

EKOTECHNIKA

Unaudited Group Interim Financial Statement for the period from 1 October 2021 to 31 March 2022



State-of-the-art technology for efficient farming

TABLE OF CONTENTS

Foreword of the Executive Board	04
Interim Group Management Report	07
Business model of the Group	08
Economic report	10
Opportunity and risk report	14
Forecast	14
Interim Consolidated Financial Statements	17
Consolidated Statement of financial position	18
Consolidated Statement of comprehensive income	20
Consolidated cash flow statement	21
Consolidated statement of changes in shareholders' equity	22
Notes	24

FOREWORD OF THE EXECUTIVE BOARD



STEFAN DUERR
Chairman of the Board



BJOERNE DRECHSLER
Board member

We hope that once the conflict is over, the focus will turn to what is an already tight global food supply and that our suppliers will resume full operations.

Dear shareholders and business friends, dear employees,

The 2021/2022 financial year has turned out to be materially different from what had originally been expected. The general conditions for the Russian agricultural market were good overall at the beginning of the year and the first five months of the financial year started with a record order intake. On 24 February 2022, however, the armed conflict between Russia and Ukraine began entirely unexpectedly for us. This has changed almost everything for our company. Our main suppliers stopped deliveries to Russia on their own accord, the ruble exchange rate reached unprecedented heights in March of this year, and the already difficult supply chains to Russia collapsed completely. Although the agricultural sector is hit only very slightly or not at all by the sanctions imposed against Russia, we are very much affected by current developments. Our new machinery business is clearly reduced for the foreseeable future, and while there are still companies supplying to Russia, our major suppliers such as John Deere and JCB have stopped deliveries completely – as have all competitors selling self-propelled machines – and there is no telling when they will resume.

Our spare parts business— the segment that may play an even more important role for our company in the future – is also very difficult at present. We are trying to find alternative suppliers and manufacturers, primarily in Asia and within Russia, in order to keep the company viable. Thanks to our high volume of business with spare parts and services, this offers a thoroughly realistic chance of achieving a neutral earnings situation without major staff cuts and structural streamlining until the suppliers return. This is where our concentration on the after-sales business in recent years is now paying off.

Following a detailed analysis of alternative suppliers for new technology (smart farming, etc.), we have concluded that the large gap that has arisen for Russia can probably be filled by other manufacturers. We hope that once the conflict is over, the focus will turn to what is an already tight global food supply and that our suppliers will resume full operations. We assume that when the restrictions are eventually lifted, there will be strong pent-up demand for investments in agricultural technology. Quite obviously, a lot of trust in western manufacturers has been lost, which may lead to lower market shares in the future. We also see opportunities with regard to the consolidation of the dealer network. Until then, we will do our best to secure the economic survival of our company.

It should be noted that the current developments and prospects are still too volatile to make reliable statements about the future.

We thank you for your trust and hope you will remain loyal to our company going forward.

Yours sincerely,



Stefan Duerr



Bjoerne Drechsler



Ekotechnika AG, Walldorf

Interim Group Management report as of 31 March 2022

- 08 Business model of the Group
- 10 Economic report
- 14 Opportunity and risk report
- 14 Forecast

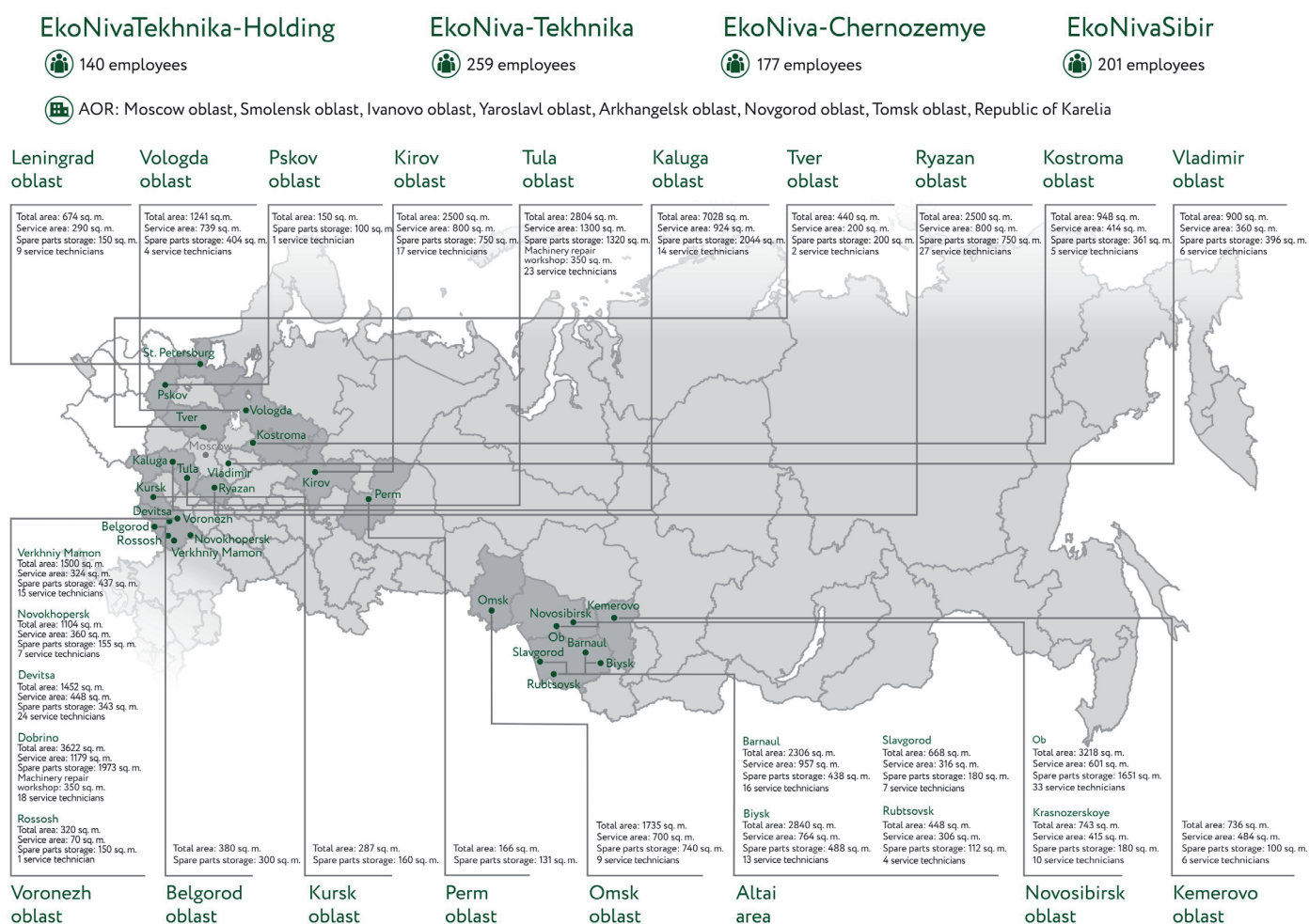
INTERIM GROUP MANAGEMENT REPORT

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 2021/2022 financial year, the Ekotechnika Group generated sales revenues of EUR 97.3 million and earnings before interest and taxes (EBIT) of EUR 3.9 million.

The business activities of the Ekotechnika Group, hereinafter referred to as "Ekotechnika" or "the Group", comprise trading in agricultural machinery, 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 777 people at 26 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.



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.

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 26 locations. The spare parts warehouses are usually integrated into the company's service centers in strategic locations. They stock over 41,000 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 eleven 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 sowing and 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.

The business experiences substantial impacts from the development of Russia- Ukraine conflict since the end of February. The main impacts are as follows:

- The main suppliers have in the course of March 2022 announced that they stop any deliveries to Russia- similar as most of the foreign agricultural machinery suppliers. The reporting period has only been affected in the month of March, so normal business could take place for the first five months. For the entire financial year, the company manages to sell machinery that had been delivered before the import stop as well as spare parts that have already been on stock.
- The high volatility of the exchange rate of Russian ruble to euro and US dollar has substantial impact on settlements with customers and suppliers. See the information on the economic environment in section 2.1.

- Interest rates have also seen huge volatility. However, since the company has literally no bank financing, the increase in the Central Bank's key interest rate did not have any significant impact.

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 2022, a crisis was triggered by the Russia-Ukraine conflict. Accordingly, the economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and increase inflation.

While the global economy grew by 6.1% in 2021, the IMF expects a decline of 3.6% in 2022. In 2021, industrialized countries recorded economic growth of 5.2%. However, their GDP is forecast to fall by 3.3% in 2022. Economic output in emerging markets and developing economies increased by 6.8% in 2021, but is expected to decline by 3.8% in 2022. In the group of emerging and developing countries, the Russian economy grew 4.7% in 2021 and is expected to contract by -8.5% in 2022.¹

The first half of the 2021/2022 financial year was characterized by a significant increase in the key interest rate of the Russian Central Bank. While the Russian key interest rate remained at 6.75% from the beginning of the 2021/2022 financial year on 1 October 2021 until 25 October 2021, it gradually increased in four steps from then on and reached 20% on 28 February 2022. After the end of the reporting period, it decreased to 11% in three stages.²

The Russian inflation rate increased from 8.13% to 16.7% between October 2021 and March 2022 in the wake of the economic sanctions. Since then, inflation has further increased to 17.8% in April 2022, but went down significantly in the course of May 2022.³

The RUB/EUR exchange rate stood at RUB 84.3050/EUR at the beginning of the financial year in October 2021, and RUB 93.6960/EUR at the end of March 2022. The average rate for the first six months of the 2021/2022 financial year was RUB 89.6727/EUR. The exchange rate reached its peak of RUB 132.9581/EUR on 11 March 2022, and its low of RUB 80.7019/EUR on 27 October 2021. Until mid of June 2022 the ruble strengthened significantly and closed at RUB 59.1204/EUR on 16 June 2022.⁴

The RUB/USD exchange rate was RUB 72.6642/USD at the beginning of the financial year in October 2021 and RUB 84.0851/USD at the end of March 2022. The average exchange rate for the first half of the 2021/2022 financial year was RUB 79.2637/USD. It peaked at RUB 120.3785/USD on 11 March 2022 and fell to a low of RUB 69.5526/USD on 27 October 2021. Until mid of June 2022 the ruble strengthened significantly and closed at RUB 56.6624/USD on 16 June 2022.⁵

Russian agricultural and farming equipment market

The Russian agricultural market showed a growth in 2020/2021. According to forecasts, this year's grain harvest is projected to reach 123 million tons. The area of arable land is expected to increase by 1 million hectares, and the condition of winter crops is above the average annual level and more than a year ago. Meanwhile, the sub-commission on customs, tariffs and non-tariff regulation decided to temporarily ban grain exports to the EAEU countries. These protective measures will be in effect until 31 August.⁶

¹ <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>

² https://www.cbr.ru/eng/hd_base/KeyRate/?UniDbQuery.Posted=True&UniDbQuery.From=01.10.2021&UniDbQuery.To=24.05.2022

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=01.10.2021&UniDbQuery.To=17.06.2022

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=01.10.2021&UniDbQuery.To=17.06.2022

⁶ <https://www.agroinvestor.ru/analytics/news/37661-minselkhoz-ozvuchil-prognozy-urozhaya-v-2022-godu/>

Taking into account the restrictions imposed on the supply of imported products of the specialized engineering industry, as well as changes in the exchange rate, Russian manufacturers have recorded an increase in demand for machinery. Systemic support measures, which can also be used by specialized engineering enterprises, will contribute to solving industry problems: subsidies, subsidized loan programs, credit products on favorable terms to replenish working capital.

2.2 Business performance

General performance of the Group

Ekotehnika's revenues increased by 12% to EUR 97,360 thousand in the first half of 2021/2022. In the same period, the number of tractors sold increased by 13% to 195 compared to the first six months of the prior financial year (172 tractors). Sales of combines and forage harvesters decreased from 14 to 6 machines.

The Spare Parts segment grew significantly by EUR 9,660 thousand (39%) in the first half of 2021/2022, 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.

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 2021/2022 financial year, the Ekotehnika Group generated total revenues of EUR 97,360 thousand (six months 2021: EUR 87,131 thousand). Sales of agricultural machinery accounted for 60.4% of total revenues and reached EUR 58,828 thousand (six months 2021: 61.7% or EUR 53,766 thousand). A total of 195 tractors and 6 combine harvesters and forage harvesters were sold in the first half of the 2021/2022 financial year.

At 35.4%, spare parts, tires and lubricants sales made the second biggest contribution to total revenues. Total spare parts sales reached EUR 34,510 thousand in the reporting period, which exceeded the previous year's EUR 24,850 thousand significantly. Revenues from customer services of EUR 2,335 thousand were above the level of the previous year (six months 2021: EUR 1,784 thousand). Adjusted for the average exchange rate, the customer services business also marked a significant increase (+31.7%). 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 72,567 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 66,027 thousand.

At EUR 23,404 thousand, **gross profit** (sales less purchase costs) was higher than planned and above the previous year's period (six months 2021: EUR 15,412 thousand).

Other operating income mainly comprises reimbursements of warranty costs as well as of marketing expenses and amounted to EUR 1,464 thousand in the reporting period compared to EUR 2,426 thousand in the first half of the 2020/2021 financial year.

Payroll expenses rose by a significant 40.9% from EUR 5,892 thousand to EUR 8,300 thousand. **Depreciation and amortization** rose by a 19.2% from EUR 1,425 thousand to EUR 1,699 thousand. **Other operating expenses sharply increased** by EUR 5,801 thousand from EUR 5,402 thousand to EUR 11,203 thousand. This is fully attributable to 2021/2022 year exchange rate losses (EUR 5,010 thousand) due to market conditions and uncertainty caused by the geopolitical situation.

EBITDA (earnings before interest, taxes, depreciation and amortization) developed positively considering the circumstances and reached EUR 5,599 thousand

(six months 2021: EUR 6,254 thousand). Same applies to **earnings before interest and taxes (EBIT)**, that amounted to EUR 3,900 thousand (six months 2021: EUR 4,829 thousand).

The **net financial result** (financial expenses plus financial income) was EUR -927 thousand (six months 2021: EUR -1,373 thousand).

Earnings before taxes (EBT) amounted to EUR 2,973 thousand (six months 2021: EUR 3,456 thousand) due to the exchange rate effects mentioned above. After deduction of tax expenses of EUR 1,402 thousand (six months 2021: EUR 1,282 thousand), **consolidated net income** for the first half of the 2021/2022 financial year stood at EUR 1,571 thousand in comparison with EUR 2,174 thousand consolidated net income in the previous year's period.

b) Financial position

The finance department located at OOO EkoNiva Technika-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 9,995 thousand (six months 2021: EUR 5,615 thousand). Operating cash flow after changes in working capital stood at EUR 30,397 thousand (six months 2021: EUR 13,131 thousand).

After taxes paid in the amount of EUR 798 thousand (six months 2021: EUR 331 thousand), interest paid in the amount of EUR 1,548 thousand (six months 2021: EUR 1,013 thousand) and interest received in the amount of EUR 417 thousand (six months 2021: EUR 278 thousand), **operating cash flow** stood at EUR 28,468 thousand (six months 2021: EUR 12,065 thousand).

Cash flow from investing activities amounted to EUR -1,451 thousand in the first half of the 2021/2022 financial year, compared to EUR -5,731 thousand in the previous year's period. This difference is mainly due to a cash outflow of EUR 2,194 thousand for the acquisition of property, plant and equipment in the first half of the 2021/2022 financial year, compared to EUR 7,167 thousand in the first half of the 2020/2021 financial year.

Cash flow from financing activities amounted to EUR -30,089 thousand in the reporting period (six months 2021: EUR -4,626 thousand).

As of 31 March 2022, cash and cash equivalents totaled EUR 3,684 thousand (as of 31 March 2021: EUR 6,800 thousand).

c) Net assets position

As of 31 March 2022, **total assets** of EUR 139,997 thousand were approx. 4% lower than as of 30 September 2021 (EUR 146,324 thousand; a minus of EUR 6,327 thousand). The weakening of the ruble against the euro (31 March 2022: RUB 93.6960/EUR; 30 September 2021: RUB 84.8755/EUR) has an impact on the balance sheet values. If the ruble figures in the balance sheet for the period ended 31 March 2022 were converted into euros at the exchange rate of 30 September 2021, the figures in the euro balance sheet would be approx. 5.6% higher than the figures now reported.

As of the reporting date, **non-current assets** declined slightly by approx. 5% from EUR 29,546 thousand to EUR 27,939 thousand due to the depreciation of the ruble. Adjusted for exchange rate effects, non-current assets increased by roughly 4%. Property, plant and equipment amounted to EUR 27,514 thousand as of 31 March 2022 (30 September 2021: EUR 28,904 thousand). Adjusted for exchange rate effects, they increased by 5% due to the adoption of IFRS 16.

Total current assets decreased by approx. 4% from EUR 116,778 thousand to EUR 112,058 thousand as at 31 March 2022. At EUR 22,413 thousand, trade receivables represent the largest change (30 September 2021: EUR 30,653 thousand; -29.9%).

Inventories increased by around 4% from EUR 43,429 thousand to EUR 45,123 thousand (adjusted for exchange rate effects: increase by approx. 15%). At EUR 23,105 thousand, short-term loan receivables declined slightly by approx. 6% (adjusted for exchange rate effects: increase by approx. 4%) compared to the previous year (30 September 2021: EUR 24,509 thousand). At EUR 630 thousand, income tax receivable declined by 39% (adjusted for exchange rate effects: declined by approx. 33%) compared to the previous year (30 September 2021: EUR 1,038 thousand). The decrease in income tax receivable is due to the specifics of Russian tax law and is in the nature of timing differences. At EUR 1,005 thousand, other financial assets declined by approx. 74% (adjusted for exchange rate effects: declined by approx. 72%) compared to the previous year (30 September 2021: EUR 3,893 thousand). The decrease in other financial assets is due to the timing of the final accrual of bonuses from suppliers, for which there is uncertainty until the end of the year.

Prepayments increased significantly by EUR 8,890 thousand from EUR 4,116 thousand on 30 September 2021 to EUR 13,006 thousand on 31 March 2022, mainly explained by one-time transactions with different dealers and suppliers.

Other short-term assets decreased by EUR 512 thousand from EUR 3,604 thousand to EUR 3,092 thousand due to a decrease in VAT receivables, which is mainly seasonal.

Ekotehnika Group's **consolidated equity capital** totaled EUR 43,968 thousand on 31 March 2022, down by around 2% compared to 30 September 2021 (EUR 44,847 thousand). This results from the consolidated net income of EUR 1,571 thousand (30 September 2021: EUR 14,198 thousand income) and the increase in negative reserves from currency translation from EUR 21,274 thousand to EUR 23,722 thousand. The equity ratio stood at 34.4% on 31 March 2022 (30 September 2021: 30.6%).

Total liabilities amounted to EUR 96,029 thousand, down by EUR 5,448 thousand as compared to 30 September 2021 (EUR 101,477 thousand). Of this amount, EUR 1,517 thousand was attributable to **non-current liabilities** (30 September 2021: EUR 1,116 thousand), which are composed of long-term lease liabilities in the amount of EUR 1,182 thousand (30 September 2021: EUR 1,085 thousand) and deferred tax liabilities of EUR 335 thousand (30 September 2021: EUR 31 thousand).

Current liabilities amounted to EUR 94,512 thousand on 31 March 2022, which was about 6% lower than at 30 September 2021 (EUR 100,361 thousand). This is mainly attributable to the decline in current financial liabilities from EUR 37,355 thousand to EUR 6,029 thousand. Current trade payables decreased moderately from EUR 42,030 thousand to EUR 38,127 thousand.

By contrast, other current liabilities increased from EUR 2,632 thousand on 30 September 2021 to EUR 5,448 thousand at 31 March 2022. The significant increase in advances received from EUR 9,169 thousand to EUR 37,579 thousand was partly due to seasonality and partly to the increase in operating activities. The other items of current liabilities remained rather stable.

3. OPPORTUNITY AND RISK REPORT

Detailed information on possible opportunities and risks is presented in the annual revenue sections for the 2020/2021 financial year.

In addition, the following newly emerged risk has an impact on the development of the company. As a consequence of the Russia-Ukraine conflict, fluctuations in oil prices, ongoing political tension, and international sanctions have affected, and may continue to affect the economy of the Russian Federation. The financial markets continue to be volatile and are characterized by frequent and significant price movements and increased trading spreads. These events may have a significant effect on the Group's operations and financial position in the future, the consequences of which are difficult to predict. Future economic and regulatory environment and its impact on the Group's operations may differ from current expectations.

4. FORECAST

In the first quarter of 2022 and thereafter the United States of America, the European Union and certain other countries imposed additional sanctions on Russia. These circumstances have resulted in a highly volatile development of the Russian ruble, increased volatility in financial markets and a significant increase in the level of economic uncertainty in the environment in which we operate in Russia. This includes the volatility of interest and inflation rates. The extent and duration of these developments remains uncertain and could affect the Group's financial position and results of operations.

The Group's management believes that it is taking all necessary measures to support sustainability and development of the Group's business under the current circumstances. The future economic situation in the Russian Federation depends on external factors and measures taken by the Government.

The information on the future business performance presented in this chapter is a management forecast 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 2022, the IMF projects global economic growth of 3.6% for 2022, which would be a decrease from the expected growth of 6.1% in 2021. A growth of 3.3% in 2022 is predicted for the industrialized countries. Economic output is forecast to increase by 3.8% in the emerging and developing countries with Russia posting -8,5%.⁷

Developments in the agricultural and farming equipment market

Management generally expects demand for agricultural equipment to pick up in 2022 as many Russian farmers focused on investing in new machinery and equipment. This trend will be supported by an improved income situation of many farmers resulting from high world market prices. However, due to the development described, the supply for this demand will not be available short-term.

The International Grains Council (IGC) expects the global grain harvest in 2022/2023 to be lower than previously forecast. IGC has revised the corresponding forecast downward by 24 million tons to 2.251 billion tons of grain. Although this will be 40 million tons less than the previous year, it will still be the second-largest harvest of all time.⁸

In its Agricultural Outlook 2021-2030, 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 2030; this breaks down into growth rates of less than 1% for Western Europe, while growth rates of 15% and 30% are forecast for Eastern Europe and Central Asia, respectively. The strong growth

⁷ <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>

⁸ <https://www.topagrar.com/markt/news/igc-erwartet-global-40-mio-t-weniger-getreide-13097677.html>

of Eastern Europe will be led by the Russian Federation and Ukraine at 12% and 22%, respectively.⁹ In the light of the Russia-Ukraine conflict, the supply from Ukraine is expected to be significantly behind such predictions for at least two to three years.

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.¹⁰

The Ministry of Agriculture of the Russian Federation expects that in 2022 the implementation the state program on efficient involving of land into turnover and the development of land reclamation complex to start. This will have a positive impact on the development of the industry and ensure the effective use of agricultural land as the main instrument for increasing agricultural production.¹¹

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.¹²

Performance of the Ekotechnika Group

On 2 March 2022, Ekotechnika AG suspended its forecast for the current financial year. The reason for this was the considerable imponderables with regard to the supply of agricultural machinery and spare parts, as well as the financing options for both the company and its customers as a result of the Russia-Ukraine conflict.

Following an intensive analysis of the current situation and macroeconomic influences, management now projects sales revenues of between EUR 200 million and EUR 230 million, a gross profit of between EUR 45 million and EUR 65 million as well as earnings before interest and taxes (EBIT) of between EUR 20 million and EUR 30 million. The relatively stable performance despite the effects of the Russia-Ukraine conflict, including the supply freeze by the main supplier John Deere as well as other major suppliers, is largely attributable to the inventories of new machines that were already in place at the start of the supply freeze, the stable spare parts business and substantially increased gross profit margins. Due to the high volatility of the ruble exchange rate, however, the currency effects remain a major factor of uncertainty to the revised forecast. The above figures for 2021/2022 are based on the assumption that the ruble exchange rate will remain stable until the end of the financial year.

Walldorf, 28 June 2022



Stefan Duerr
Chairman of the
Executive Board



Bjoerne Drechsler
Member of the
Executive Board

⁹ <https://www.fao.org/publications/card/en/c/CB5332EN>

¹⁰ <https://www.topagrar.com/panorama/news/russland-landwirtschaft-soll-mindestens-12-millionen-hektar-zusaetzlich-nutzen-11984514.html>
<https://www.rshb.ru/news/401393/> (retrieved on 8 December 2020)

¹¹ <https://www.interfax.ru/russia/741957>

¹² <https://www.rshb.ru/news/401393/> (retrieved on 8 December 2020)



EKOTECHNIKA AG, Walldorf

Interim consolidated financial statements from 1 October 2021 to 31 March 2022 (unaudited)

- 18 Consolidated statement of financial position
- 20 Consolidated statement of comprehensive income
- 21 Consolidated cash flow statement
- 22 Consolidated statement of changes in shareholders' equity
- 24 Notes to the Group's interim financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022 (not audited)

[illegible]

LIABILITIES AND EQUITY

	Notes	03/31/2022 EUR'000	09/30/2021 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	(23,722)	(21,274)
Retained earnings		56,138	41,940
Income for the period		1,571	14,198
		43,957	44,834
Non-controlling interests		11	13
		43,968	44,847
Non-current liabilities:			
Long-term borrowings	19	-	-
Long-term trade accounts payable		-	-
Long-term lease liabilities		1,182	1,085
Deferred tax liability		335	31
		1,517	1,116
Current liabilities:			
Provisions		2,126	2,347
Short-term borrowings	19	6,029	37,355
Trade accounts payable	19	38,127	42,030
Income tax payable		-	55
Advances received	19	37,579	9,169
Other financial liabilities	19	3,845	5,474
Short-term lease liabilities		1,358	1,299
Other short-term liabilities	19	5,448	2,632
		94,512	100,361
		139,997	146,324

Ekotechnika AG, Walldorf

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 1 OCTOBER 2021 UNTIL 31 MARCH 2022 (not audited)

	Notes	10/01/2021- 03/31/2022 EUR'000	10/01/2020- 03/31/2021 EUR'000
Revenues	5	97,360	87,131
Purchase cost of goods sold	6	(73,956)	(71,719)
Gross profit		23,404	15,412
Other operating income	7	1,464	2,426
Payroll expenses	8	(8,300)	(5,892)
Depreciation and amortization		(1,699)	(1,425)
Other operating expenses	9	(11,203)	(5,402)
Loss from impairment of financial assets	15	234	(290)
		(19,504)	(10,583)
Operating profit		3,900	4,829
Financial income	10	960	892
Financial expenses	10	(1,887)	(2,265)
		(927)	(1,373)
Income before tax		2,973	3,456
Income tax expense	11	(1,402)	(1,282)
Income for the period		1,571	2,174
Attributable to:			
Parent company's shareholders		1,571	2,174
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		(2,450)	1,162
Attributable to:			
Parent company's shareholders		(2,448)	1,165
Non-controlling interests		(2)	(3)
Comprehensive income/(loss) for the period		(879)	3,336
Attributable to:			
Parent company's shareholders		(877)	3,339
Non-controlling interests		(2)	(3)
Earnings per share (basic and diluted)		in EUR	in EUR
Shares Series A	18	0.64	0.88
Shares Series B	18	0.37	0.51

Ekotechnika AG, Walldorf

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD FROM 1 OCTOBER 2021 UNTIL 31 MARCH 2022 (not audited)

	Notes	10/01/2021- 03/31/2022 EUR'000	10/01/2020- 03/31/2021 EUR'000
OPERATING ACTIVITIES			
Income for the period		1,571	2,174
Amortization and depreciation of non-current assets		1,699	1,425
(Gain)/loss on disposal of property, plant and equipment		(272)	182
Net foreign exchange losses/(gains), net		5,010	(1,134)
Interest expense	10	1,366	1,139
Interest expense on extended accounts payable	10	218	570
Interest income	10	(960)	(893)
Income taxes recognized in profit or loss	11	1,402	1,282
Impairment of financial assets		(234)	290
Other non-cash items		195	580
Operating cash flows before changes in working capital, provisions, income taxes and interests paid		9,995	5,615
Change in inventories		(6,430)	(19,388)
Change in trade receivables and prepayments		(3,695)	(12,782)
Change in other financial and short-term assets		3,703	1,646
Change in trade payables and advances received		25,325	44,646
Change in other financial and short-term liabilities		1,499	(6,606)
Cash flows before income taxes and interest paid		30,397	13,131
Income taxes paid		(798)	(331)
Interest paid		(1,548)	(1,013)
Interest received		417	278
Net cash generated from operating activities		28,468	12,065
INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		897	1,972
Receipt from lease issued		-	18
Acquisition of property, plant and equipment		(2,194)	(7,167)
Acquisition of intangible assets		(146)	(129)
Issuance of loans		(44)	(1,986)
Proceeds from settlement of loans issued		36	1,561
Net cash used in investing activities		(1,451)	(5,731)
FINANCING ACTIVITIES			
Proceeds from borrowings		19,752	8,307
Repayment of borrowings		(48,735)	(12,052)
Payment of finance lease liabilities		(1,106)	(881)
Net cash flows from financing activities		(30,089)	(4,626)
Net increase in cash and cash equivalents		(3,072)	1,708
Cash and cash equivalents at the beginning of the period		5,536	4,849
Effect of exchange rate fluctuations on cash and cash equivalents		1,220	243
Cash and cash equivalents at the end of the period		3,684	6,800

Ekotechnika AG, Walldorf

CONSOLIDATED STATEMENT OF CHANGES IN
SHAREHOLDERS' EQUITY

FOR THE PERIOD FROM 1 OCTOBER 2021 UNTIL 31 MARCH 2022 (not audited)

EUR'000	Share capital	Additional paid in capital	Foreign currency translation reserve	Retained earnings
as of 1 October 2020	3,140	6,830	(24,337)	40,201
Reclassifications	-	-	-	1,739
Income for the period	-	-	-	-
Other comprehensive income	-	-	3,063	-
Total comprehensive income	-	-	3,063	-
as of 1 October 2021	3,140	6,830	(21,274)	41,940
Reclassifications	-	-	-	14,198
Income for the period	-	-	-	-
Other comprehensive income/(loss)	-	-	(2,448)	-
Total comprehensive income/(loss)	-	-	(2,448)	-
as of 31 March 2022	3,140	6,830	(23,722)	56,138

	Net profit/(loss)	Non-controlling interests	Total equity
	1,739	15	27,588
	(1,739)	-	-
	14,198	-	14,198
	-	(2)	3,061
	14,198	(2)	17,259
	14,198	13	44,847
	(14,198)	-	-
	1,571	-	1,571
	-	(2)	(2,450)
	1,571	(2)	(879)
	1,571	11	43,968

Ekotechnika AG, Walldorf

NOTES TO THE GROUP'S INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 OCTOBER 2021 TO 31 MARCH 2022

1. GENERAL INFORMATION

The consolidated interim financial statements for the six months ended 31 March 2022 were authorized for issue in accordance with a resolution of the company's Executive Board on 28 June 2022.

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 Vaerdestad, JCB, Lemken, Poettinger, Kverneland and AGI.

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 2022 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 2021.

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 2022 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 2021, except for the introduction of new standards and interpretations effective from 1 October 2021.

In addition to the standards and interpretations adopted for 30 September 2021, the following standards and interpretations were applied for the first time, which had no impact on the Group's interim consolidated financial statements.

- 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)
- Reform of the main interbank interest rate (IBOR) - Phase 2 amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (published on 27 August 2020), apply for reporting periods beginning on or after 1 January 2021)

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

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2022 and 2023 or later, and which the Group has not early adopted. These amendments are not expected to have any material impact on the Group when adopted:

- Limited scope amendments to IAS 16, IAS 37 and IFRS 3, and 2018-2020 Annual Improvements to IFRS 1, IFRS 9, IFRS 16 and IFRS 41 (issued on 14 May 2020 and effective for commencing periods on or after 1 January 2022);
- Amendments to IAS 1 Presentation of Financial Statements and Statement of Practice IFRS 2 Disclosures of Accounting Policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 12 Income Taxes (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023). Deferred tax associated with assets and liabilities arising from a single transaction;
- Sale or contribution of assets to an associate or joint venture by an investor - Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (issued on 11 September 2014 and effective effective for annual periods beginning after the date determined by the International Accounting Standards Board);
- Amendments to IFRS 17 Insurance Contracts and Amendments to IFRS 4 Insurance Contracts (issued on 25 June 2020 and effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 1 Presentation of Financial Statements (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023).

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 2022, the Group structure consisted of the parent company and four foreign companies in which Ekotechnika AG directly or indirectly holds the majority of capital and voting rights.

5. REVENUES

Revenues comprise the following:

	10/01/2021- 03/31/2022 EUR'000	10/01/2020- 03/31/2021 EUR'000
Sale of agricultural machinery and equipment	58,828	53,766
Sale of agricultural spare parts, tires and lubricants	34,510	24,850
Sale of forestry machinery	-	3,852
Revenue from rendering of services	2,335	1,784
Sale of trade-in machinery	1,245	1,466
Sale from precision farming equipment	442	876
Sale of forestry spare parts	-	537
	97,360	87,131

The increase in revenues mainly results from the increase of sales of agricultural spare parts.

6. COST OF GOODS AND SERVICES SOLD

Cost of goods and services sold comprise the following:

	10/01/2021- 03/31/2022 EUR'000	10/01/2020- 03/31/2021 EUR'000
Cost of agricultural machinery and equipment	49,084	47,622
Cost of agricultural spare parts, tires and lubricants	23,483	18,405
Cost of trade-in machinery	1,088	1,412
Cost of precision farming equipment	301	644
Cost of forestry machinery	-	3,495
Cost of forestry spare parts	-	141
	73,956	71,719

7. OTHER OPERATING INCOME

The other operating income is constituted as follows:

	10/01/2021- 03/31/2022 EUR'000	10/01/2020- 03/31/2021 EUR'000
Reimbursement of warranty costs	831	801
Reimbursement of marketing expenses	128	286
FOREX gain	-	1,206
Other income	505	133
	1,464	2,426

Other income consists of recovery of realized gains on disposal of property plant equipment, income from materials surplus, commissions as well as compensation for agents, contractual penalties income and rent income.

8. PAYROLL EXPENSES

Payroll expenses break down as follows:

	10/01/2021- 03/31/2022 EUR'000	10/01/2020- 03/31/2021 EUR'000
Wages and salaries	3,561	2,788
Bonuses	3,422	2,048
Social contributions	1,317	1,056
	8,300	5,892

9. OTHER OPERATING EXPENSES

The other operating expenses comprise the following:

	10/01/2021- 03/31/2022 EUR'000	10/01/2020- 03/31/2021 EUR'000
FOREX loss	5,010	72
Expenses for transport vehicles	869	712
Travel and representation expenses	734	474
Change in warranty provision	636	671
Transportation expenses	576	381
Audit, consulting and legal fees	574	449
Office expenses	534	157
Expenses for premises	475	452
Marketing and advertising expenses	390	308
Cost of workshops	382	436
Other taxes	196	261
Bank charges	123	85
Other expenses	704	944
	11,203	5,402

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

Other expenses mainly comprise shortages, communication expenses, contractual penalties loss and personnel other expenses.

10. FINANCIAL INCOME / FINANCIAL EXPENSES

Financial income comprises the following:

	10/01/2021- 03/31/2022 EUR'000	10/01/2020- 03/31/2021 EUR'000
Interest income	960	892
FOREX gain	-	-
Other financial income	-	-
	960	892

Financial expenses comprise the following:

	10/01/2021- 03/31/2022 EUR'000	10/01/2020- 03/31/2021 EUR'000
Interest expenses	1,366	1,139
Bank charges	255	183
Interests on delay of payment to suppliers	218	570
FOREX loss	-	-
Other financial expenses	48	373
	1,887	2,265

Other financial expenses comprise mainly costs associated with the exercise of rights of claim.

11. INCOME TAX EXPENSE

Income tax expense is constituted as follows:

	10/01/2021- 03/31/2022 EUR'000	10/01/2020- 03/31/2021 EUR'000
Current tax expense		
Income tax expense	969	1,674
	969	1,674
Deferred tax benefit / expense		
Origination and reversal of temporary differences	433	(392)
Change in tax rate	-	-
	1,402	1,282

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 2022 and 2021, respectively.

Six months ended 31 March 2022	Central region	Blackearth region	Siberian region	All other	Elimination and adjustments	Consolidated
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Revenue	43,520	29,122	33,445	262	(8,989)	97,360
<i>Sales of goods for resale - third parties</i>	41,014	26,407	31,497	-	(3,893)	95,025
<i>Sales (all) - Group companies</i>	1,547	2,109	1,125	262	(5,043)	-
<i>Revenue from rendering of services</i>	959	606	823	-	(53)	2,335
Purchase cost of goods sold	(33,302)	(22,303)	(24,929)	(260)	6,838	(73,956)
Gross profit/(loss)	10,218	6,819	8,516	2	(2,151)	23,404
Other operating income	578	255	442	5,799	(5,610)	1,464
Payroll expenses	(2,051)	(1,113)	(1,634)	(3,571)	69	(8,300)
Depreciation, amortization and impairment	(749)	(306)	(443)	(206)	5	(1,699)
Other operating expenses	(6,094)	(4,098)	(5,369)	(1,692)	6,050	(11,203)
(Loss)/income from impairment of financial assets	74	81	110	(40)	9	234
Results from operating activities	1,976	1,638	1,622	292	(1,628)	3,900

Six months ended 31 March 2021	Central region	Blackearth region	Siberian region	All others	Elimination and adjustments	Consolidated
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Revenue	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

	10/01/2021- 03/31/2022 EUR'000	10/01/2020- 03/31/2021 EUR'000
Result from operating activity	3,900	4,829
Financial income	960	892
Financial expenses	(1,887)	(2,265)
	2,973	3,456
Income tax expense	(1,402)	(1,282)
Income/(loss) for the period	1,571	2,174

13. PROPERTY, PLANT AND EQUIPMENT

The change in property, plant and equipment of EUR 1,390 thousand should be considered net of exchange rate effects. After this adjustment, property, plant and equipment show an increase of EUR 1,470 thousand, due to the renewal of the transport fleet (acquisitions of EUR 1,249 thousand) and investments in buildings (acquisitions of buildings, assets under construction and increase in advances for constructions of EUR 2,337 thousand). During the reporting period, the Group acquired property, plant and equipment amounting to EUR 3,591 thousand and disposed property, plant and equipment in the amount of EUR 1,122 thousand.

14. INVENTORIES

The increase in inventories from EUR 43,429 thousand to EUR 45,123 thousand is predominantly due to seasonality as the stock was built up before the peak season. The change in inventories of EUR 1,694 thousand should be considered net of exchange rate effects. After these inventories show an increase of EUR 6,383 thousand. It mainly results from the increased stock of agricultural machinery by EUR 3,381 thousand as well as from the increased stock of spare parts, tires and lubricants by EUR 878 thousand and other inventories by EUR 1,441.

During the six months ended 31 March 2022, EUR 392 thousand were recognized as an expense within cost of sales for inventories carried at net realizable value (six months 2021: EUR 1,274 thousand expenses).

15. RECEIVABLES AND OTHER ASSETS

Trade receivables decreased significantly by EUR 8,240 thousand compared to the start of the financial year. Adjusted for exchange rate effects, this decrease was not as significant. After forex adjustment of trade receivables, the decrease amounted EUR 5,911 thousand. This decrease was based on seasonality as well as on a change towards faster payments by customers due to market deviations caused by the impact of the economic sanctions. The income from the impairment of financial assets based on the expected credit losses of EUR 234 thousand (six months 2021: EUR 290 thousand loss) is recognized in a separate line in the statement of comprehensive income in accordance with IFRS 9.

The short-term loans issued decreased by EUR 1,404 thousand from EUR 24,509 thousand at 30 September 2021 to EUR 23,105 thousand at 31 March 2022. This was again due to exchange rate fluctuations. After adjustment for those fluctuations, the loans issued increased by EUR 997 thousand. The short-term loans issued are mainly loans issued to related parties. The long-term loans issued consist of loans issued to employees.

Other short-term assets decreased by EUR 512 thousand from EUR 3,604 thousand to EUR 3,092 thousand due to a decrease in VAT receivables.

Prepayments increased significantly by EUR 8,890 thousand from EUR 4,116 thousand on 30 September 2021 to EUR 13,006 thousand on 31 March 2022. This is explained by prepayments which were also made as part of one-time transactions with different dealers.

Other financial assets went down by EUR 2,888 thousand from EUR 3,893 thousand on 30 September 2021 to EUR 1,005 thousand on 31 March 2022. 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 2022, 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.

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 2022, it amounted to EUR -23,722 thousand (as of 30 September 2021: EUR -21,274 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:

	10/01/2021- 03/31/2022	10/01/2020- 03/31/2021
Income for the period, EUR'000	1,571	2,174
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	0.64	0.88
Shares Series B	0.37	0.51

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:

	03/31/2022 EUR'000	09/30/2021 EUR'000
Less than one year (current)	6,029	37,355
thereof secured bank loans	6,029	25,636
thereof unsecured bank loans	-	11,719
thereof non-bank loans	-	-
Between one and five years (non-current)	-	-
	6,029	37,355

Borrowings decreased significantly.

During the six months ended 31 March 2022 until the issuance of these financial statements, the Group has complied with all covenants.

Trade payables decreased slightly from EUR 42,030 thousand as at 30 September 2021 to EUR 38,127 thousand as at 31 March 2022.

Advances received increased significantly from EUR 9,169 thousand to EUR 37,579 thousand, partly due to seasonal effects and partly to the increased operating activities.

Other financial liabilities decreased slightly from EUR 5,474 thousand as at 30 September 2021 to EUR 3,845 thousand as at 31 March 2022.

The increase in other current liabilities is attributable to an increase in VAT payable from EUR 2,632 thousand as at 30 September 2021 to EUR 5,448 thousand as at 31 March 2022. This increase is due 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	10/01/2021-03/31/2022 EUR'000	10/01/2020-03/31/2021 EUR'000
Sale of agricultural machinery and equipment	11	204
Sale of spare parts, tires and lubricants	2,849	3,371
Sale from precision farming equipment	1	61
Revenue from rendering of services	115	115
Other income	32	90
Purchase of goods and other services	(1,584)	(189)

In the first six months of 2022, provisions were made against credit losses in the amount of EUR 39 thousand.

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

	10/01/2021-03/31/2022 EUR'000	10/01/2020-03/31/2021 EUR'000
Remuneration	400	475
Other expenses	-	-

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	03/31/2022	14,172	6
	09/30/2021	18,310	28
Associates	03/31/2022	1	2
	09/30/2021	-	-
Key management personnel	03/31/2022	-	182
	09/30/2021	-	316
Total	03/31/2022	14,173	190
	09/30/2021	18,310	344

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	03/31/2022	-	23,077
	09/30/2021	-	24,286
Parent company	03/31/2022	-	-
	09/30/2021	-	-
Key management personnel	03/31/2022	-	-
	09/30/2021	-	114
Total	03/31/2022	-	23,077
	09/30/2021	-	24,400

		Interest income	Interest expenses
		EUR'000	EUR'000
Entities under common control	10/01/2021-03/31/2022	827	-
	10/01/2020-03/31/2021	833	-
Parent company	10/01/2021-03/31/2022	10	-
	10/01/2020-03/31/2021	6	-
Key management personnel	10/01/2021-03/31/2022	-	-
	10/01/2020-03/31/2021	-	5
Total	10/01/2021-03/31/2022	838	-
	10/01/2020-03/31/2021	839	5

21. OTHER INFORMATION

The average headcount in the Group during the reporting period was 747 employees (six months 2021: 721).

Of these, 263 (six months 2021: 254) worked in the sales department, 308 (six months 2021: 284) in customer service, and 176 (six months 2021: 183) in administration.

22. RELEASE

The Group interim financial statements of Ekotechnika AG for the period from 1 October 2021 to 31 March 2022 were approved for publication by the Executive Board on 28 June 2022.

Walldorf, 28 June 2022



Stefan Duerr
Chairman of the Board



Bjoerne Drechsler
Board Member

EKOTECHNIKA

Contact:

Ekotechnika AG

Johann-Jakob-Astor-Str. 49

69190 Walldorf

T: +49 (0) 6227 3 58 59 60

E: info@ekotechnika.de

I: www.ekotechnika.de