash equivalents		264	220
5.	Net increase (decrease) in cash flows		3 037 085	(390 084)
6.	Cash and cash equivalents at the beginning of the period		396 118	6 034
7.	Cash and cash equivalents at the end of the period		3 433 203	396 118

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 74, previous financial year average listed number of employees concluded to 69.

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 Business Accounting Standards valid on 01/01/2019.

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 intentions or necessity to be liquidated or to reduce the scope of operations significantly.

Non-current Intangible Assets

Non-current intangible assets are recognized at acquisition cost less accumulated amortization and losses of impairment in value. 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:

<u>Non-current intangible asset group</u>	<u>Useful life period</u>
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:

<u>Non-current tangible assets group</u>	<u>Useful life period (in years)</u>
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.

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.

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 2021 and 2020 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, 2021 and December 31, 2020 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 2021, were evaluated in Euro and therefore the Company avoids significant risk of foreign currency exchange.

Provisions

Provision is recognized when as a result of an event in the past the Company has a liability (legal or irrevocable) and it is probable that to fulfil it the Company will require resources that bring economic benefit, and the amount of that liability can be reliably measured.

An amount recognized in provision is the best estimate necessary to cover current reporting period liabilities considering risks and uncertainties arising from that liability. When a provision is recognized applying cash flows planned to cover liability, its book value is current value of those cash flows.

When it is expected that a part or a total of economic benefit required to cover provision will be recovered from a third party, a receivable amount is recognized as an asset, if it is certain that the compensation will be received, and an amount receivable can be reliably measured.

Related Parties

Related parties include shareholders, employees, board members, their next of kin and entities, which directly or indirectly through a mediator control the Company or are controlled separately or together with another party, which is also recognized as related party.

Events after the Balance Sheet Date

Events after the balance sheet date are economic events that take place between the balance sheet date and the date, on which the financial statements are prepared, presented for confirmation and signed by the head of the Company.

Events after the balance sheet date, which provide additional information concerning the Company's position on the financial statements date (events leading to adjustments), are reflected in the financial statements. Events after the balance sheet date, which are not leading to adjustment, are described in the notes, if their effect is material.

Notes

1. Non-current Intangible Assets

Items	Computer software	Other intangible assets	Total
Acquisition value			
December 31, 2019	29 259	16 760	46 019
Acquired			---
Written-off (-)			---
Reclassifications			---
December 31, 2020	29 259	16 760	46 019
Acquired			---
Written-off (-)	-16 849	-1 214	-18 063
Reclassifications			---
December 31, 2021	12 410	15 546	27 956
Accumulated amortization			
December 31, 2019	24 399	13 058	37 457
Calculated for the period	3 982	2 568	6 550
Written-off (-)			---
Reclassifications			---
December 31, 2020	28 381	15 626	44 007
Calculated for the period	870	1 131	2 001
Written-off (-)	-16 846	-1 212	-18 058
Reclassifications			---
December 31, 2021	12 405	15 545	27 950
Balance value			
December 31, 2019	4 860	3 702	8 562
December 31, 2020	878	1 134	2 012
December 31, 2021	5	1	6

As of December 31, 2021 and December 31, 2020 the Company did not operate any intangible assets received free-of-charge.

The amortization of Company's non-current intangible assets was recognized in the profit (loss) statement, item of comprehensive costs and amounted 2 002 EUR (6 550 EUR on year 2020).

Acquisition cost of fully amortized non-current intangible assets still used in Company's operations concluded to 27 955 EUR as of December 31, 2021 and 16 340 EUR as of December 31, 2020.

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, 2019	46 200	330 430	1 986 705	474 103	505 118	39 161	3 381 717
Acquired	---	---	595 329	51 298	57 101	---	703 728
Written-off (-)	---	---	-855 665	-7 231	-28 932	---	-891 828
Reclassifications							
December 31, 2020	46 200	330 430	1 726 369	518 170	533 287	39 161	3 193 617
Acquired	---	101 737	572 609	407 946	63 813	100 237	1 246 342
Written-off (-)	---	---	-620 149	-131 021	-47 287	-101 737	-900 194
Reclassifications							
December 31, 2021	46 200	432 167	1 678 829	795 095	549 813	37 661	3 539 765
Accumulated depreciation							
December 31, 2019	---	55 071	367 535	248 408	295 399	19 231	985 644
Calculated for the period	---	22 029	181 471	96 658	96 767	7 445	404 370
Written-off (-)	---	---	-175 289	-100	-19 419	---	-194 808
Transferred from item to item							
December 31, 2020	---	77 100	373 717	344 966	372 747	26 676	1 195 206
Calculated for the period	---	25 208	176 556	97 319	78 359	7 444	384 886
Written-off (-)	---	---	-160 324	-89 893	-40 033	---	-290 250
Reclassifications							
December 31, 2021	---	102 308	389 949	352 392	411 073	34 120	1 289 842
Balance value							
December 31, 2019	46 200	275 359	1 619 170	225 695	209 719	19 930	2 396 073
December 31, 2020	46 200	253 330	1 352 652	173 204	160 540	12 485	1 998 411
December 31, 2021	46 200	329 859	1 288 880	442 703	138 740	3 541	2 249 923

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

As of December 31, 2021 and December 31, 2020 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 382 720 EUR (2020 m. 404 369 EUR).

Depreciated Assets in Use

Asset group	Acquisition cost (EUR)
Transport	221 259
Plant and machinery	11 469
Other equipment	250 869
Total	483 597

Balance Value of Leased Assets

Asset group	2021.12.31	2020.12.31
Transport	374 236	86 529
Plant and machinery	---	---

3. Amounts Receivable after One Year

Amounts receivables from 2 to 5 years	2021.12.31	2020.12.31
Long-term investments	50 690	
Long - term trade receivables	183 768	198 344
Advance deposit for rent	104 000	104 000
Loans granted to buyers	93 535	130 833
Total:	431 993	433 177

Long-term trade receivables are undiscounted because they are due to delays in trade receivables and are ordered to be paid periodically each year when the crop is added, subject to court judgment. The company's management expects all the buyers' debt to be recovered. Trade receivables are pledged to Swedbank for a loan (Note 11).

Loans granted to buyers at market interest rates.

As of December 31 amounts receivable after one year include advance deposits from Oranžinis turtas, UAB ir Joldija NT, UAB in the amount of EUR 104 000 and on the basis of long-term lease contract. These amounts are not discounted because they will be credited as the lease payments.

4. Deferred Income Tax Assets

Taxable and deductible temporary differences	Basis for deferred tax assets	Rate %	Deferred income tax assets
2021.12.31			
Holiday accumulations	2 357	15	354
Inventory devaluation	139 414	15	20 912
Devaluation of bad and doubtful debts	358 069	15	53 710
Total	499 840	X	74976
2020.12.31			
Holiday accumulations	2 105	15	316
Inventory devaluation	146 298	15	21 945
Devaluation of bad and doubtful debts	326 291	15	48 943
Total	474 694	X	71 204

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	2 274	8 059 541	421 469	8 483 284
At the end of financial year	3 853	8 630 188	435 412	9 069 453
b) Devaluation to net realizable value (reversal)				
At the end of previous financial year		151 048		151 048
At the end of financial year		159 807		159 807
c) Net realizable value at the end of financial year (a) - (b)				
	3 853	8 470 381	435 412	8 909 646
Differences in evaluation, if LIFO method was applied				---
Value of pledged inventories		8 470 381		---
Inventories held by third parties				---

As of December 31, 2021 all goods in turnover were pledged to Swedbank, AB as a guarantee for liability fulfilment. The pledge ends on June 30, 2022. 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

	2021.12.31	2020.12.31
Insurance	324 660	137 252
Subscription	258	287
Other costs of future periods	2 334	4 771
Total	327 252	142 310

7. Amounts Receivable within One Year

	2021.12.31	2020.12.31
Trade receivables	8 141 836	8 079 569
Provided loans	409 031	340 536
Accountable persons	1 020	2 600
Income tax receivable from the budget	---	---
Salary subsidy receivable	---	31 248
Other amounts receivable	885 823	825 488
Doubtful debts (-)	(358 070)	(326 291)
Total:	9 079 640	8 953 150

As of December 31, 2021 all amounts receivable are pledged to Swedbank, AB as a guaranty for loan coverage. The pledge ends on April 27, 2022.

8. Cash

	2021.12.31	2020.12.31
Cash in bank	3 430 242	391 533
Cash on hand	2 961	4 585
Total:	3 433 203	396 118

As of December 31, 2021 funds in bank accounts are pledged to Swedbank, AB as a guarantee for loan coverage. The pledge ends on April 27, 2022.

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

As of December 31, 2021 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 at December 31, 2021 legal reserve concluded to EUR 100.000 EUR (December 31, 2020 - 100 000 EUR). In 2021, the company purchased 15 254 units of its own shares with a nominal value of EUR 1 for EUR 213 900 (2020 m. – 8 180 units for EUR 46 813).

10. Profit Appropriation Project

Items	Year	Amount (EUR)
Retained result – profit (loss)	2020.12.31	1 425 460
Net financial year result – profit (loss)		2 048 947
Result – profit (loss) – available for appropriation	2021.12.31	3 474 407
Contributions by shareholders to cover losses		
Transferred from reserves		
Profit available for appropriation		3 474 407
Profit appropriation:		
- Reserves provided for by law		
- Increase of authorized capital		
- Dividends		
- Other		
Retained result – profit (loss)		3 474 462

11. Financial Payables

	2021.12.31	2020.12.31
Non-current payables (over 5 years)	---	---
Non-current payables (2 to 5 years)	292 805	1 592 368
Credit lines and loans (c)		1 500 000
Lease liabilities (b)	292 805	62 368
Investment loan (a)		30 000
Current liabilities	1 140 299	127 810
Investment loan (a)	30 000	60 000
Credit lines and loans (c)	999 983	
Loan		
Lease liabilities (b)	110 316	67 810
Amounts payable on the basis of bills of exchange		
Total:	1 433 104	1 720 178

- (a) The rest of Investment loan received from Swedbank EUR 30.000, maturity date of 30-06-2022. Overdraft unused (limit EUR 1 500 000), agreement expiration date of 27-04-2022. Information on pledged assets is provided in the section on amounts receivable (Note 7), inventories (Note 5) and cash (Note 8).

(b) Leasing liabilities for Swedbank leasing, maturity date 2022-2026 years.

(c) Swedbank credit line of EUR 1 000 000 EUR to finance working capital, maturity date of 27-04-2022.

12. Other amounts payables and long-term liabilities

	2021.12.31	2020.12.31
Social insurance liabilities (a)	116 569	161 689
Liabilities under tax loan agreements (b)		2 585 848
Total:		2 747 537

(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.

(b) STI under the Ministry of Finance of the Republic of Lithuania has been granted a tax deferral until 25-12-2022, raised to short-term liabilities within one year.

13. Amounts Payable within One Year

	2021.12.31	2020.12.31
Amounts received in advance	370 716	325 521
Trade payables	8 486 423	5 176 985
Holiday accumulations	165 456	147 773
Social insurance liabilities	82 015	82 571
Income tax	352 611	26 905
Personal income tax liabilities	---	29 160
VAT liabilities	1 728 156	1 446 906
Liabilities to STI under tax loan agreements	2 585 848	2 181 259
Other amounts payable	2 031	722
Total:	13 773 256	9 417 801

14. Accumulated Costs and Income from Future Periods

	2021.12.31	2020.12.31
Accumulated costs	1 595 016	344 156

15. Income

	2021	2020
Income from sold services and goods	35 567 254	29 460 416
Income from sold goods	34 672 118	28 674 370
Income from provided services	895 136	756 046
Income from other activities	117 835	14 871
Profit from sold non-current assets	64 290	
Other income	53 545	14 871

16. Costs

	2021	2020
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Cost of sales	29 240 342	24 533 743
Cost of sold goods	29 240 342	24 533 743
Sales costs	101 688	75 029
Marketing costs	101 688	75 029
General and administrative costs	3 757 552	2 948 643
Rental costs	283 236	290 466
Salaries costs	2 005 707	1 397 180
Depreciation and amortization costs	384 722	410 919
Consulting costs	41 829	33 898
Car repair and maintenance costs	299 195	305 134
Other costs	742 863	511 046

The Company incurred EUR 2 094 010 salaries costs, which were reduced by a state salary subsidy of EUR 125 303.

17. Financing and Investing Activities

	2021	2020
Income	96 753	180 542
Interest	62 278	56 995
Fines and charges on overdue payments	34 211	123 327
Positive effect of changes in currency rates	264	220
Costs	238 640	671 000
Interest on received loans	172 790	514 571
Lease and factoring interest costs	5 095	34 446
Fines and charges on overdue payments	111	419
Negative effect of changes in currency rates		
Other financial operating expenses	60 644	121 564
Results	(141 887)	(490 458)

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 2021 concluded to EUR 398 445 (In 2020 – EUR 91 669). Also, the income tax income from the deferred tax asset is EUR 3 772 EUR (In 2020, the cost of deferred tax assets amounted EUR 100 937).

19. Transactions with Management and Other Related Persons

The Managers of administration (3 persons) were paid EUR 244 491 of salary within 2021 (EUR 238 314 within 2020). The Managers owe EUR 103 000 to the Company. The Managers of administration received no other income, loans, guarantees or pay-outs.

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 26-04-2023.

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.