

EKOTECHNIKA

Unaudited Group Interim
Financial Statement for the period
from 1 October 2020 to 31 March 2021



State-of-the-art technology for efficient farming

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FOREWORD OF THE EXECUTIVE BOARD



STEFAN DUERR
Chairman of the Board



BJOERNE DRECHSLER
Board member

The generally good situation in Russia's agricultural sector, the positive price trend for agricultural commodities and the successful development of the sales territories taken over in 2019 have helped us to grow our revenues and earnings quite noticeably.

Dear shareholders and friends, dear employees,

The first six months of the financial year 2020/2021 were very satisfactory for the Ekotechnika Group. The generally good situation in Russia's agricultural sector, the positive price trend for agricultural commodities and the successful development of the sales territories taken over in 2019 have helped us to grow our revenues and earnings quite noticeably - contrary to what we had expected at the beginning of the financial year. The good earnings trend of the first half-year is also attributable to the further automation of internal workflows and new administrative processes, which allow us to more effectively leverage our sales opportunities with only moderately higher payroll expenses.

In concrete terms, total revenues of the Ekotechnika Group increased by 16% to EUR 87.1 million in the first six months of 2020/2021, thereof approx. EUR 53.8 million (62%) from the sale of agricultural machinery. In the same period, the number of tractors sold almost doubled to 211 compared to the first six months of the prior financial year (114 tractors). Sales of combines and forage harvesters also picked up noticeably from 3 to 14 machines.

The Spare Parts segment also showed a promising trend in the first half of the year, growing by 9% to EUR 24.8 million, which is explained by the increased machine population, leading to the necessity to supply them with spare parts, as well as by the increase in prices and the improvement of relationships with key customers. The Service segment also showed a positive performance in exchange rate-adjusted terms. The focus here is on measures to increase efficiency and further enhance customer satisfaction.

Smart Farming, our youngest business segment, is pushing ahead with the expansion of a nation-wide service network for smart farming equipment in cooperation with Russian software developer Cognitive Pilot. Here we see great potential on Russia's large agricultural areas – all the more so as a draft program of the Moscow Ministry of Agriculture provides for the share of agricultural land actually used in Russia to be increased by at least 12 million hectares by the end of 2030. For this segment, a separate department with dedicated staff and strongly growing revenues has already been set up.

Having upgraded our forecast for the financial year 2020/2021 in March 2021, we project sales revenues of between EUR 220 million and EUR 230 million and gross profit of around EUR 34 million to EUR 37 million. Earnings before interest and taxes (EBIT) will come in at between EUR 11 million and EUR 14 million.

We thank you for your trust and look forward to taking the next steps with you to expand our strong market position in the Russian market for agricultural machinery.

Yours faithfully,



Stefan Duerr



Bjoerne Drechsler



Ekotechnika AG, Walldorf

Interim Group Management report as of 31 March 2021

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INTERIM GROUP MANAGEMENT REPORT

1. BUSINESS MODEL OF THE GROUP

Ekotechnika AG, headquartered in Walldorf, is the German holding company of the EkoNiva-Technika Group, the largest distributor of international agricultural machinery in Russia. Ekotechnika’s main business lies in selling new agricultural machinery such as tractors and combines. The main partner and principal supplier is John Deere, the world’s largest and market-leading manufacturer of agricultural machinery. In the first half of the 2020/2021 financial year, the Ekotechnika Group generated sales revenues of EUR 87.1 million and earnings before interest and taxes (EBIT) of EUR 4.8 million.

The business activities of the Ekotechnika Group, herein after referred to as “Ekotechnika” or “the Group”, comprise trading in agricultural machinery and, since the end of 2018, forestry machinery, the sale of spare parts and the provision of services. In addition, the Group is actively developing smart farming services and products, for which a huge potential market is assumed to exist.

The Group’s output market is Russia, where Ekotechnika meanwhile employs 742 people at 25 locations in the five regions of Central Russia, Voronezh, Siberia, North West and Altai. On the Russian market, the Group’s companies operate under the EkoNiva-Technika brand.

EkoNivaTehnika-Holding

135 employees



AOR: Moscow oblast, Smolensk oblast, Ivanovo oblast, Yaroslavl oblast, Arkhangelsk oblast, Pskov oblast, Novgorod oblast, Republic of Karelia, Tomsk oblast

EkoNiva-Tekhnika

251 employees



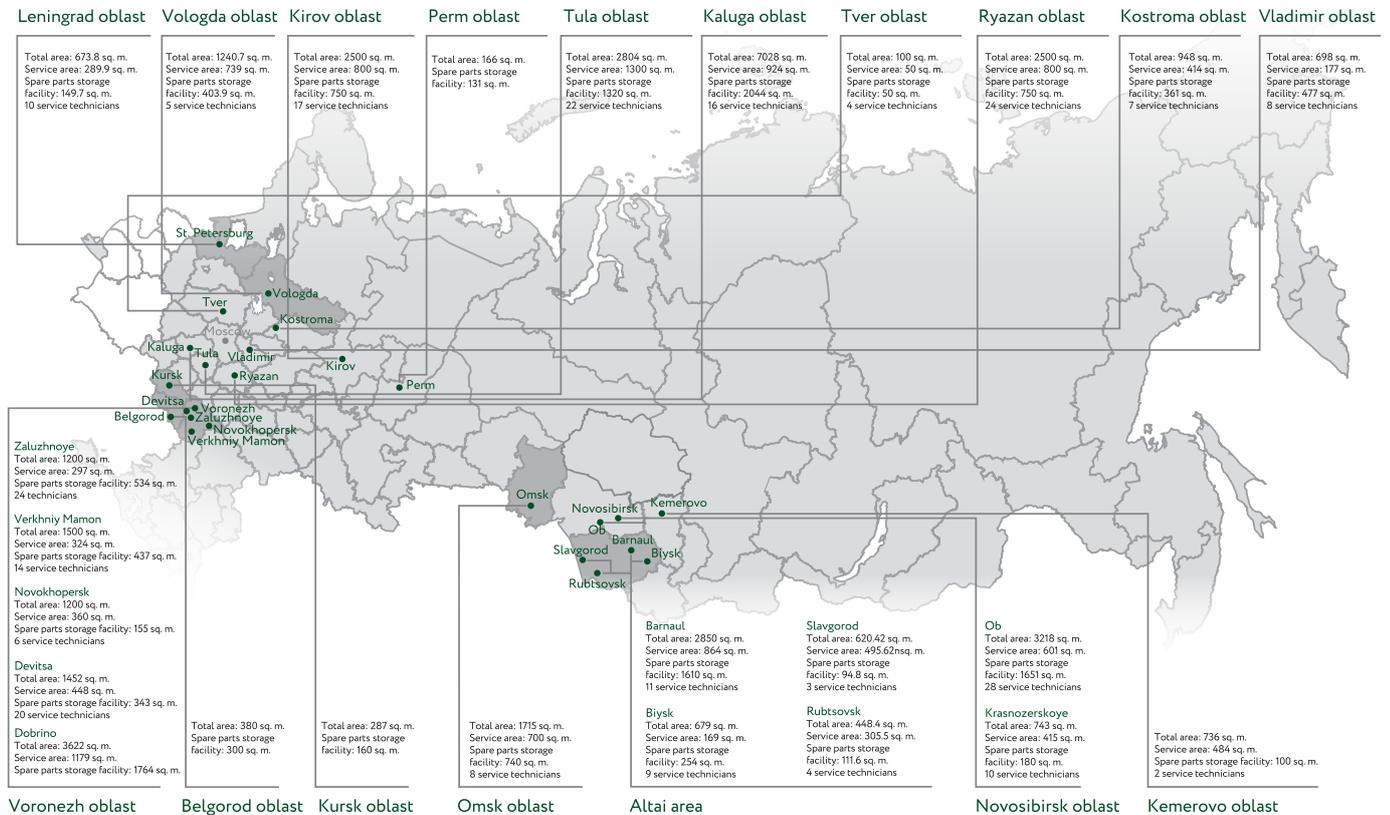
EkoNiva-Chernozemye

165 employees



EkoNivaSibir

166 employees



Last updated on 31 March 2021 (excl. 25 employees of the Ambitech subgroup)

New Machinery is Ekotechnika's core business.

Deere & Company, Moline, Illinois, USA, the world's largest and market-leading supplier, is the company's principal supplier. Ekotechnika is one of the largest John Deere dealers in Russia and Europe. The product portfolio also includes agricultural machinery from other leading manufacturers such as JCB, UK (telescopic loaders), Väderstad, Sweden (tillage equipment), Grimme, Germany (potato harvesting equipment), Sulky, France (fertilizer spreaders), Fliegl, Germany (agricultural trailers), Gregoire Besson, France (tillage equipment), Bednar, Czechia (tillage equipment), and Rauch, Germany (fertilizer spreaders). Some of the Group's products are now manufactured or assembled in Russia by local subsidiaries of foreign suppliers. Agricultural machinery and spare parts are partly also sourced in Western Europe or North America.

Since the end of 2018, the Group has been active in the market for forestry machinery. For this purpose, operating company EkoNivaTechnika signed a strategic partnership agreement with Tigercat Industries (Canada) for the exclusive sale of forestry machinery in the existing sales regions of Central Russia, Voronezh and Siberia. However, compared to agricultural machinery, the forestry machinery segment has been relatively small so far.

In addition, trade in used machines is becoming more and more important as many key customers renew their existing fleets, which increasingly requires trading-in.

Ekotechnika's **Spare Parts** segment currently offers a comprehensive portfolio of spare parts at 25 locations. The spare parts warehouses are usually integrated into the company's service centers in strategic locations. They stock over 46,000 original spare parts from all brands of the new machinery sector, which are transported directly and speedily to the customer's site by the company's fleet of service vehicles whenever required. The constant increase in the number of state-of-the-art machines in the sales territories allows the Group to successively expand this business segment and to benefit from the continuously growing demand for spare parts. Gross profit margins in the spare parts business are much higher than those for new machinery, which is typical for this industry.

Ekotechnika's **Customer Service** offers not only regular maintenance of agricultural machinery but also repairs in the event of technical defects as well as the replacement of wear parts. Due to the typically long distances in Russia, a lot of work takes place directly at the customer's site. Similar to its spare parts operations, the Ekotechnika Group is also expanding the activities of its Customer Service segment. For instance, the company has introduced strategies and service activities for John Deere and JCB machines, such as engine overhauls as well as remote maintenance and diagnostics.

Smart Farming is the Group's latest business segment. Meanwhile, this division comprises ten employees who are exclusively responsible for the further development of the Smart Farming business. It will make the company fit for the digitization of agriculture and will help it leverage the opportunities arising in this market. State-of-the-art technologies such as N-sensors, drones, yield maps, satellites and soil scanners allow the soil to be analyzed in detail. The data obtained this way makes it possible to adapt both the sowing and the fertilization to the specific type of soil, which helps to save resources and to cut costs. In the 2019/2020 financial year, a partnership was formed with Cognitive Pilot to establish a nationwide service network for smart farming equipment in Russia. The Ekotechnika service team is in charge of consulting, sales, installation of software and hardware, maintenance and technical support for the "Cognitive Agro Pilot" system in 35 regions in Russia. A three-year contract provides for the system to be installed on up to 10,000 combines from various agricultural equipment manufacturers. Another essential part of the partnership will be the development of new smart farming solutions and products using Cognitive Pilot's autonomous driving and control system.

2. ECONOMIC REPORT

2.1 Economic environment

Overall economic trend

According to the World Economic Outlook published by the International Monetary Fund (IMF) in April 2021, global prospects remain highly uncertain one year into the pandemic. The outlook depends not just on the further development of the virus and vaccines – it also hinges on how effectively economic policies deployed under high uncertainty can limit lasting damage from this crisis. While the world economy declined by -3.3% in 2020, the IMF expects growth of 6.0% for the year 2021. In 2020, a decrease in economic development of -4.7% was reported for the industrialized countries. However, their GDP is forecast to grow by 5.1% again in 2021. Economic output in the emerging and developing countries declined by -2.2% in 2020 but is expected to recover strongly by 6.7% in 2021. Within the group of emerging and developing countries, the Russian economy contracted by -3.1% in 2020 and is expected to grow again by 3.8% in 2021.¹

From October 2020 to mid-March 2021, the key interest rate of the Russian Central Bank was consistently at 4.25%. On 22 March 2021, it was initially raised to 4.5%, and then further to 5.5% in two steps after the end of the reporting period.²

The Russian inflation rate increased from 4.0% to 5.8% between October 2020 and March 2021 in the wake of the Corona crisis. Since then, inflation has declined slightly to 5.5% in April 2021.³

The RUB/EUR exchange rate stood at RUB 92.4302/EUR at the beginning of the financial year in October 2020, and RUB 88.8821/EUR at the end of March 2021. The average rate for the first six months of the 2020/2021 financial year was RUB 90.2654/EUR. The exchange rate reached its peak of RUB 93.7570/EUR on 3 November 2020, and its low of RUB 86.9693/EUR on 18 March 2021.⁴

The RUB/USD exchange rate was RUB 78.7847/USD at the beginning of the financial year in October 2020 and RUB 75.7023/USD at the end of March 2021. The average exchange rate for the first half of the 2020/2021 financial year was RUB 75.2924/USD. It peaked at RUB 80.5749/USD on 3 November 2020 and fell to a low of RUB 72.9272/USD on 15 December 2020.⁵

Russian agricultural and farming equipment market

The Russian agricultural market continued its growth in 2020 and the first months of 2021 largely unaffected by the coronavirus pandemic. In the current season, Russia is reaping the second-largest grain harvest in history. In addition, exports of agricultural products are growing dynamically. New areas under cultivation are increasing the demand for seed, which is to be produced more locally.⁶ According to the Executive Board, last season's near-record harvest and consistently high commodity prices are driving a very strong investment trend. Even if large agricultural holdings are not investing now, the main drivers are small and medium customers who are investing last season's profits. It is very positive that the investments are mostly made from strong cash flows with very low credit leverage. This sector has not seen this strong investment since 2007/2008 when it was mainly driven by credit. This year, we probably see a machinery shortage due to very strong worldwide demand.

2.2 Business performance

General performance of the Group

Ekotechnika's revenues increased by 16% to EUR 87,131 thousand in the first half of 2020/2021. In the same period, the number of tractors sold almost doubled to 211 compared to the first six months of the prior financial year (114 tractors). Sales of combines and forage harvesters sharply increased from 3 to 14 machines. The forestry machinery business generated revenues of EUR 3,852 thousand and EUR 537 thousand in forestry spare parts (six months 2020: EUR 1,673 thousand and EUR 369 thousand, respectively).

¹ <https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>

² https://www.cbr.ru/eng/hd_base/KeyRate/?UniDbQuery.Posted=True&UniDbQuery.From=01%2F10%2F2020&UniDbQuery.To=16%2F06%2F2021

³ <https://de.tradingeconomics.com/russia/inflation-cpi>

⁴ http://www.cbr.ru/currency_base/dynamics/?UniDbQuery.Posted=True&UniDbQuery.so=1&UniDbQuery.mode=1&UniDbQuery.date_req1=&UniDbQuery.date_req2=&UniDbQuery.VAL_NM_RQ=R01239&UniDbQuery.From=01.10.2020&UniDbQuery.To=31.03.2021

⁵ http://www.cbr.ru/currency_base/dynamics/?UniDbQuery.Posted=True&UniDbQuery.so=1&UniDbQuery.mode=1&UniDbQuery.date_req1=&UniDbQuery.date_req2=&UniDbQuery.VAL_NM_RQ=R01235&UniDbQuery.From=01.10.2020&UniDbQuery.To=31.03.2021

⁶ <https://www.gtai.de/gtai-de/trade/branchen/branchenmeldung/russland/landwirtschaft-583508>

The Spare Parts segment grew by EUR 2,109 thousand (9%) in the first half of 2020/2021, which is explained by the increase of machines sold, leading to the necessity to supply them with spare parts, as well as by the increase in prices and the improvement of relationships with key customers.

The Service segment showed a stable or even positive development after adjusting for exchange rate effects and is the focus of the Group's efficiency-increasing efforts. In this segment, increasing attention will be paid to customer satisfaction going forward.

Results of operation, net assets and financial position

a) Profit situation

In the first half of the 2020/2021 financial year, the Ekotechnika Group generated total revenues of EUR 87,131 thousand (six months 2020: EUR 74,821 thousand), which was thus above target. Sales of agricultural machinery accounted for 61.7% of total revenues and reached EUR 53,766 thousand (six months 2020: 62.5% or EUR 46,742 thousand). The number of tractors sold increased significantly compared to the same period last year. A total of 211 tractors (planned: 142) and 14 combine harvesters and forage harvesters (planned: 2) were sold in the first half of the 2020/2021 financial year.

At 28.5%, spare parts, tires and lubricants sales made the second biggest contribution to total revenues. Total spare parts sales reached EUR 24,850 thousand in the reporting period, which exceeded the previous year's EUR 22,741 thousand. Revenues from customer services of EUR 1,784 thousand were in line with the first six months of the 2019/2020 financial year (EUR 1,840 thousand). Adjusted for the average exchange rate, the customer services business also marked an increase (+21.8%). The continuous increase in revenues from customer services is in line with management's assessment that the volume of services provided is one of the key competitive factors.

At EUR 66,027 thousand, the **purchase costs** of agricultural machinery and equipment as well as of spare parts, tires and lubricants sold was higher than the previous year's EUR 57,843 thousand.

At EUR 15,412 thousand, **gross profit** (sales less purchase costs) was higher than planned and slightly higher than in the previous year's period (six months 2020: EUR 14,295 thousand).

Other operating income mainly comprises forex gain, reimbursements of warranty costs as well as of marketing expenses and amounted to EUR 2,426 thousand in the reporting period compared to EUR 1,122 thousand in the first half of the 2019/2020 financial year.

Payroll expenses rose by a moderate 7.0% from EUR 5,504 thousand to EUR 5,892 thousand.

Depreciation and amortization remained stable.

Other operating expenses decreased significantly by EUR 6,550 thousand from EUR 11,952 thousand to EUR 5,402 thousand. This is fully attributable to prior year exchange rate losses (EUR 7,283 thousand) due to the market situation and the uncertainty caused by the coronavirus pandemic.

EBITDA (earnings before interest, taxes, depreciation and amortization) developed positively and reached EUR 6,254 thousand (six months 2020: EUR -2,193 thousand). Same applies to **earnings before interest and taxes** (EBIT), that amounted to EUR 4,829 thousand (six months 2020: EUR -3,567 thousand).

The **net financial result** (financial expenses plus financial income) was EUR 2,174 thousand (six months 2020: EUR -5,201 thousand).

Earnings before taxes (EBT) amounted to EUR 3,456 thousand (six months 2020: EUR -5,113 thousand) due to the prior year exchange rate effects mentioned above. After deduction of tax expenses of EUR 1,282 thousand (six months 2020: EUR 88 thousand), **consolidated net income for the first half of the 2020/2021 financial year** stood at EUR 2,174 thousand in comparison with EUR 5,201 thousand consolidated net loss in the previous year's period.

b) Financial position

The finance department located at OOO EkoNivaTechnika-Holding, Russia, manages the Group's finances. While keeping finance costs to a minimum, it enables all companies in the Group to meet their liabilities as and when they fall due.

The main instruments for managing relations with suppliers are letters of credit and bank guarantees.

In the reporting period, operating cash flow before changes in working capital was EUR 5,615 thousand (six months 2020: EUR 4,681 thousand). Operating cash flow after changes in working capital stood at EUR 13,131 thousand (six months 2020: EUR 17,124 thousand).

After taxes paid in the amount of EUR 331 thousand (six months 2020: EUR 1,527 thousand), interest paid in the amount of EUR 1,013 thousand (six months 2020: EUR 2,155 thousand) and interest received in the amount of EUR 278 thousand (six months 2020: EUR 739 thousand), **operating cash flow** stood at EUR 12,065 thousand (six months 2020: EUR 14,181 thousand).

Cash flow from investing activities amounted to EUR -5,731 thousand in the first half of the 2020/2021 financial year, compared to EUR -2,866 thousand in the previous year's period. This difference is mainly explained by the cash outflow for the acquisition of property, plant and equipment amounting to EUR 7,167 thousand in the first half of the 2020/2021 financial year compared to EUR 2,216 thousand in the first half of the 2019/2020 financial year.

Cash flow from financing activities amounted to EUR -4,626 thousand in the reporting period (six months 2020: EUR -2,871 thousand).

As of 31 March 2021, cash and cash equivalents totaled EUR 6,800 thousand (as of 30 September 2020: EUR 7,620 thousand).

c) Net assets position

As of 31 March 2021, **total assets** of EUR 169,299 thousand were 37% higher than as of 30 September 2020 (EUR 123,926 thousand; a plus of EUR 45,373 thousand).

As of the balance sheet date, **non-current assets** were up by around 11% from EUR 25,749 thousand to EUR 28,670 thousand. This increase is completely explained by the increase of property, plant and equipment, which was partly offset by the decrease of long-term loans issued. Property, plant and equipment amounted to EUR 27,013 thousand as of 31 March 2021 (30 September 2020: EUR 21,195 thousand). This increase comprises the purchase of buildings in Barnaul, Biisk and in the Moscow region totaling EUR 4,527 thousand as well as the increase of transport fleet by EUR 2,417 thousand. In contrast, there was a decrease of long-term loans issued by EUR 3,604 thousand from EUR 3,665 thousand as of 30 September 2020 to EUR 61 thousand as of 31 March 2021. The decrease is completely due to the reclassification of the loans issued from non-current to current category.

Total current assets increased by approx. 43%, from EUR 98,177 thousand to EUR 140,629 thousand as at 31 March 2021. This increase related to all current assets with the exception of income tax receivable and other financial assets, which went down by EUR 1,034 thousand and EUR 1,536 thousand, respectively. The decrease of income tax receivable is explained by the specifics of Russian tax legislation and has the character of a timing difference. The decrease in other financial assets is due to the timing of the final accrual of bonuses from suppliers, about which there is uncertainty until the end of the year. Short-term loans issued increased from EUR 17,890 thousand to EUR 23,817 thousand mainly due to reclassification of loans issued from long-term to short-term. Inventories increased by around 47% from EUR 43,320 thousand to EUR 63,717 thousand due to the build-up of stocks before the peak season. Trade receivables increased

significantly by EUR 10,610 thousand to EUR 34,320 thousand compared to the start of the financial year (EUR 23,710 thousand). This increase was based on seasonality: the 31st of March is in the peak season, when most of the overall sales are made with some payment delays.

Prepayments increased significantly by EUR 3,022 thousand from EUR 1,234 thousand on 30 September 2020 to EUR 4,256 thousand on 31 March 2021, mainly explained by one-time transactions with different dealers and some new suppliers such as Balzer Inc. in the Siberian region.

Other short-term assets increased by EUR 3,115 thousand from EUR 3,172 thousand to EUR 6,287 thousand due to an increase in VAT receivables mainly related to seasonal reasons (stock building).

Ekotechnika Group's **consolidated equity capital** totaled EUR 30,924 thousand on 31 March 2021, up by around 12% compared to 30 September 2020 (EUR 27,588 thousand). This results from the consolidated net income of EUR 2,174 thousand (30 September 2020: EUR 1,739 thousand income) and the decrease in the negative reserves from currency translation from EUR 24,337 thousand to EUR 23,172 thousand. The equity ratio stood at 18.3% on 31 March 2021 (30 September 2020: 22.3%).

Total liabilities amounted to EUR 138,375 thousand, up by EUR 42,037 thousand as compared to 30 September 2020 (EUR 96,338 thousand). Of this amount, EUR 2,102 thousand was attributable to **non-current liabilities** (30 September 2020: EUR 1,803 thousand), which are composed of long-term lease liabilities in the amount of EUR 1,370 thousand (30 September 2020: EUR 1,181 thousand), long-term borrowings of EUR 281 thousand (30 September 2020: EUR 107 thousand) and deferred tax liabilities of EUR 451 thousand (30 September 2020: EUR 224 thousand).

Current liabilities amounted to EUR 136,273 thousand on 31 March 2021, which was about 44% above the

level of 30 September 2020 (EUR 94,535 thousand). The increase is mainly attributable to the increase in trade payables from EUR 45,344 thousand to EUR 70,740 thousand (mainly due to an increase in payables to the main supplier John Deere) as well as to the increase in advances received, which rose from EUR 4,451 thousand to EUR 25,428 thousand, partly due to seasonality and partly to the increase in operating activities. Short-term borrowings decreased from EUR 35,149 thousand to EUR 32,820 thousand. The decline of other short-term liabilities is explained by the decrease in VAT payables from EUR 2,662 thousand at 30 September 2020 to EUR 556 thousand at 31 March 2021, due to seasonal effects. The other items of current liabilities remained rather stable.

3. OPPORTUNITY AND RISK REPORT

Opportunities and risks have not changed materially since the publication of the financial statements for the period ended 30 September 2020. Therefore, please also refer to the respective sections in the 2019/2020 Annual Report.

4. FORECAST

The information on the future business performance presented in this chapter are management projections based on information such as market expectations, strategic decisions, regulatory framework conditions and exchange rate trends. A change in these and other parameters incorporated in the projections may result in adjustments or the non-occurrence of these projections.

Macroeconomic framework conditions

In its latest forecast of April 2021, the IMF projects global economic growth of 4.4% for 2022, which would be a decrease from the expected growth of 6.0% in 2021, influenced by recovery effects of the coronavirus pandemic. A growth of 3.6% in 2022 is also predicted for the industrialized countries. Economic output is forecast to increase by 5.0% in the emerging and developing countries with Russia posting 3.8%.⁷

⁷ <https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>

Developments in the agricultural and farming equipment market

Management assumes that lending conditions in the current financial year will remain positive and that demand for agricultural machines will pick up in the current year 2021 as many Russian farmers have a continued need to invest in new machinery. This trend should be supported by the improved income situation of many farmers resulting from high world market prices.

In its Agricultural Outlook 2020-2029, the Organisation for Economic Co-operation and Development (OECD) projects net agricultural and fish production (excluding feed and seed inputs) to grow by 8% by 2029; this breaks down into growth rates of less than 2% for Western Europe, while growth rates of 18% and 19% are forecast for Eastern Europe and Central Asia, respectively. The strong growth of Eastern Europe will be led by the Russian Federation and Ukraine at 12% and 26%, respectively.

In addition, according to a draft program of the Moscow Ministry of Agriculture, the share of agricultural land actually used in Russia is to be increased by at least 12 million hectares by the end of 2030. The program has a budget of RUB 1,411 billion.⁸

According to a study by the Center for Industry Expertise of Russian agricultural bank Rosselkhoz and the National Research University of the Higher School of Economics Moscow on global trends in rural development until 2050, the gradual automation of agriculture and the increasing use of robot technologies represent an important trend in the international agricultural market and also in Russia. The global robotics market is expected to grow to USD 25 billion by 2025, at a CAGR of 26% (2017: USD 4.1 billion). The global smart farming market may reach USD 10.2 billion by 2025 and as much as USD 240 billion by 2050. According to the study, the growing demand for organic and locally produced food is another important growth trend, with Russia in particular being seen as having great development potential. In addition, some

parts of the population are projected to return to more rural areas. In Russia, these are primarily the regions of Krasnodar, Voronezh, Leningrad and the Moscow area.⁹

Performance of the Ekotechnika Group

The Group is significantly above plan after the first six months of 2020/2021 in favor of the sales increase. The main reasons for this improved business outlook are the overall good industry situation in Russian agriculture, primarily due to the positive price trend for agricultural products, as well as the higher-than-expected demand for agricultural machinery in the Group's sales regions acquired in 2019. In addition, further automation of internal operations and new administrative processes enable a better and more effective realization of volumes, resulting in the ability to achieve significant growth in sales while maintaining stable personnel expenses.

Therefore, on 29 March 2021, the Executive Board of Ekotechnika AG increased the forecast for the 2020/2021 financial year. In terms of revenues, the company now expects a range of EUR 220-230 million (previously: EUR 190-200 million). Gross profit is forecast to be in the range of EUR 34-37 million (previously: EUR 30-33 million). The forecast for operating profit (EBIT) is raised to EUR 11-14 million from the previously expected EUR 7-10 million.

Walldorf, 17 June 2021



Stefan Duerr
Chairman of the
Executive Board



Bjoerne Drechsler
Member of the
Executive Board

⁸ <https://www.topagrar.com/panorama/news/russland-landwirtschaft-soll-mindestens-12-millionen-hektar-zusaetzlich-nutzen-11984514.html>

⁹ <https://www.rshb.ru/news/401393/>



EKOTECHNIKA AG, Walldorf

Interim consolidated financial statements from 1 October 2020 to 31 March 2021 (unaudited)

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Ekotechnika AG, Walldorf

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021 (not audited)

ASSETS	Notes	03/31/2021 EUR'000	09/30/2020 EUR'000
Non-current assets :			
Intangible assets		150	95
Property, plant and equipment	13	27,013	21,195
Long-term loans issued	15	61	3,665
Deferred tax assets	15	1,446	794
		28,670	25,749
Current assets:			
Inventories	14	63,717	43,320
Short-term loans issued	15	23,817	17,890
Trade receivables	15	34,320	23,710
Income tax receivable		133	1,167
Prepayments	15	4,256	1,234
Other financial assets	15	1,299	2,835
Other short-term assets	15	6,287	3,172
Cash and cash equivalents	16	6,800	4,849
		140,629	98,177
		169,299	123,926

LIABILITIES AND EQUITY	Notes	03/31/2021 EUR'000	09/30/2020 EUR'000
Equity attributable to shareholders of parent company			
Share capital	17	3,140	3,140
Additional paid in capital	17	6,830	6,830
Foreign currency translation reserve	17	(23,172)	(24,337)
Retained earnings		41,940	40,201
Income for the period		2,174	1,739
		30,912	27,573
Non-controlling interests		12	15
		30,924	27,588
Non-current liabilities:			
Long-term borrowings	19	281	107
Long-term trade accounts payable		-	291
Long-term lease liabilities		1,370	1,181
Deferred tax liability	15	451	224
		2,102	1,803
Current liabilities:			
Provisions		1,786	1,707
Short-term borrowings	19	32,820	35,149
Trade accounts payable	19	70,740	45,344
Income tax payable		274	-
Advances received	19	25,428	4,451
Other financial liabilities	19	3,092	3,971
Short-term lease liabilities		1,215	975
Other short-term liabilities	19	918	2,938
		136,273	94,535
		169,299	123,926

Ekotechnika AG, Walldorf

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 OCTOBER 2020 UNTIL 31 MARCH 2021 (not audited)

	Notes	10/01/2020- 03/31/2021 EUR'000	10/01/2019- 03/31/2020 EUR'000
Revenues	5	87,131	74,821
Purchase cost of goods sold	6	(71,719)	(60,526)
Gross profit		15,412	14,295
Other operating income	7	2,426	1,122
Payroll expenses	8	(5,892)	(5,504)
Depreciation and amortization		(1,425)	(1,374)
Other operating expenses	9	(5,402)	(11,952)
Loss from impairment of financial assets	15	(290)	(154)
		(10,583)	(17,862)
Operating (loss)/profit		4,829	(3,567)
Financial income	10	892	907
Financial expenses	10	(2,265)	(2,453)
		(1,373)	(1,546)
Income/(loss) before tax		3,456	(5,113)
Income tax expense	11	(1,282)	(88)
Income/(loss) for the period		2,174	(5,201)
Attributable to:			
Parent company's shareholders		2,174	(5,201)
Non-controlling interests		-	-
Other comprehensive income/(loss) for the period			
<i>Items that may be classified subsequently to profit:</i>			
Exchange differences on translation of foreign operations, net of tax		1,162	(4,364)
Attributable to:			
Parent company's shareholders		1,165	(4,366)
Non-controlling interests		(3)	(2)
Comprehensive income/(loss) for the period		3,336	(9,565)
Attributable to:			
Parent company's shareholders		3,339	(9,565)
Non-controlling interests		(3)	(2)
Earnings per share (basic and diluted)		in EUR	in EUR
Shares Series A	18	0.88	(2.11)
Shares Series B	18	0.51	(1.22)

Ekotechnika AG, Walldorf

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD FROM 1 OCTOBER 2020 UNTIL 31 MARCH 2021 (not audited)

	Notes	10/01/2020- 03/31/2021 EUR'000	10/01/2019- 03/31/2020 EUR'000
OPERATING ACTIVITIES			
Income/(loss) for the period		2,174	(5,201)
Amortization and depreciation of non-current assets		1,425	1,374
(Gain)/loss on disposal of property, plant and equipment		182	(84)
Net foreign exchange losses/(gains), net		(1,134)	7,284
Interest expense	10	1,139	1,925
Interest expense on extended accounts payable	10	570	110
Interest income	10	(893)	(906)
Income taxes recognized in profit or loss	11	1,282	88
Impairment of financial assets		290	154
Other non-cash items		580	(63)
Operating cash flows before changes in working capital, provisions, income taxes and interests paid		5,615	4,681
Change in inventories		(19,388)	(21,704)
Change in trade receivables and prepayments		(12,782)	5,609
Change in other financial and short-term assets		1,646	(1,533)
Change in trade payables and advances received		44,646	34,606
Change in other financial and short-term liabilities		(6,606)	(4,535)
Cash flows before income taxes and interest paid		13,131	17,124
Income taxes paid		(331)	(1,527)
Interest paid		(1,013)	(2,155)
Interest received		278	739
Net cash generated from operating activities		12,065	14,181
INVESTING ACTIVITIES			
Receipt from lease issued		18	-
Proceeds from disposal of property, plant and equipment		1,972	162
Acquisition of property, plant and equipment		(7,167)	(2,216)
Acquisition of intangible assets		(129)	(156)
Issuance of loans		(1,986)	(7,367)
Proceeds from settlement of loans issued		1,561	6,711
Net cash used in investing activities		(5,731)	(2,866)
FINANCING ACTIVITIES			
Proceeds from borrowings		8,307	27,575
Repayment of borrowings		(12,052)	(29,758)
Payment of finance lease liabilities		(881)	(688)
Net cash flows from financing activities		(4,626)	(2,871)
Net increase in cash and cash equivalents		1,708	8,444
Cash and cash equivalents at the beginning of the year		4,849	510
Effect of exchange rate fluctuations on cash and cash equivalents		243	(1,334)
Cash and cash equivalents at the end of the year		6,800	7,620

Ekotechnika AG, Walldorf

CONSOLIDATED STATEMENT OF CHANGES IN
SHAREHOLDERS' EQUITY

FOR THE PERIOD FROM 1 OCTOBER 2020 UNTIL 31 MARCH 2021 (not audited)

EUR'000	Share capital	Additional paid in capital	Foreign currency translation reserve	Retained earnings
as of 1 October 2019	3,140	6,830	(17,286)	33,240
Reclassifications	-	-	-	6,961
Income/(loss) for the period	-	-	-	-
Other comprehensive income	-	-	(7,051)	-
Total comprehensive income	-	-	(7,051)	-
as of 1 October 2020	3,140	6,830	(24,337)	33,240
Reclassifications	-	-	-	8,700
Income for the period	-	-	-	-
Other comprehensive income/(loss)	-	-	1,165	-
Total comprehensive income/(loss)	-	-	1,165	-
as of 31 March 2021	3,140	6,830	(23,172)	41,940

	Net profit/(loss)	Non-controlling interests	Total equity
	6,961	13	32,898
	(6,961)	-	-
	1,739	-	1,739
	-	2	(7,049)
	1,739	2	(5,310)
	8,700	15	27,588
	(8,700)	-	-
	2,174	-	2,174
	-	(3)	1,162
	2,174	(3)	3,336
	2,174	12	30,924

Ekotechnika AG, Walldorf

NOTES TO THE GROUP'S INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 OCTOBER 2020 TO 31 MARCH 2021

1. GENERAL INFORMATION

The consolidated interim financial statements for the six months ended 31 March 2021 were authorized for issue in accordance with a resolution of the company's Executive Board on 17 June 2021.

Ekotechnika AG (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 a leading position 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 Vaerderstad, JCB, Lemken, Poettinger, Kverneland and AGI as well as forestry manufacturer Tigercat Industries Inc.

2. BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS AND CHANGES IN ACCOUNTING METHODS

Basis for the preparation of the financial statements

The interim consolidated financial statements for the six months ended 31 March 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim consolidated financial statements do not contain all the information and disclosures required for the annual financial statements and should therefore be read in conjunction with the audited consolidated financial statements as of 30 September 2020.

The consolidated interim financial statements are prepared in euros. Unless otherwise indicated, all figures are rounded to the nearest thousand (EUR thousand).

The Group's interim consolidated financial statements as of 31 March 2021 were not audited or reviewed 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 2020, except for the introduction of new standards and interpretations effective from 1 October 2020.

In addition to the standards and interpretations adopted for 30 September 2020, the following standards and interpretations were applied for the first time, which had no impact on the Group's interim consolidated financial statements.

- Amendments to the Conceptual Framework for Financial Reporting (issued on 29 March 2018 and effective for annual periods beginning on or after 1 January 2020)
- Definition of a business – Amendments to IFRS 3 (issued on 22 October 2018 and effective for acquisitions from the beginning of annual reporting period that starts on or after 1 January 2020)
- Definition of materiality – Amendments to IAS 1 and IAS 8 (issued on 31 October 2018 and effective for annual periods beginning on or after 1 January 2020)
- Interest rate benchmark reform – Amendments to IFRS 9, IAS 39 and IFRS 7 (issued on 26 September 2019 and effective for annual periods beginning on or after 1 January 2020)
- Covid-19-Related Rent Concessions – Amendments to IFRS 16 (issued on 28 May 2020 and effective for annual periods beginning on or after 1 January 2020)

Unless otherwise stated above, the new standards and interpretations are not expected to have a material impact on the Group's consolidated financial statements.

3. SEASONAL INFLUENCES ON BUSINESS ACTIVITY

Due to the seasonal character of the company's business activities, the individual quarters of a financial year are characterized by different effects. Between 65% and 70% of all revenues are generated 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 2021, the Group structure consisted of the parent company and six foreign companies in which Ekotechnika AG directly or indirectly holds the majority of capital and voting rights.

5. REVENUES

Revenues comprise the following:

	10/01/2020- 03/31/2021 EUR'000	10/01/2019- 03/31/2020 EUR'000
Sale of agricultural machinery and equipment	53,766	46,742
Sale of agricultural spare parts, tires and lubricants	24,850	22,741
Sale of forestry machinery	3,852	1,673
Revenue from rendering of services	1,784	1,840
Sale of trade-in machinery	1,466	1,210
Sale from precision farming equipment	876	246
Sale of forestry spare parts	537	369
	87,131	74,821

The increase in revenues mainly results from the increase of sales in the agricultural machinery segment.

6. COST OF GOODS AND SERVICES SOLD

Cost of goods and services sold comprise the following:

	10/01/2020- 03/31/2021 EUR'000	10/01/2019- 03/31/2020 EUR'000
Cost of agricultural machinery and equipment	47,622	40,842
Cost of agricultural spare parts, tires and lubricants	18,405	17,001
Cost of forestry machinery	3,495	1 151
Cost of trade-in machinery	1,412	1,131
Cost of precision farming equipment	644	195
Cost of forestry spare parts	141	206
	71,719	60,526

7. OTHER OPERATING INCOME

The other operating income is constituted as follows:

	10/01/2020- 03/31/2021 EUR'000	10/01/2019- 03/31/2020 EUR'000
FOREX gain	1,206	-
Reimbursement of warranty costs	801	612
Reimbursement of marketing expenses	286	242
Other income	133	268
	2,426	1,122

Other income consists of income from materials surplus, rent income and commissions as well as compensation for agents.

8. PAYROLL EXPENSES

Payroll expenses break down as follows:

	10/01/2020- 03/31/2021 EUR'000	10/01/2019- 03/31/2020 EUR'000
Wages and salaries	2,788	2,719
Bonuses	2,048	1,778
Social contributions	1,056	1,007
	5,892	5,504

9. OTHER OPERATING EXPENSES

The other operating expenses comprise the following:

	10/01/2020- 03/31/2021 EUR'000	10/01/2019- 03/31/2020 EUR'000
Expenses for transport vehicles	712	632
Warranty costs	671	312
Travel and representation expenses	474	538
Expenses for premises	452	516
Audit, consulting and legal fees	449	507
Cost of workshops	436	247
Transportation expenses	381	217
Marketing and advertising expenses	308	445
Other taxes	261	290
Office expenses	157	188
Bank charges	85	95
FOREX loss	72	7,283
Other expenses	944	682
	5,402	11,952

The most significant decline occurred in the item FOREX loss, which is attributable to the uncertainty on the market due to situation with pandemic.

Other expenses mainly comprise shortages, transportation expenses and personnel expenses.

10. FINANCIAL INCOME / FINANCIAL EXPENSES

Financial income comprises the following:

	10/01/2020- 03/31/2021 EUR'000	10/01/2019- 03/31/2020 EUR'000
Interest income	892	906
FOREX gain	-	-
Other financial income	-	1
	892	907

Financial expenses comprise the following:

	10/01/2020- 03/31/2021 EUR'000	10/01/2019- 03/31/2020 EUR'000
Interest expenses	1,139	1,925
Interests on delay of payment to suppliers	570	111
Bank charges	183	238
FOREX loss	-	2
Other financial expenses	373	177
	2,265	2,453

Other financial expenses comprise mainly options expenses.

11. INCOME TAX EXPENSE

Income tax expense is constituted as follows:

	10/01/2020- 03/31/2021 EUR'000	10/01/2019- 03/31/2020 EUR'000
Current tax expense		
Income tax expense	1,674	173
	1,674	173
Deferred tax benefit / expense		
Origination and reversal of temporary differences	(392)	(85)
Change in tax rate	-	-
	1,282	88

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

12. SEGMENT REPORTING

The following tables present revenue and profit information for the Group's operating segments for the six months ended 31 March 2021 and 2020, respectively.

	Central region	Blackearth region	Siberian region	All other	Elimination and adjustments	Consolidated
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Six months ended 31 March 2021						
Revenues	41,599	30,076	25,890	394	(10,828)	87,131
<i>Sales of goods for resale - third parties</i>	38,847	28,867	17,633	-	-	85,347
<i>Sales (all) - Group companies</i>	1,945	766	7,717	394	(10,822)	-
<i>Revenue from rendering of services</i>	807	443	540	-	(6)	1,784
Purchase cost of goods sold	(35,351)	(25,044)	(20,909)	(383)	9,968	(71,719)
Gross profit/(loss)	6,248	5,032	4 981	11	(860)	15,412
Other operating income	1,314	749	683	3,183	(3,503)	2,426
Payroll expenses	(1,848)	(1,007)	(972)	(2,065)	-	(5,892)
Depreciation, amortization and impairment	(787)	(227)	(297)	(158)	44	(1 425)
Other operating expenses	(3,077)	(2,134)	(2,239)	(1,275)	3,323	(5,402)
(Loss)/income from impairment of financial assets	(225)	(44)	(37)	16	-	(290)
Results from operating activities	1,625	2,369	2,119	(288)	(996)	4,829

	Central region	Blackearth region	Siberian region	All others	Elimination and adjustments	Consolidated
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Six months ended 31 March 2020						
Revenues	36,103	29,401	13,791	379	(4,853)	74,821
<i>Sales of goods for resale - third parties</i>	33,814	26,213	12,954	-	-	72,981
<i>Sales (all) - Group companies</i>	1,465	2,621	388	379	(4,853)	-
<i>Revenue from rendering of services</i>	824	567	449	-	-	1,840
Purchase cost of goods sold	(30,321)	(24,310)	(10,319)	(366)	4,790	(60,526)
Gross profit/(loss)	5,782	5,091	3,472	13	(63)	14,295
Other operating income	685	292	486	2,216	(2,557)	1,122
Payroll expenses	(1,704)	(1,185)	(743)	(1,872)	-	(5,504)
Depreciation and amortization	(889)	(247)	(139)	(141)	42	(1,374)
Other operating expenses	(5,068)	(4,652)	(3,025)	(1,783)	2,576	(11,952)
(Loss)/income from impairment of financial assets	104	(19)	25	(264)	-	(154)
Results from operating activities	(1,090)	(720)	76	(1,831)	(2)	(3,567)

	10/01/2020-03/31/2021 EUR'000	10/01/2019-03/31/2020 EUR'000
Result from operating activity	4,829	(3,567)
Financial income	892	907
Financial expenses	(2,265)	(2,453)
	3,456	(5,113)
Income tax expense	(1,282)	(88)
Income/(loss) for the period	2,174	(5,201)

13. PROPERTY, PLANT AND EQUIPMENT

The change in property, plant and equipment of EUR 5,818 thousand was due to the development of new regions such as Barnaul and Biisk, where new service centers were acquired, and to the purchase of a new office center in the Moscow region. During the reporting period, the Group acquired property, plant and equipment amounting to EUR 8,256 thousand and disposed property, plant and equipment in the amount of EUR 2,449 thousand.

14. INVENTORIES

The increase in inventories from EUR 43,320 thousand to EUR 63,717 thousand is predominantly due to seasonality as the stock was built up before the peak season. It mainly results from the increased stock of agricultural machinery by EUR 11,369 thousand as well as from the increased stock of spare parts, tires and lubricants by EUR 8,742 thousand.

During the six months ended 31 March 2021, EUR 1,274 thousand were recognized as an expense within cost of sales for inventories carried at net realizable value (six months 2020: EUR 199 thousand expenses).

15. RECEIVABLES AND OTHER ASSETS

Trade receivables increased significantly by EUR 10,610 thousand compared to the start of the financial year, which is explained by an increase of revenues as well as seasonal reasons. The loss from the impairment of financial assets based on the expected credit losses of EUR 290 thousand (six months 2020: EUR 154 thousand income) is recognized in a separate line in the statement of comprehensive income in accordance with IFRS 9.

The loans issued increased by EUR 2,323 thousand from EUR 21,555 thousand on 30 September 2020 to EUR 23,878 thousand on 31 March 2021. This was partially due to exchange rate fluctuations and partially due to new loans issued. The loans issued are mainly short-term loans issued to related parties.

Prepayments increased significantly by EUR 3,022 thousand from EUR 1,234 thousand on 30 September 2020 to EUR 4,256 thousand on 31 March 2021. This is explained by some prepayments which were also made as part of one-time transactions with different dealers.

Other financial assets went down by EUR 1,536 thousand from EUR 2,835 thousand on 30 September 2020 to EUR 1,299 thousand on 31 March 2021. The main reason is bonuses from suppliers which are fully calculated and accrued at the end of the financial year, however, as of 31 March 2021, there is uncertainty concerning the receipt of these bonuses.

16. CASH AND CASH EQUIVALENTS

This balance sheet item still includes cash and available funds from credit institutions with an original maturity of three months or less.

17. EQUITY CAPITAL

Share capital and additional paid-in capital remain stable in the amount of EUR 3,140 thousand and EUR 6,830 thousand, respectively. The foreign currency translation reserve represents foreign currency translation differences related to net investments in Russian subsidiaries and translation from the functional currency of Russian subsidiaries into the reporting currency of the Group. The foreign currency translation reserve is also affected by exchange differences arising from translation into euros of the ruble-denominated financial statements of Russian subsidiaries used for the presentation of the consolidated financial statements. As of 31 March 2021, it amounted to EUR -23,172 thousand (as of 30 September 2020: EUR -24,337 thousand).

18. EARNINGS PER SHARE (EPS)

The Group has two types of shares:

- Shares Series A are only the shares that were created due to the swap of the corporate bond into equity. Shares Series A are eligible to receive a preferred dividend in case the company decides to pay any dividends.
- Shares Series B are the ones that existed before the debt-to-equity swap plus those which were created due to capital increase against cash contribution.

If there is a dividend:

- **1. Step:** 26,47% of total dividend are given to Series A shareholders only
- **2. Step:** the remaining amount is given to all Series A/B shareholders proportionally

The following table reflects the income and share data used in the basic EPS computations:

	10/01/2020- 03/31/2021	10/01/2019- 03/31/2020
Income for the period, EUR'000	2,174	(5,201)
Weighted average number of shares	3,140,000	3,140,000
Shares Series A	1,539,000	1,539,000
Shares Series B	1,601,000	1,601,000
Earnings per share (basic and diluted) in EUR		
Shares Series A	0.88	(2.11)
Shares Series B	0.51	(1.22)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these financial statements.

19. LIABILITIES

Borrowings comprise the following:

	03/31/2021 EUR'000	09/30/2020 EUR'000
Less than one year (current)	32,820	35,149
thereof secured bank loans	32,820	35,003
thereof unsecured bank loans	-	-
thereof non-bank loans	-	146
Between one and five years (non-current)	281	107
	33,101	35,256

Borrowings decreased slightly.

During the six months ended 31 March 2021 and 2020, and until the issuance of these financial statements, the Group has not complied with covenants relating to the loans and borrowings amounting to EUR 33,101 thousand as of 31 March 2021 and to EUR 35,003 thousand as of 30 September 2020. As a result, the banks technically were entitled the right to demand earlier repayment of the loans due to the breached covenants. Management is in regular dialog with the lenders. Up to the date of publication of the present report, the banks had not exercised this right.

Trade payables went up significantly from EUR 45,344 thousand on 30 September 2020 to EUR 70,740 thousand on 31 March 2021. This increase is mainly explained by the build-up of the stock and is primarily attributable to the increase of trade payables to the main supplier John Deere.

Advances received increased significantly from EUR 4,451 thousand to EUR 25,428 thousand, partly due to seasonal effects and partly to the increase of operating activities (overall increase and new areas of responsibilities).

The other financial liabilities remained stable.

The decrease in other short-term liabilities is explained by the decrease in VAT payables from EUR 2,662 thousand on 30 September 2020 to EUR 556 thousand on 31 March 2021. Such a decrease is attributable to seasonal effects.

20. BUSINESS ACTIVITIES WITH RELATED PARTIES

Beginning on 1 March 2013, Ekosem-Agrar AG can exercise significant influence through its main shareholder Stefan Duerr, thus making Ekosem-Agrar AG the main related party of Ekotechnika AG.

The members of the management in key positions are the Executive Board members of Ekotechnika AG.

Operating activities

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

Entities under common control	10/01/2020-03/31/2021 EUR'000	10/01/2019-03/31/2020 EUR'000
Sale of agricultural machinery and equipment	204	4,056
Sale of spare parts, tires and lubricants	3,371	5,172
Sale from precision farming equipment	61	6
Revenue from rendering of services	115	192
Other income	90	89
Purchase of goods and other services	(189)	(1,245)

According to IFRS 9, there has not been an expected credit loss provision for a loan issued to the parent company in the first six months 2021, but in the first six months 2020 (EUR 256 thousand).

The transactions with key management personnel were in the following amounts:

	10/01/2020-03/31/2021 EUR'000	10/01/2019-03/31/2020 EUR'000
Remuneration	475	502
Other expenses	-	7

Receivables and payables from and to related companies and persons

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

		Trade receivables, other financial assets and other short-term assets	Trade accounts payable, other financial liabilities and other short-term liabilities
		EUR'000	EUR'000
Entities under common control	03/31/2021	18,056	73
	09/30/2020	15,233	62
Associates	03/31/2021	-	1
	09/30/2020	1	1
Key management personnel	03/31/2021	-	276
	09/30/2020	-	753
Total	03/31/2021	18,056	350
	09/30/2020	15,234	816

Financing and investing activities

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

		Long-term loans granted	Short-term loans granted
		EUR'000	EUR'000
Entities under common control	03/31/2021	-	22,835
	09/30/2020	3,581	17,799
Parent company	03/31/2021	-	190
	09/30/2020	-	11
Total	03/31/2021	-	23,025
	09/30/2020	3,581	17,810

		Interest income	Interest expenses
		EUR'000	EUR'000
Entities under common control	10/01/2020-03/31/2021	833	-
	10/01/2019-03/31/2020	881	-
Parent company	10/01/2020-03/31/2021	6	-
	10/01/2019-03/31/2020	-	-
Key management personnel	10/01/2020-03/31/2021	-	5
	10/01/2019-03/31/2020	-	22
Total	10/01/2020-03/31/2021	839	5
	10/01/2019-03/31/2020	881	22

		Short-term borrowings	Long-term borrowings
		EUR'000	EUR'000
Key management personnel	03/31/2021	-	-
	09/30/2020	146	107
Total	03/31/2021	-	-
	09/30/2020	146	107

21. EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date, the final decision was made to sell the subsidiary LLC Ambitech, which is responsible for the distribution of forestry machines of the Canadian manufacturer Tigercat Industries, and accordingly the process to find a buyer was initiated and the selling price was determined. The Group currently holds 99.98% of the shares in LLC Ambitech. It is expected that all shares in this company will be sold in the beginning of the third quarter 2021.

The Group had entered into a partnership with Tigercat in November 2018 to establish forestry machinery trading in the regions of the Ekotechnika Group. As part of further strategic planning, the Executive Board has now decided to pave the way for cooperation in the field of forestry and construction machinery with the company's established main supplier, the U.S. group John Deere, thus further expanding the long-standing successful cooperation.

22. OTHER INFORMATION

The average headcount in the Group during the reporting period was 721 employees (six months 2020: 606).

Of these, 254 (six months 2020: 197) worked in the sales department, 284 (six months 2020: 223) in customer service, and 183 (six months 2020: 186) in administration.

23. RELEASE

The Group interim financial statements of Ekotechnika AG for the period from 1 October 2020 to 31 March 2021 were approved for publication by the Executive Board on 17 June 2021.

Walldorf, 17 June 2021



Stefan Duerr
Chairman of the Board



Bjoerne Drechsler
Board Member

EKOTECHNIKA

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