

# EKOTECHNIKA

Unaudited  
Group Interim Financial Statement  
for the period  
from 1 October 2014 to 31 March 2015



## **TABLE OF CONTENTS**

1. Interim Group management report as per 31 March 2015
2. Consolidated statement of comprehensive income for the period from 1 October 2014 till 31 March 2015
3. Consolidated statement of financial position for the period ended 31 March 2015
4. Consolidated statement of changes in shareholders' equity for the period ended 31 March 2015
5. Consolidated cash flow statement for the period from 1 October 2014 till 31 March 2015
6. Notes for the period ended 31 March 2015

## **GROUP INTERIM REPORT AS AT 31 MARCH 2015**

### **1. Basic group information**

#### **Group business model**

The business activities of the Ekotechnika Group consist of dealing in all sorts of agricultural machinery. Its range of services includes machinery retail (advising customers, purchasing and sale), spare parts distribution and servicing. Russia is the group's sole sales market; some machines and spare parts are procured in West Europe or North America. A large proportion of the products are now manufactured by subsidiaries of foreign suppliers directly in Russia, or assembled and procured there. On the Russian market the group trades under the EkoNiva-Technika brand.

The group's main supplier is the world's largest and leading manufacturer of agricultural equipment, Deere & Company, from Moline, Illinois, USA. It is joined by other well-known suppliers such as JCB UK (telescopic handlers), Vaederstad (soil cultivation, seed drills), Grimme (potato harvesting technology) and others. Equally, the group is now a dealer of one of the most important suppliers for dairy farming. Major modern milk producers in Russia are served with the products and services of GEA Group Germany.

### **2. Economic report**

#### **2.1 General**

At the time of the compilation of the group interim financial statements, the Ekotechnika group is in a phase of financial and operational restructuring. This includes restructuring of the corporate bond issued in 2013 in accordance with the German Debenture Bond Act (SchVG). More information is provided in section 3 "Supplementary report".

#### **2.2 Overall economic and industry-specific outlook**

In 2014 the German economy grew by 1.8 percent on the previous year. Although the rate of growth was significantly higher than in the previous two years, economic momentum was rather weak in the view of the economic experts at the German Institute for Economic Research (DIW Berlin). After a strong first half of the year in 2015, Berlin's economic experts anticipate that the German economy will grow by 1.9 percent in 2015 and by 1.8 percent in the coming year.

Gross domestic product (GDP) in Russia still managed to grow in 2014 by an 0.6%, but the Russian government expects a decline in GDP in 2015. Based on an average oil price of 50 US dollars/barrel, the economics ministry forecasts a decline in GDP of 2.7%. Unemployment has so far remained at a low level of 5.3%.

The main interest rate for weekly central bank funds, which was 5.5 percent until March 2014, was raised gradually to 9.5 percent by the end of October 2014. In a single step the interest rate was raised to 17 % on 16 December 2014 – and was thus over 200 percent higher than at the beginning of the calendar year. In 2015 – the last time in the middle of June – the main interest rate was reduced four times and now lies at 11.5 %.

In the course of 2014 the ruble lost about 40% of its value compared to the euro. The foreign exchange loss to the US dollar in the same period was even almost 50%. The development of the exchange rate from ruble to euro was very volatile in the reporting period. While one euro cost 49.98 rubles/euro on 1 October 2014, the closing rate on 31 March 2015 was 63.37 rubles/euro. In the fourth quarter of 2014 volatility was very high, with figures of up to almost 100 rubles/euro within individual trading days. By mid-June 2015 the ruble strengthened again to about 61 rubles/euro. Inflation in Russia in 2014 was 7.8 %. Average inflation in Russia in 2015 is 16.3% so far.

## **Development in agricultural machinery retail**

Following the price-adjusted increase in revenue of five percent last year, global machine manufacturing is expected to rise by three percent this year. Due to growth in the Chinese economy slowing down, growth rates of under five percent will obviously become the norm again in the global machine manufacturing sector.

According to information from the VDMA, Germany exported machines at a value of € 36.6 billion in total in the first quarter of 2015; in Q1/2014 this figure was € 36.5 billion. The strongest stimulus in this sector came from business with the USA, which grew by 17.3 % on the previous year. Exports to Russia declined sharply, slipping by 28.4 %. Hence, in the list of the top export destinations for German machine manufacturing, Russia fell from 4<sup>th</sup> place in 2013 to 10<sup>th</sup> place in the current quarter.

## **2.3 Business development**

The company is not satisfied with the development in the first half of 2014/2015. All the revenue and earnings figures declined substantially. There was cause for optimism in the spare part and servicing segments and some progress in cost reduction. That being said, the result for the period is clearly negative, not least because of the massive currency upheaval in the reporting period.

As a key measure for stabilizing the company, in addition to the operational restructuring that has been ongoing for a while now, in March 2015 the executive management board decided together with the shareholder to restructure the corporate bond of EUR 60 million issued in May 2013. A procedure to this effect including consultation with the creditors is currently ongoing.

The main essence of the restructuring proposal is that the entire bond plus the accrued interest is converted into equity (debt-to-equity swap). That would be followed by a cash capital increase of the former shareholder, which would release about EUR 3 million of fresh capital.

On 6 March 2015 the shareholder decide to appoint Mr Stefan Dürr to Managing Director of Ekotechnika GmbH. On 9 March 2015 Ms Olga Ohly resigned from her post.

## **2.3 Current situation**

Retail in agricultural machinery in Russia is a very seasonal business. From October to February the business volume is very low, and the main sales take place between March and August, depending on the weather. In the reporting period this weak point was made worse by the devaluation of the ruble, which resulted in the machines become much more expensive for Russian farmers. Experience shows that this effect becomes more relative over time.

The comparative figures in the balance sheet of this group interim financial statement refer to 30 September 2014; in the statement of comprehensive income and the cash flow statement, the figures are compared with the period from 1 October 2013 to 31 March 2014. The figures for the previous year in the statement of changes in equity refer to the period from 1 October 2013 to 30 September 2014.

### **a) Income performance**

When comparing the revenue and income performance with the same period in the previous year, it is important to bear in mind that the change in the exchange rate has a significant impact. The average exchange rate for the ruble / euro in the reporting period was around 64.76 compared to 46.09 in the previous year.

The total revenue of the group in the reporting period was TEUR 45,781 (previous year TEUR 65,108), of which 62.6 % or TEUR 28,650 (previous year TEUR 48,185; 74%) came from the sale of agricultural machines. A significantly increased share of 28.6 % or TEUR 13,073 (previous year TEUR 13,376; 20.5 %) was achieved with the sale of spare parts. Sales of fuels and lubricants generated TEUR 1,116 (previous year TEUR 1,192). Servicing generated TEUR 1,215 (previous year TEUR 1,453).

Other operating income of TEUR 2,178 (previous year TEUR 2,131) mainly resulted from currency differences, material expenditure, and warranty reimbursements and from the sale of assets.

The main share of the expenditure was attributable to costs from machines sold (TEUR 23,154; previous year TEUR 39,590) as well as spare parts (TEUR 8,792; previous year TEUR 10,212).

Gross profit (revenue from sales minus the costs of the machines sold and spare parts and servicing) fell by about 16.1 % to TEUR 11,715 (previous year TEUR 13,964). Currency-adjusted (based on the previous year's exchange rate), the rise was approx. 17.8 %.

Personnel costs of TEUR 4,328 (previous year TEUR 7,536) are comprised of bonuses, social insurance contributions and other similar contributions alongside salaries and wages. The decline resulted from substantial personnel reductions as part of the operational restructuring as well as from currency effects. While on 1 October 2013 there were 756 employees, on 31 March 2015 there were just 545.

Depreciation of TEUR 1,176 (previous year TEUR 1,532) do not make up a big share of the overall costs.

Other operating expenses of TEUR 9,500 (previous year TEUR 8,113) were mainly made up of currency differences as well legal and consulting costs. The increase on the previous year is attributable solely to the currency effects. The other costs are diminishing – especially when one sees that extensive costs for the restructuring of the bond had already been posted by 31 March 15.

EBITDA (earnings before interest, tax and depreciation) is TEUR 65 (previous year TEUR 446), EBIT (earnings before interest and tax) amounts to TEUR -1,111 (previous year TEUR -1,086).

The financial result of TEUR -15,422 (previous year TEUR -11,893) is mainly due to the considerable increase in losses from currency differences of TEUR 9,172 (previous year TEUR 4,104). In contrast, interest expenditure fell to TEUR 6,384 (previous year TEUR 7,651). This led to earnings before tax of TEUR -16,533 (previous year TEUR -12,979). After tax expenditure of TEUR 296 (previous year: tax income TEUR 2,405), we have a net loss for the period of TEUR 16,829 (previous year TEUR 10,574 net loss).

## **b) Financial performance**

A department of OOO “EkoNivaTechnika-Holding” is responsible for the financial management of the company. The financial management is conducted in such a way that on the one hand the financing costs are kept as low as possible, and on the other all the companies in the group are able at all times to meet their liabilities on time. The continuous monitoring of interest rate and currency developments form an integral part of this financial management.

Documentary credits and bank guarantees are key instruments in the collaboration with suppliers.

## **c) Capital structure**

The group's own equity was already negative as of 30.09.2014 at TEUR -26,007, and fell much further into the red by 31.3.2015 to TEUR -50,585 an. Alongside the net result for the reporting period, other income is also responsible for this, since additional TEUR 7.749 of negative currency effects accumulated here.

The group's overall borrowed capital is TEUR 159,206 (previous year TEUR 173,675). The group's long-term financial liabilities – primarily the corporate bond issued in 2013 – amount to TEUR 58,494 (previous year TEUR 58,284). Short-term borrowed capital totaling TEUR 100,439 (previous year TEUR 114,136) is mostly made up of short-term borrowings of TEUR 50,692 (TEUR 64,962), liabilities to suppliers of TEUR 35,494 (previous year TEUR 31,844), advances received amounting to TEUR 6,183 (previous year TEUR 5,784) and other short-term liabilities of TEUR 4,664 (previous year TEUR 7,178) .

#### **d) Investments**

Investments were reduced significantly owing to the crisis. Just one sum of approx. EUR 1 million (previous year 4.3 million) was invested in property, plant and equipment. The issuing and withdrawal of financial assets led to an outflow of EUR 2.9 million in balance, as in the previous year.

#### **e) Liquidity**

The operative cash flow before changes in net working capital in the reporting period was TEUR -313 (previous year TEUR -527). The reduction of trade receivables as well as the increase in supplier liabilities each had a positive effect on cash flow. This generated a cash inflow from operations of TEUR 20,787 (previous year TEUR 25,304). After the payment of tax and interest, the operative cash flow is TEUR 18,867 (previous year TEUR 20,152).

The company received TEUR 51,266 (previous year TEUR 78,494) via external financing. After accounting for repayments to loans of TEUR 64,932 (previous year TEUR 93,727), the net cash flow from financing activity amounts to TEUR 13,716 (previous year TEUR 15,768).

#### **f) Assets situation**

The exchange rate ruble/euro has deteriorated significantly between 30.09.2014 and 31.03.2015. As per 30.09.2014 one euro was 49,98 ruble while at 31.03.2015 this value was 63,37 ruble. This development has an impact on almost any balance-sheet positions, which are originally posted in Russian ruble and are transferred into euro in the course of preparing the group financial statement.

Approx. 28.8 % (TEUR 31,286; previous year TEUR 32,663, approx. 22.1 %) of the balance sheet total of TEUR 108,621 (previous year TEUR 147,668) is long-term. These are mainly comprised of property, plant and equipment (TEUR 23,517; previous year TEUR 30,977).

Following the write-down of the business or company value as of 30.09.2014, intangible assets are no longer significant.

Regarding property, plant and equipment, the main assets are buildings (incl. assets under construction and advance payments made) and the accompanying land. These items total TEUR 21,260 (previous year TEUR 26,799).

Two-thirds of short-term assets with a value of TEUR 77,335 (previous year TEUR 115,005) are comprised of inventory stocks (TEUR 49,543; previous year TEUR 57,800) – machines and spare parts for selling to customers. This item is falling despite the seasonal development, and this is mainly attributable to currency effects but also the management board's cautious ordering policy. The executive management continues to work on diminishing the stocks, both to reduce the risks and financing costs, and to improve the balance sheet structure. Trade receivables have almost halved. Exchange rates and seasonal factors also play a role here.

### **3. Supplementary report**

At the end of the reporting year the exchange rate of the ruble had improved slightly by the preparation date and climbed from 63.37 rubles/euro on 31 March 2015 to approx. 61 rubles/euro at the end of June 2015.

Owing to the afore-mentioned considerable negative developments in the 2013/2014 financial year and in the first few months of the new financial year, on 10 March 2015 the management board decided together with the shareholder to carry out a restructuring of the corporate bond issued in 2013.

On 6 May 2015 the second creditors' meeting was held in Walldorf, since the so-called first creditors' meeting (vote without a meeting) did not constitute a quorum. In the second creditors' meeting the required majority of the bondholders agreed to the key points of the company's financial restructuring. The restructuring will proceed according to the following steps:

- Decrease in share capital with a ratio of 25:1. That means the share capital is reduced from TEUR 2,025 to TEUR 81.
- Conversion of the nominal value of the corporate bond as well as the interest accrued into equity. In the course of this measure, the share capital is increased by TEUR 1,539 to TEUR 1,620 by bringing in the corporate bonds as fixed assets.
- This is followed by a cash capital increase of TEUR 1,520 to TEUR 3,140. The cash capital increase is completed by Ekotechnika Holding GmbH, which injects TEUR 3,040 into the company to this end.

The implementation of these measures creates the right conditions for Ekotechnika GmbH and for the whole group to take the company's development forward based on a solid balance sheet.

### **Safeguarding the restructuring plan**

In order to safeguard the implementation of the restructuring plan, the bondholder meeting of 6 May 2015 also agreed to a deferral of the interest claims due on 10 May 2015 and the temporary suspension of termination rights.

### **Execution of the restructuring plan**

The implementation and the taking into effect of the measures described above depend on various requirements and conditions being fulfilled. The fundamental requirement, that the bondholders approve the measures described, has been met as of the bondholder meeting of 6 May 2015.

By the time the contestation period for the resolutions passed at the bondholders meeting expired on 11 June 2015, three complaints had been received by the Heidelberg district court against the effectiveness of the resolutions bondholders meeting of 6 May 2015.

The company plans to file a petition with the Karlsruhe higher regional court in accordance with Section 20 (3) sentence 4 of the German Debenture Bond Act (SchVG) and Section 246a of the Stock Corporation Act with the aim of determining that the filing of the complaints does not stand in the way of the execution of the contested resolutions and shortcomings in these resolutions do not affect the effectiveness of the execution ("**application for exemption**").

The management board commissioned the law firm GÖRG Partnerschaft von Rechtsanwälten mbB to examine the chances of success of an exemption application of this kind. Their report comes to the conclusion that an exemption application would be very likely (>50 %) to succeed. The management board comes to the same conclusion and considers the chances of success of a positive ruling by the Karlsruhe higher regional court to be very good.

In light of this, the management board considers it highly probable that the resolutions of the bondholder meeting of 6 May 2015 will be enforceable at once, probably at the beginning of the 2015/2016 financial year, with the result that the capital measures decided can be entered into the commercial register of the company.

The sole shareholder, Ekotechnika Holding GmbH, has already announced that it will draft the required shareholder resolutions (capital measures and change in legal form) as soon as the resolutions of the bondholders' meeting can be implemented. After that the management board will implement the resolutions of the bondholders and shareholders' meeting in line with the legal requirements as quickly as possible.

Overall, the management board considers that the successful implementation of the bond restructuring as decided by the bondholders' meeting of the Ekotechnika bond on 6 May 2015 is very probable (>50 %).

## **4. Non-financial performance indicators**

### **Employees**

The development of our group depends heavily on the employees, as well as technology, since the employees are in constant and direct contact with the customers, both for the sales of machines and spare parts and when they are servicing our customers machines, and are thus like the company's business card. For this reason, we focus a great deal of attention on finding, keeping and constantly developing the right staff. Our measures in this regard include regular training workshops on technical skills as well as personal development seminars. Attending trade fairs at home and abroad – also as an exhibitor – together with our customers is an integral part of our annual agenda. We travel to the most important trade fairs – such as Agritechnika in Hannover – with up to 100 customers, who are also looked after by our staff. In so doing we have ensured that our staff strongly identify with the company and our products.

## **5. Report on forecasts, opportunities and risks**

### **5.1. Forecasts**

#### **General economic outlook**

The development of the global economy appears positive at the moment, but the economic situation pertaining to Russia in particular is rather weak. The Ukraine crisis is still not over and it is not possible to say with any certainty what the effects of this will be.

#### **Development of the agricultural sector**

In contrast to the uncertainty regarding the development of the whole economy, the management board firmly believes in the positive outlook for the agricultural sector. Coupled with a certain volatility, most market observers assume that in the medium term prices for agricultural raw materials will be high, which should lead to rising demand for modern agricultural machinery. Russia still has not achieved the government's target of producing about 85 percent of all the important agricultural raw materials in Russia, which means that the positive underlying conditions for investments will remain in place – particularly after the experiences of the Ukraine crisis.

#### **Development of the Ekotechnika group**

As already outlined, the management is continuing to work on the operational group's restructuring, the cost structures and on improving the balance sheet structure. The recent months were still marked by significant uncertainty in the market. Despite the fact that a seasonal upturn has taken place, there is no considerable improvement against the business planning from today's perspective.

### **5.2. Risk report**

In the view of the company's management, the following factors are risks to the company's development:

**Restructuring:** As described in detail in chapter 3 of this status report, Ekotechnika GmbH is currently restructuring its corporate bond. Even if the management board and its legal consultants say that the probability that this restructuring will be implemented successfully is more than 50 %, there is the risk that this measure could fail. This could have a negative impact on the company, including the risk of insolvency.

**Financing possibilities and costs for customers of the group:** The financing for farming technology in Russia for our customers is mostly provided by Russian banks and other financing institutions. The general economic downturn, the sanctions imposed as a result of the Ukraine crisis, and, finally, the low oil price have had drastic effects on the financing possibilities in some cases, which has a negative impact on the financing activities of banks.

In December 2014 the Russian central bank raised the base interest rate to 17 percent. That is equivalent to an increase of 11.5 percentage points during the course of the 2014 calendar year. Since the subsidies for farmers have not risen to the same degree, the financing costs for them are



very high. At the same time, the costs of financing the working capital for the group rise. The central bank has reduced the interest rate until the end of June 2015 in several increments to 11.5 %.

**Exchange rate development:** The Russian ruble has lost a lot of value compared to the euro, but also the dollar, in the course of the reporting period. Whereas on 01.10.2014 one euro cost about 49.98 rubles, on 31.03.2015 it cost 63.37 rubles. In December 2014, there were exchange rates of up to almost 100 rubles per euro; the development of the ruble/US dollar was similar. This depreciation is negative for the majority of euro and dollar liabilities, since more rubles are necessary for the repayment. For more information please refer to the appendix, number 35.1 in the group financial statement of 30-09-2014. On the operational side, in theory the currency effects are passed on to the customer – but this is only actually possible to a limited extent. Even if this devaluation affects all manufacturers of tractors, since there is simply no comparable Russian tractor, price increases cannot be passed on to the end customers indefinitely.

**Oil price:** One factor that has a crucial impact on the exchange rates and the economic development in Russia is the oil price. By the time this report was written, the oil price had recovered from the all-time low it was at previously. But the oil price still lies well under the pre-crisis level, which has quite clear negative consequences for the Russian economy.

**Customer creditworthiness:** As already comprehensively outlined, the financing of agricultural machinery purchases is not easy for our customers presently. This applies both to new sales and, to some extent, existing customer receivables. The uncollectibility of receivables could have a negative impact on the income situation in the current business year.

**State subsidies for agricultural businesses:** As agricultural enterprises, the customers of the Ekotehnika group are to a certain degree dependent on state support in the form of direct grants and interest subsidies. It has become more difficult to plan for these as a consequence of the general conditions already discussed several times. If this situation deteriorates further, it could have an effect on the earnings of the group.

**Sales risk:** Machines for sale must be regularly ordered by the group about half a year before the sales season starts without there being many order from customers at this point. This means that the group ultimately bears the sales risk. In the current more volatile environment, this equals a liquidity and sales risk.

### **5.3. Risks threatening the existence of the group**

The dependence on whether the group manages to generate enough means of payment from its business activities to cover its liabilities represents a key factor of uncertainty regarding the group's ability to continue as a going concern. Based on the group's current plans and taking into consideration the lack of certainty associated with them, the management assumes at the time of the preparation of the 2014 group financial interim as per 31 March 2015 statement that the group will be in a position to supply itself with enough resources in the foreseeable future to continue its activities. This also includes the refinancing of bank loans that are due to be repaid in 2015 insofar as these exceed the resources generated from the operative business. The background to this is that the group companies use short-term loans from Russian banks. The large majority of these credit lines are regularly extended. The company management is assuming that this will be the case in future too. If contrary to the management's expectations the supply of financial resources from the operative business and via external financing is not possible, the consequence of this could be the company's inability to pay.

Owing to the developments relating to the balance sheet, the company currently finds itself in a phase of financial restructuring. The outcome of this process will be crucial for the continuation of the company. We refer here to our explanations in section 3. Supplementary report.

### **5.4. Opportunities report**

The company management envisages the following main opportunities:

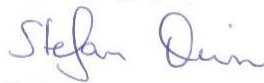
**Global development in agriculture:**

The upturn in global agricultural production and the accompanying segments remains stable – despite emerging volatilities. The growth in the world's population and changing eating habits due to increasing prosperity or the imitation of „western“ lifestyles are the main drivers of this. Energy generation from natural plant materials is also contributing to a permanent rise in demand. Agricultural technology makes a key contribution to expanding production and the increases in efficiency necessary to achieve this.

**Promoting investments in Russia:**

The Russian government has the medium-term goal of producing about 85 percent of all the important agricultural raw materials consumed in Russia domestically. To support this goal, investment incentives in the form of grants for purchasing and financing agricultural technology and granting farming businesses exemption from taxes on profits. These measures support the sales efforts considerably. A consequence of the Ukraine crisis and Russia's isolation in this regard will be that supporting Russian agricultural will become more important again.

Walldorf, 30 June 2015



Stefan Dürr  
Managing Director



Wolfgang Bläsi  
Managing Director

**Consolidated statement of comprehensive income for the period from 1 October 2014 till 31 March 2015 (not audited)**

	<b>Notes</b>	<b>01.10.14- 31.03.15 EUR'000</b>	<b>01.10.13- 31.03.14 EUR'000</b>
Revenues	[11]	45 781	65 108
Cost of goods and services sold	[13]	(34 066)	(51 144)
<b>Gross profit</b>		<b>11 715</b>	<b>13 964</b>
Other operating income	[12]	2 178	2 131
Payroll expenses	[14]	(4 328)	(7 536)
Depreciation, amortization and impairment		(1 176)	(1 532)
Other operating expenses	[15]	(9 500)	(8 113)
		<b>(12 826)</b>	<b>(15 050)</b>
<b>Operating profit</b>		<b>(1 111)</b>	<b>(1 086)</b>
Result of equity consolidation in associated companies		(61)	-
Financial income	[16]	1 750	827
Financial expenses	[16]	(17 111)	(12 720)
		<b>(15 422)</b>	<b>(11 893)</b>
<b>Loss before tax</b>		<b>(16 533)</b>	<b>(12 979)</b>
Income tax expense	[17]	(296)	2 405
<b>Loss for the year</b>		<b>(16 829)</b>	<b>(10 574)</b>
<u>Attributable to:</u>			
Parent company's shareholders		(16 829)	(10 573)
Non-controlling interests		-	(1)
<b>Other comprehensive loss for the year</b>			
<i>Items that may be classified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(7 749)	(5 311)
		(7 749)	(5 311)
<u>Attributable to:</u>			
Parent company's shareholders		(7 749)	(5 311)
Non-controlling interests		-	-
<b>Comprehensive loss for the year</b>		<b>(24 578)</b>	<b>(15 885)</b>
<u>Attributable to:</u>			
Parent company's shareholders		(24 578)	(15 884)
Non-controlling interests		-	(1)

**Consolidated statement of financial position for the period ended 31 March 2015 (not audited)**

<b>ASSETS</b>	<b>Notes</b>	<b>31.03.2015 EUR'000</b>	<b>30.09.2014 EUR'000</b>
<b>Non-current assets :</b>			
Intangible assets		62	38
Property, plant and equipment	[5]	23 517	30 977
Long-term loans issued	[7]	7 698	762
Investments in associates		9	72
Deferred tax asset		0	814
		<b>31 286</b>	<b>32 663</b>
<b>Current assets:</b>			
Inventories	[6]	49 543	57 800
Short-term loans issued	[7]	2 793	13 183
Trade receivables	[7]	18 119	33 189
Taxes receivable	[7]	409	408
Prepayments	[7]	1 947	2 778
Other financial assets	[7]	386	997
Other short-term assets	[7]	2 071	4 308
Cash and cash equivalents	[8]	2 067	2 342
		<b>77 335</b>	<b>115 005</b>
		<b>108 621</b>	<b>147 668</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Equity attributable to shareholders of parent company</b>			
Share capital		2 025	2 025
APIC		6 000	6 000
Foreign currency translation reserve		(18 099)	(10 350)
Retained Earnings		(23 681)	3 361
Current year profit		(16 829)	(27 042)
		<b>(50 584)</b>	<b>(26 006)</b>
Non-controlling interests		(1)	(1)
	[9]	<b>(50 585)</b>	<b>(26 007)</b>
<b>Non-current Liabilities:</b>			
Long-term borrowings	[10]	58 494	58 284
Other long-term liabilities		273	744
Deferred tax liability		0	511
		<b>58 767</b>	<b>59 539</b>
<b>Current liabilities:</b>			
Provisions		1 007	1 243
Short-term borrowings	[10]	50 692	64 962
Trade accounts payable	[10]	35 494	31 844
Income tax payable		0	204
Advances received	[10]	6 183	5 784
Other financial liabilities		2 399	2 921
Other short-term liabilities	[10]	4 664	7 178
		<b>100 439</b>	<b>114 136</b>
		<b>108 621</b>	<b>147 668</b>

**Consolidated statement of changes in shareholders' equity for the period ended 31 March 2015  
(not audited)**

	Share capital	Additional paid in capital	Foreign currency translation reserve	Retained earnings	Consolidated net profit/loss	Equity attributable to majority shareholder	Non- controlling interests	Total equity
<b>As of 30 September 2013</b>	<b>2 025</b>	<b>-</b>	<b>(4 907)</b>	<b>4 094</b>	<b>(733)</b>	<b>479</b>	<b>-</b>	<b>479</b>
<i>Reclassification s</i>	-	-	-	(733)	733	-	-	-
<i>Loss for the year</i>	-	-	-	-	(10 574)	(10 574)	-	(10 574)
<i>Other comprehensive loss</i>	-	-	(5 311)	-	-	(5 311)	-	(5 311)
<i>Total comprehensive loss</i>	-	-	(5 311)	(733)	(9 841)	(15 885)	-	(15 885)
<b>As of 31 March 2014</b>	<b>2 025</b>	<b>-</b>	<b>(10 218)</b>	<b>3 361</b>	<b>(10 574)</b>	<b>(15 406)</b>	<b>-</b>	<b>(15 406)</b>
<b>As of 30 September 2014</b>	<b>2 025</b>	<b>6 000</b>	<b>(10 350)</b>	<b>3 361</b>	<b>(27 043)</b>	<b>(26 006)</b>	<b>(1)</b>	<b>(26 007)</b>
<i>Capital increase</i>	-	-	-	-	-	-	-	-
<i>Reclassification s</i>	-	-	-	(27 043)	27 043	-	-	-
<i>Loss for the year</i>	-	-	-	-	(16 829)	(16 829)	-	(16 829)
<i>Other comprehensive loss</i>	-	-	(7 749)	-	-	(7 749)	-	(7 749)
<i>Total comprehensive loss</i>	-	-	(7 749)	(27 043)	10 214	(24 578)	-	(24 578)
<b>As of 31 March 2015</b>	<b>2 025</b>	<b>6 000</b>	<b>(18 099)</b>	<b>(23 682)</b>	<b>(16 829)</b>	<b>(50 584)</b>	<b>(1)</b>	<b>(50 585)</b>

**Consolidated cash flow statement for the period from 1 October 2014 till 31 March 2015 (not audited)**

	<b>01.10.14- 31.03.15 EUR'000</b>	<b>01.10.13- 31.03.14 EUR'000</b>
<b>OPERATING ACTIVITIES</b>		
Loss for the year	(16 829)	(10 574)
Amortization, depreciation and impairment of non-current assets	1 176	1 545
Loss/(gain) on disposal of property, plant and equipment	(245)	(37)
Net foreign exchange gains / (losses), net	9 172	4 104
Loss/(gain) on associated companies	61	-
Provision on loans issued	548	-
Interest expense	6 384	7 651
Interest income	(876)	(811)
Income taxes recognized in profit or loss	296	(2 405)
<b>Operating profit before changes in working capital and provisions</b>	<b>(313)</b>	<b>(527)</b>
Change in inventories	(3 894)	(25 410)
Change in trade receivables and prepayments	10 813	9 245
Change in other receivables and assets	2 465	(239)
Change in trade payables and advances received	12 030	46 257
Change in other liabilities	(314)	(4 022)
<b>Cash flows from operations before income taxes and interest paid</b>	<b>20 787</b>	<b>25 304</b>
Income taxes paid	(222)	(976)
Interest paid	(2 813)	(4 646)
Interest received	1 115	470
<b>Cash flows from operating activities</b>	<b>18 867</b>	<b>20 152</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	534	1 343
Acquisition of property, plant and equipment	(999)	(4 318)
Acquisition of intangible assets	(76)	-
Cash used in issuance of other financial assets	(12 173)	(10 864)
Proceeds from settlement of other financial assets	9 312	8 152
<b>Cash flows from investing activities</b>	<b>(3 402)</b>	<b>(5 687)</b>
<b>FINANCING ACTIVITIES</b>		

Proceeds from borrowings	51 266	78 494
Repayment of borrowing	(64 932)	(93 727)
Payment of finance lease liabilities	(50)	(535)
<b>Cash flows from financing activities</b>	<b>(13 716)</b>	<b>(15 768)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1 749</b>	<b>(1 303)</b>
Cash and cash equivalents at beginning of year	<b>2 342</b>	<b>4 712</b>
Effect of exchange rate fluctuations on cash and cash equivalents	(2 024)	4 174
Cash and cash equivalents at end of year	<b>2 067</b>	<b>7 583</b>

## **NOTES TO THE GROUP INTERIM FINANCIAL STATEMENT FOR THE PERIOD FROM 1 OCTOBER 2014 TO 31 MARCH 2015**

### **1. Company information**

The Group interim consolidated financial statements for the six months ended 31 March 2015 were authorized for issue in accordance with a resolution of the company's management on 30 June 2015.

Ekotechnika GmbH (also referred to below as “the corporation” or “parent company”) voluntarily issues consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) based on Section 315a of the German Commercial Code (HGB). The parent company and its subsidiaries are referred to below as the “Group”.

The corporation is domiciled in the Federal Republic of Germany and its subsidiaries are domiciled in the Russian Federation. The parent company has its main business offices at Johann-Jakob-Astor-Str. 49, 69190 Walldorf, Germany.

The Group has leading positions in the area of farm machinery supplies and servicing; it is one of the largest dealers of John Deere in the Russian Federation and overall in Europe. It is also the official representative of such manufacturers of agricultural machines as Vaderstad, JCB, Lemken, Poettinger, Kverneland, GEA and AGI.

### **2. Basis for preparing the balance sheet and the change of accounting methods**

#### **Basis for preparing the balance sheet**

The interim consolidated financial statements for the six months ended 31 March 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited annual financial statements as at 30 September 2014.

The consolidated interim financial statements are presented in Euros and all values are rounded to the nearest thousand (EUR thousand), except when otherwise indicated.

The Group interim consolidated financial statements dated 31 March 2015 were not subjected to checking or review by a German public auditor.

#### **New accounting regulations**

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 September 2014, except for the adoption of new standards and interpretations effective as of 1 October 2014.

In addition to the standards and interpretations considered for 30 September 2014, the following standards and interpretations were applied for the first time, which had no effect on the Group interim consolidated financial statement.

*Amendments to IAS 19 Defined Benefit Plans: Employee Contributions* IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.



Annual Improvements 2010-2012 Cycle These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

#### *IFRS 2 Share-based Payment*

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition.
- A performance target must be met while the counterparty is rendering service.
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group.
- A performance condition may be a market or non-market condition.
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

This amendment is not relevant to the Group, since none of the entities within the Group has share-based payments.

#### *IFRS 3 Business Combinations*

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). This is consistent with the Group's current accounting policy, and thus this amendment does not impact the Group's accounting policy.

#### *IFRS 8 Operating Segments*

The amendments are applied retrospectively and clarify that:

„An entity must disclose the judgments made by management in applying the aggregation criteria in Paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'„. The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

The Group has not applied the aggregation criteria in IFRS 8.12. The consolidation is not reported to the chief operating decision maker, so this amendment is not relevant to the Group.

#### *IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets*

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset. The Group did not revalue any Property, plant and equipment or intangible assets during the current interim period.

#### *IAS 24 Related Party Disclosures*

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

Annual Improvements 2011-2013 Cycle These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these interim condensed consolidated financial statements. They include:

#### *IFRS 3 Business Combinations*

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3

This scope exception applies only to the accounting in the financial statements of the joint arrangement itself Ekotechnika GmbH is not a joint arrangement, and thus this amendment is not relevant for the Group and its subsidiaries.

#### *IFRS 13 Fair Value Measurement*

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The Group does not apply the portfolio exception in IFRS 13.

#### *IAS 40 Investment Property*

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment does not impact the accounting policy of the Group.

### **3. Seasonal influences on business activity**

Due to the seasonal character of the company's activities, the influences on the individual quarters of a financial year differ considerably. In normal circumstances between 65 and 70% of all revenues are achieved from April to September. This seasonality can lead to considerable fluctuations in the result from one quarter to another.

### **4. Group structure**

On 31 March 2015, the Group structure consisted of the parent company and 9 foreign companies in which Ekotechnika GmbH holds the majority of capital and voting rights.

On 23 March 2015 EkoNivaTechnika-Holding LLC, which is a 100% subsidiary of Ekotechnika GmbH, sold 100% of shares of NivaStroy LLC at price RUR 10 thousand.

### **5. Non-current assets**

The decrease of property, plant and equipment by EUR 7,460 thousand resulted predominantly from fluctuation of exchange rate from 49.95 rub/euro on 30 September 2014 to 63.37 rub/euro on 31 March 2015.

### **6. Inventories**

Inventories in spite of seasonality decreased to EUR 49,543 thousand from EUR 57,800 thousand as a result of devaluation of ruble and work of management on stock reducing.

### **7. Receivables and other assets**

Trade receivables dropped significantly by EUR 15,070 thousand compared to the start of the financial year. The decline was the result of seasonal variations, devaluation of ruble and serious work performed by management for improving of receivables collectability.

The long and short term loans issued reduced by EUR 3,454 thousand to EUR 10,491 thousand. The loans issued mainly represented by long-term loans issued to related parties.

Other assets dropped by EUR 3,678 thousand compared to 30 September 2014. The decrease is essentially attributable to work of management on improving of working capital.

## 8. Cash and bank balances

This line item continues to include cash and credit institution funds available with an original term of no more than three months.

## 9. Equity capital

Share capital remains stable. The currency translation reserves have entirely increased due to currency effects reported directly in equity. Taking into account negative financial result for the reporting period negative equity in amount of EUR 50,585 thousand (30.09.14: EUR 26,007 thousand) is represented.

## 10. Liabilities

Liabilities comprise the following:

	31 March 2015 EUR'000	30 September 2014 EUR'000
Less than one year	50 692	64 962
thereof secured bank loans	45 483	62 569
thereof corporate bond	5 209	2 292
thereof non-banks loans	-	101
Between one and five years	58 494	58 284
thereof corporate bond	58 494	58 284
	<b>109 186</b>	<b>123 246</b>

As of 30 March 2015, short-term borrowings amounted to EUR 50,692 thousand, which is EUR 14,270 thousand below the level on 30 September 2014. Non-current borrowings increased slightly by EUR 210 thousand to EUR 58,494 thousand.

Trade payables increased by EUR 3,650 thousand to EUR 35,494 thousand. This is attributable to seasonal variations associated with the buildup of inventories and such a slight decrease is due to ruble devaluation.

Advances received slightly increased from EUR 5,784 thousand to EUR 6,183 thousand due to seasonal effects.

The greatest share in other short-term liabilities is VAT amounting to EUR 4,275 thousand (prior year EUR 6,682 thousand). The decrease of other current liabilities is also due to seasonal effects.

## 11. Revenues

Revenues comprise the following:

	01.10.14-31.03.15 EUR'000	01.10.13-31.03.14 EUR'000
Sale of agricultural machinery	28 650	48 185
Sale of spareparts	13 073	13 376
Sale of fuel products	1 116	1 192
Construction services	1 727	902
After-sale services	1 215	1 453
	<b>45 781</b>	<b>65 108</b>

## 12. Other operating income

The other operating income is constituted as follows:

	01.10.14-31.03.15	01.10.13-31.03.14
	EUR'000	EUR'000
Currency remeasurement gain	604	336
Reimbursement of guarantee costs	277	618
Contractual fines and penalties	154	524
Reimbursement of marketing expenses	68	145
Other income	1 075	508
	<b>2 178</b>	<b>2 131</b>

The other income is commissions and compensation for agents, transport and storage services and rental income.

## 13. Cost of goods and services sold

Cost of goods and services sold comprise the following:

	01.10.14-31.03.15	01.10.13-31.03.14
	EUR'000	EUR'000
Cost of agricultural machinery	23 154	39 590
Cost of spare parts	8 792	10 212
Cost of fuel	812	941
Cost other	-	21
Cost of rendering construction services	1 308	380
	<b>34 066</b>	<b>51 144</b>

## 14. Payroll expenses

Payroll expenses break down as follows:

	01.10.14-31.03.15	01.10.13-31.03.14
	EUR'000	EUR'000
Wages and salaries	2 391	4 332
Bonuses	1 038	1 765
Social and pension costs	899	1 439
	<b>4 328</b>	<b>7 536</b>

## 15. Other operating expenses

The other operating expenses comprise the following:

	01.10.14-31.03.15	01.10.13-31.03.14
	EUR'000	EUR'000
Currency remeasurement loss	4 571	2 432
Audit, consulting and legal fees	945	247

Marketing and advertising expenses	384	765
Other taxes	341	274
Bad debt expenses/recovery	281	43
Rent expenses	273	391
Fuel expenses	253	392
Materials for warrantee	253	433
Repairment and maintenance	220	437
Transportation expenses	214	393
Travel and representation expenses	191	506
Utilities	180	205
Cost of workshop	151	191
Bank charges	120	185
Insurance	115	201
Communication expenses	99	190
Warehouse service	4	102
Other expenses	905	726
	<b>9 500</b>	<b>8 113</b>

#### 16. Financial income / Financial expenses

Financial income comprises the following:

	01.10.14-31.03.15	01.10.13-31.03.14
	EUR'000	EUR'000
Currency remeasurement gain FINEX	258	-
Interest income	876	811
Other financial income	616	16
<b>Financial income</b>	<b>1 750</b>	<b>827</b>

Interest income in the amount of EUR 876 thousand (prior year EUR 811 thousand) resulted entirely from lending.

Financial expenses comprise the following:

	01.10.14-31.03.15	01.10.13-31.03.14
	EUR'000	EUR'000
Interest expenses	6 384	7 651
Currency remeasurement loss FINEX	9 430	4 104
Bank charges FINEX	727	844
Other financial expenses	570	121
<b>Financial expenses</b>	<b>17 111</b>	<b>12 720</b>

## 17. Income tax expense

Income tax expense is constituted as follows:

	01.10.14-31.03.15 EUR'000	01.10.13-31.03.14 EUR'000
<b>Current tax expense</b>		
Current year income tax expense	(72)	294
<b>Deferred taxes</b>		
Recognition and reversal of temporary differences	368	(2 699)
<b>Income tax (credit)/expense</b>	<b>296</b>	<b>(2 405)</b>

A tax rate of 20% applies for Russian subsidiaries. The tax rate was applied in calculating the deferred tax assets and liabilities. A tax rate of 25% was applied for the German companies.

## 18. Segment reporting

The following tables present revenue and profit information for the Group's operating segments for the six months ended 31 March 2015 and 2014, respectively.

Year ended 31 March 2015	Central region EUR'000	Blackearth region EUR'000	Siberian region EUR'000	All other EUR'000	Elimination and adjustments EUR'000	Consoli- dated EUR'00 0
<b>Revenue</b>	<b>17 593</b>	<b>22 526</b>	<b>3 541</b>	<b>4 028</b>	<b>(1 907)</b>	<b>45 781</b>
<i>Sales of goods for resale - third parties</i>	<i>16 132</i>	<i>21 309</i>	<i>4 291</i>	<i>1 108</i>	<i>-</i>	<i>42 840</i>
<i>Sales (all) - Group companies</i>	<i>1 055</i>	<i>835</i>	<i>(1 170)</i>	<i>1 187</i>	<i>(1 907)</i>	<i>-</i>
<i>Construction revenue</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1 726</i>	<i>-</i>	<i>1 726</i>
<i>Revenue from rendering of services</i>	<i>406</i>	<i>382</i>	<i>420</i>	<i>7</i>	<i>-</i>	<i>1 215</i>
<b>Cost of goods and services sold</b>	<b>(12 599)</b>	<b>(16 243)</b>	<b>(3 435)</b>	<b>(2 972)</b>	<b>1 183</b>	<b>(34 066)</b>
<i>Cost of goods for resale</i>	<i>(12 599)</i>	<i>(16 243)</i>	<i>(3 435)</i>	<i>(1 192)</i>	<i>711</i>	<i>(32 758)</i>
<i>Cost of construction contracts</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(1 780)</i>	<i>472</i>	<i>(1 308)</i>
<b>Gross profit/(loss)</b>	<b>4 994</b>	<b>6 283</b>	<b>106</b>	<b>1 056</b>	<b>(724)</b>	<b>11 715</b>
Other income	600	167	28	1 852	(469)	2 178
Payroll expenses	(1 812)	(1 148)	(509)	(859)	-	(4 328)
Depreciation, amortization and impairment	(662)	(254)	(134)	(142)	16	(1 176)
Other operating expenses	(4 135)	(3 887)	(447)	(3 232)	2 201	(9 500)
<b>Results from operating activities</b>	<b>(1 015)</b>	<b>1 161</b>	<b>(956)</b>	<b>(1 325)</b>	<b>1 024</b>	<b>(1 111)</b>

Six months ended 31 March 2014	Central region	Blackearth region	Siberian region	All other	Elimination and adjustments	Consoli- dated EUR'00 0
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	
<b>Revenue</b>	<b>31 762</b>	<b>25 412</b>	<b>10 787</b>	<b>6 238</b>	<b>(9 091)</b>	<b>65 108</b>
<i>Sales of goods for resale - third parties</i>	<i>27 662</i>	<i>25 950</i>	<i>7 156</i>	<i>1 985</i>	<i>-</i>	<i>62 753</i>
<i>Sales (all) - Group companies</i>	<i>3 495</i>	<i>(1 030)</i>	<i>3 293</i>	<i>3 333</i>	<i>(9 091)</i>	<i>-</i>
<i>Construction revenue</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>902</i>	<i>-</i>	<i>902</i>
<i>Revenue from rendering of services</i>	<i>605</i>	<i>492</i>	<i>338</i>	<i>18</i>	<i>-</i>	<i>1 453</i>
<b>Cost of goods and services sold</b>	<b>(26 045)</b>	<b>(19 926)</b>	<b>(8 987)</b>	<b>(5 480)</b>	<b>9 294</b>	<b>(51 144)</b>
<i>Cost of goods for resale</i>	<i>(26 045)</i>	<i>(19 926)</i>	<i>(8 987)</i>	<i>(3 709)</i>	<i>7 903</i>	<i>(50 764)</i>
<i>Cost of construction contracts</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(1 771)</i>	<i>1 391</i>	<i>(380)</i>
<b>Gross profit/(loss)</b>	<b>5 717</b>	<b>5 486</b>	<b>1 800</b>	<b>758</b>	<b>203</b>	<b>13 964</b>
Other income	1 263	616	227	1 626	(1 601)	2 131
Payroll expenses	(3 367)	(1 398)	(1 046)	(1 725)	-	(7 536)
Depreciation, amortization and impairment	(916)	(283)	(151)	(224)	42	(1 532)
Other operating expenses	(4 029)	(3 108)	(1 075)	(1 558)	1 657	(8 113)
<b>Results from operating activities</b>	<b>(1 332)</b>	<b>1 313</b>	<b>(245)</b>	<b>(1 123)</b>	<b>301</b>	<b>(1 086)</b>

	01.10.14-31.03.15 EUR'000	01.10.13-31.03.14 EUR'000
Result from operating activity	<b>(1 111)</b>	<b>(1 086)</b>
Result of equity consolidation in associated companies	(61)	-
Financial income	1 750	827
Financial expenses	(17 111)	(12 720)
	<b>(16 533)</b>	<b>(12 979)</b>
Income tax expense	(296)	2 405
<b>Loss for the period</b>	<b>(16 829)</b>	<b>(10 574)</b>

## 19. Business activities with related parties

Beginning from 01 March 2013 Ekosem-Agrar GmbH can exercise significant influence through its main shareholder Stefan Duerr, so the main related party of EkoTechnika GmbH is Ekosem-Agrar GmbH.

The managing shareholder and managing directors of EkoTechnika GmbH are considered management members in key positions.

### Trading activities

In the course of the reporting period, Group companies conducted the following transactions with related companies and persons not belonging to the Group.

	<b>01.10.14-31.03.15</b>	<b>01.10.2013-31.03.2014</b>
	<b>EUR'000</b>	<b>EUR'000</b>
Sale of agricultural machinery	(975)	3 618
Sale of spareparts	2 707	562
Revenue from rendering of construction services	1 714	864
Sale of fuel products	88	165
Revenue from rendering of services	11	86
Purchase of goods and other services	169	80
Other income	25	177

#### **Receivables and payables from and to related companies and persons.**

The following balances remained outstanding at the end of the reporting period.

	<b>31 March 2015</b>	<b>30 September 2014</b>
	<b>EUR'000</b>	<b>EUR'000</b>
Trade and other short-term assets	2 561	3 034
Trade accounts payable and other short-term liabilities	2 750	3 041

#### **Financing and investing activities.**

The Group companies conducted the following financing transactions with related companies and persons not belonging to the Group during financial year.

	<b>31 March 2015</b>	<b>30 September 2014</b>
	<b>EUR'000</b>	<b>EUR'000</b>
Long-terms loans granted	7 584	705
Short-terms loans granted	2 321	12 303
<b>Other financial assets</b>	<b>9 905</b>	<b>13 008</b>
	<b>01.10.14-31.03.15</b>	<b>01.10.13-31.03.14</b>
	<b>EUR'000</b>	<b>EUR'000</b>
Interest income	793	531
Interest expense	3	-

As per 31 March 2015 companies of the group have guarantees outstanding in an amount of EUR 106 thousand (30.09.2014: EUR 172 thousand). The guarantees are issued in favor of companies of Ekosem-Agrar group to support their purchase of machines from the group. As per the date of issuing these financial statement management doesn't expect that a party holding the guarantee will demand any payment because Ekosem-Agrar group is in a good situation and there's no risk of non-payment.

#### **20. Other information**

The average head count in the Group during the reporting period was 586 employees (prior year 749).

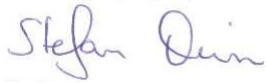
Of these, 201 (prior year 289) work in administration, 219 (prior year 238) in customer service, and 166 (prior year 222) in sales.



## 21. Release

The Group interim financial statement of Ekotechnika GmbH for the period from 1 October 2014 to 31 March 2015 was approved for publication by the executive management on 30 June 2015.

Walldorf, 30 June 2015



Stefan Duerr  
Managing Director



Wolfgang Blaes  
Managing Director