



Independent Statutory Auditor's Report on the Audit
of Annual Financial Statements of
Farmtrac Tractors Europe Sp. z o.o.
for the financial year ended
31 March 2021

Mazars Audyt Sp. z o.o.
ul. Piękna 18
00-549 Warsaw

INDEPENDENT STATUTORY AUDITOR'S REPORT ON THE AUDIT OF ANNUAL FINANCIAL STATEMENTS

Translation of the document originally issued in Polish

To the General Meeting of Shareholders of Farmtrac Tractors Europe Sp. z o. o. [a limited liability company]

Report on the Audit of Annual Financial Statements

Opinion

We have audited the annual financial statements of Farmtrac Tractors Europe Sp. z o. o. ("the Company") which comprise the introduction to the financial statements, the balance sheet as at 31 March 2021, the profit and loss account, the statement of changes in equity, the cash flow statement for the financial year from 1 April 2020 to 31 March 2021 and additional notes and explanations ("the financial statements").

In our opinion, the accompanying financial statements:

- give a true and fair view of the Company's property and financial position as at 31 March 2021, and of its financial performance and its cash flows for the financial year then ended in accordance with the applicable provisions of the Accounting Act dated 29 September 1994 ("the Accounting Act" - Journal of Laws of 2019, item 351 as amended) and the adopted accounting principles (policy);
- comply with the applicable legislation and with the provisions of the Company's Articles of Association as to the form and content;
- have been prepared based on the accounting books kept properly, in accordance with Chapter 2 of the Accounting Act.

Basis for Opinion

We conducted our audit in accordance with National Standards on Auditing as per International Standards on Auditing adopted by resolution no. 3430/52a/2019 of the National Council of Statutory Auditors of 21 March 2019 regarding national standards on auditing and other documents (as amended) (National Standards on Auditing "NSA"), as well as according to the Act on Statutory Auditors, Audit Firms and Public Supervision of 11 May 2017 ("the Act on Statutory Auditors" - Journal of Laws of 2020, item 1415). Our responsibility under those standards has been further described in "Statutory Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants of the International Federation of Accountants ("the IFAC Code"), adopted by resolution of the National Council of Statutory Auditors No. 3431/52a/2019 of 25 March 2019 on the principles of professional ethics for statutory auditors and other ethical requirements which are applicable to the audit of financial statements in Poland. We have fulfilled our other

ethical responsibilities in accordance with these requirements and the IFAC Code. During the audit the key statutory auditor and the audit firm remained independent of the audited Company in accordance with the independence requirements specified in the Act on Statutory Auditors.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to the information included in the introduction to the financial statements in point V “Going concern assumption. As stated in the note, the financial statements prepared as at 31 March 2021 show accumulated losses exceeding the sum total of supplementary and reserve capitals and half of the share capital. In accordance with requirements set forth in Article 233 of the Act of 15 September 2000 the Commercial Companies’ Code (Journal of Laws of 2020, item 1526), the Company’s Management Board is obliged to immediately convene a General Meeting of Shareholders to adopt a resolution concerning the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of the Management Board for the Financial Statements

The Company's Management Board is responsible for preparing, based on the accounting books properly kept, the financial statements that give a true and fair view of the Company's property and financial position and its financial performance in accordance with applicable provisions of the Accounting Act and adopted accounting principles (policy), as well as with the relevant legislation and with the provisions of the Company's Articles of Association. The Company's Management Board is also responsible for such internal control as the Management Board determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

When preparing the financial statements, the Company's Management Board is responsible for assessing the Company's ability to continue as a going concern, as well as for disclosing, if applicable, matters related to going concern and for adopting the going concern assumption as an accounting basis, unless the Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Management Board is obliged to ensure that the financial statements meet the requirements set out in the Accounting Act.

Statutory Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the National Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The scope of audit does not include assurance as to the future profitability of the Company and effectiveness or efficiency of running the Company's affairs by the Management Board at present or in the future.

According to National Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit, as well as:

- we identify and assess risks of material misstatement of financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and we obtain audit evidence which is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control in the Company;
- we evaluate the appropriateness of the accounting principles (policy) used and the reasonableness of the accounting estimates and related disclosures made by the Management Board of the Company;
- we conclude on the appropriateness of the Company's Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, as to whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Other Information, including the Management Report

Other information includes the management report for the financial year ended 31 March 2021 ("the Management Report").

Responsibility of the Management Board

The responsibility for the preparation of the Management Report in accordance with the applicable regulations lies with the Company's Management Board.

The Management Board of the Company is obliged to ensure that the Management Report meets the requirements set out in the Accounting Act.

Statutory Auditor's Responsibility

Our opinion on the audit of the financial statements does not cover the Management Report. Our responsibility regarding the audit of financial statements is to get acquainted with the Management Report and to consider whether it is not significantly incoherent with the financial statements or with our knowledge obtained during the audit or whether the Management Report seems to be significantly misstated in other manner. If, based on work performed, we consider that there are material misstatements in the Management Report, we are obliged to inform about it in our audit report. In accordance with the Act on Statutory Auditors, our responsibility is also to give an opinion whether the Management Report has been prepared in accordance with applicable regulations and whether it complies with information contained in the annual financial statements.

Opinion on the Management Report

Based on the work performed during the audit, in our opinion, the Management Report:

- has been prepared in accordance with Article 49 of the Accounting Act,
- is in line with information contained in the financial statements.

Moreover, according to our knowledge of the Company and its environment obtained during the audit, we do declare that we have not identified any material misstatement in the Management Report.

The key statutory auditor responsible for the audit that was the base of this independent statutory auditor's report is Bogusław Laskowski.

Acting on behalf of Mazars Audyt Sp. z o.o. with its registered office in Warsaw, ul. Piękna 18, entered on the list of audit firms under no. 186, on behalf of which the key statutory auditor audited the financial statements.

Bogusław LASKOWSKI

Signed on the Polish original

Key Statutory Auditor

No 6115

Michel KIVIATKOWSKI

Signed on the Polish original

Partner

mazars

Warsaw, 6 May 2021

financial statement

for:

FARMTRAC TRACTORS EUROPE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

reported period:

2020.04.01 - 2021.03.31

Creation date: 2021.05.06

Introduction

Company name FARMTRAC TRACTORS EUROPE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

Main office address (in Poland):

Street PRZEMYSŁOWA
House no 11 Flat no
Place MRĄGOWO
Post office in MRĄGOWO Post code 11-700 Country code PL
Community MRĄGOWO
County MRĄGOWO
Voivodeship WARMIŃSKO-MAZURSKIE

Foreign address (optional):

Street
House no Flat no
Place Post code Country code

Core business:

the PKD code(s) 2830Z

Entity ID

NIP: 7421926336
KRS: 0000051183 Obligatory field for the eKRS system

Timespan of the Entity operation (if limited):

From day
To

The period being reported:

(this section contains the data copied from the header)

From day To day
2020.04.01 2021.03.31

Incorporation of the data from the internal units:

Information if this statement contains the combined data - when this Entity contains internal units that create their own financial statements:

Does this statement contains combined data of the autonomic internal units?

No

Assumption of the business continuity:

Was this statement created with assumption of the business contnuity in the predictable future?

Yes

Introduction

Could you confirm that there are no threats to the business continuity?

Yes the answer "No" means that there are certain threats

Describe these business continuity threats

Merged companies:

Was there a company merge during the reported period?

No

Was this statement created after this merge?

The ownership transfer method used in the merge (purchase, stock swap)

Accounting policies:

valuation methods of the assets and liabilities

The financial statements were prepared in accordance with the provisions of Chapter 2 of the Accounting Act of September 29, 1994 (Journal of Laws of 2019, item 351 as amended).
The Company is in possession of a full and complete documentation describing the assumed and continually applied rules and principles of accounting. An important element of this documentation is a set of specific principles and methods for the valuation of assets and liabilities and for determining the financial result, including the principles for which the Company had the right to choose solutions or use simplifications in the light of the Accounting Act.

methods used for determining the financial result

The financial report has been drawn up with the application of the following accounting principles:

- Fixed assets and intangible assets – straight-line method of depreciation with the application of depreciation rates as determined for tax purposes, with the exception of development/research work where, instead of the 33% rate the 20% rate is applied, which corresponds to their business utility periods. The above mentioned assets are depreciated from the month following the month they are accepted for use.
No depreciation of the land perpetual usufruct right is made by the Company.
The initial recognition of intangible assets at acquisition.
Fixed assets are valued at acquisition or production cost.
- Intangible assets are depreciated in the following manner:
 - computer software – within a period of 2 years,
 - other intangible assets – within a period of 5 years.Sample rates of depreciation for fixed assets:
 - Computer sets - 30%
 - Equipment - 20%
- Fixed assets of the value equal less than 3500,00 PLN are recorded in the fixed assets records but are written down as costs, on a one-time basis, in the month following the month they are accepted for use.
- Fixed assets and intangible assets are presented in the balance sheet in their net value.
- Fixed assets under construction are valued in the amount of total costs remaining in direct connection with their purchase and manufacture. Fixed assets under construction are not depreciated till the time their construction is completed and they are delivered for use.
- Valuation of working assets.
 - production materials, spare parts and utility materials – in accordance with the purchase price, with the application of the "first in first out" principle;
 - ready products, semi-finished products, post-regeneration products – in accordance with fixed book value post the planned cost adjusted for divergence from fixed book value;
 - production in progress in accordance with the actual production cost;
 - receivables and liabilities in the amount due for payment, short-term receivables have been quoted in the amount due for payment diminished by write-offs. Write-offs on the value of receivables have been entered into other operating costs. The value of the write-offs has been established with the balance method which makes it possible to assess what part of the receivables existing at the end of the reporting period is doubtful;
 - domestic monetary resources are recorded in their par value;
 - monetary resources and foreign currency settlements are calculated as per the reporting day in accordance with the NBP (Polish National Bank) bank exchange rates.
- Capital funds are recognized in the accounting records by type and according to the principles laid down by law

Introduction

and provisions of the Company's articles of association.

h) Deferred taxes.
Current tax liabilities due to corporate income tax are established in accordance with the Polish tax regulations. As a result of temporary differences between the book value of assets and liabilities and their tax value, the Company establishes a provision and determines the assets due to the deferred income tax. Assets are established in the amount of forecasted future income tax deduction due to temporary negative differences which will result in the future decrease of the income tax base, upon consideration of the principle of precaution. Provision due to the deferred income tax is established in the amount of the income tax payable in the future as a result of taxable temporary differences, i.e. differences that will increase the base for calculating the future tax. The value of the provision and assets is calculated upon consideration of the income tax rates applicable in the year in which they will affect the value of the tax base. Provisions and assets due to the deferred relating to transactions settled in equity are also referred to equity.

i) Provision for liabilities.
The Company builds up reserves for costs not borne yet but concerning the period, the risk known and the threatening loss, in a reliably justified value.

j) Prepaid expenses include actually borne expenditures which will be included in the cost of subsequent reporting periods.

k) Operations in foreign currencies
Sale and purchase of foreign currencies, as well as outflows of foreign currencies due to the repayment of receivables or liabilities are valued at the buying or selling rates of the currencies used by the bank servicing the unit, respectively, from the day of the operation.
Cash, assets and liabilities denominated in foreign currencies are translated at the average NBP exchange rate as at the balance sheet date.

l) Exchange differences
Exchange differences arising in connection with the valuation as of the balance sheet date of cash, shares and securities as well as receivables and liabilities are accounted for as follows:
- to financial income - a surge of positive foreign exchange differences over negative ones,
- for financial expenses - a decrease in foreign exchange losses over positive ones.

m) Financial liabilities.
Financial liabilities are valued at the amount due (Article 28b (1) of the Act).

n) The Company draws up a profit and loss report in the comparative format
- revenue from the sale of goods and products is recognized upon delivery and therefore the risks and benefits arising from the ownership of goods and products;
- operating expenses are recognized in the period to which they relate; costs are recorded in a comparative format.

the method of preparing the financial statement

The financial statements were prepared in accordance with the provisions of Chapter 2 of the Accounting Act of September 29, 1994 (Journal of Laws of 2019, item 351 as amended).

others:

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Additional information:

Item name	
Description	

Item name	
Description	

Introduction

Item name	
Description	
Item name	
Description	

Balance Sheet

FARMTRAC TRACTORS EUROPE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

all amounts in PLN

Assets		As at:	2021.03.31	2020.03.31	Adj. comparative data for the prev. period
A	Fixed assets		1 671 988,16	1 742 460,46	
I	Intangible assets		320 026,77	325 061,69	
1	R&D expenses				
2	Goodwill				
3	Other intangible assets		320 026,77	325 061,69	
4	Advances for intangible assets				
II	Tangible fixed assets		1 350 172,09	1 415 609,47	
1	Tangible fixed assets in use		1 350 172,09	1 415 609,47	
a)	land (including right to perpetual usufruct)		254 190,00	254 190,00	
b)	buildings, premises, civil and water engineering structures		874 050,97	930 516,85	
c)	technical equipment and machines		39 301,26	28 774,02	
d)	vehicles		94 488,01	132 071,05	
e)	other tangible fixed assets		88 141,85	70 057,55	
2	Tangible fixed assets under construction		0,00	0,00	
3	Advances for tangible fixed assets under construction		0,00	0,00	
III	Long-term receivables		0,00	0,00	
1	From related parties				
2	From other entities, where this company owns a capital share				
3	From other entities				
IV	Long-term investments		0,00	0,00	
1	Real property				
2	Intangible assets				
3	Long-term financial assets		0,00	0,00	
a)	in related parties		0,00	0,00	
	1) shares				
	2) other securities				
	3) loans granted				
	4) other long-term financial assets				

Balance Sheet

FARMTRAC TRACTORS EUROPE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

all amounts in PLN

Assets (cont. 'Long-term financial assets')		As at:	2021.03.31	2020.03.31	Adj. comparative data for the prev. period
b)	in other entities, where this company owns a capital share		0,00	0,00	
	1) shares				
	2) other securities				
	3) loans granted				
	4) other long-term financial assets				
c)	in other entities		0,00	0,00	
	1) shares				
	2) other securities				
	3) loans granted				
	4) other long-term financial assets				
4	Other long-term investments				
V	Long-term prepayments		1 789,30	1 789,30	
1	Deferred tax assets		1 789,30	1 789,30	
2	Other prepayments				
B	Current Assets		29 927 164,08	37 293 899,03	
I	Inventory		24 241 588,92	30 995 523,62	
1	Materials		19 849 778,75	25 318 278,65	
2	Semi-finished products and work in progress		980 498,30	1 908 274,80	
	including: objects under construction				
3	Finished products		3 411 311,87	3 768 970,17	
4	Goods				
5	Advances for deliveries				
II	Short-term receivables		3 555 355,12	5 882 431,35	
1	Receivables from related parties		328 020,06	336 719,63	
a)	trade receivables, maturing:		328 020,06	336 719,63	
	1) up to 12 months				
	2) above 12 months				
b)	other				

Balance Sheet

FARMTRAC TRACTORS EUROPE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

all amounts in PLN

Assets (cont. 'Short-term receivables')		As at:	2021.03.31	2020.03.31	Adj. comparative data for the prev. period
2	Receivables from other entities, where this company owns a capital share		3 227 335,06	5 545 711,72	
a)	trade receivables, maturing:		3 227 335,06	5 545 711,72	
	1) up to 12 months		3 227 335,06	5 545 711,72	
	2) above 12 months				
b)	other				
3	Receivables from other entities		0,00	0,00	
a)	trade receivables, maturing:		0,00	0,00	
	1) up to 12 months				
	2) above 12 months				
b)	receivables from tax, subsidy, customs, social security and other benefits				
c)	other				
d)	claimed at court				
III	Short-term investments		2 017 101,18	193 088,37	
1	Short-term financial assets		2 017 101,18	193 088,37	
a)	in related parties		0,00	0,00	
	1) shares				
	2) other securities				
	3) loans granted				
	4) other short-term financial assets				
b)	in other entities		0,00	0,00	
	1) shares				
	2) other securities				
	3) loans granted				
	4) other short-term financial assets				
c)	cash and other pecuniary assets		2 017 101,18	193 088,37	
	1) cash in hand and at bank		2 017 101,18	193 088,37	
	2) other cash				
	3) other pecuniary assets				
2	Other short-term investments				
IV	Short-term prepayments		113 118,86	222 855,69	
	including: prepayments for pending construction contracts				
C	Called up share capital				
D	Own shares				
Total assets (sum of A, B, C, and D)			31 599 152,24	39 036 359,49	

Balance Sheet

FARMTRAC TRACTORS EUROPE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

all amounts in PLN

Liabilities and Equity		As at:	2021.03.31	2020.03.31	Adj. comparative data for the prev. period
A	Equity		789 475,14	225 558,46	
I	Share capital		15 500 000,00	15 500 000,00	
II	Supplementary capital, including:				
	– excess of the actual share values over their nominal values				
III	Revaluation reserve, including:				
	– fair value adjustments				
IV	Other reserve capitals, including:				
	– created according the company (statute) rules				
	– for own shares				
V	Previous years' profit (loss)		-15 274 441,54	-12 325 051,90	
VI	Net profit (loss)		563 916,68	-2 949 389,64	
VII	Write-off on net profit during the financial year (negative value)				
B	Liabilities and provisions for liabilities		30 809 677,10	38 810 801,03	
I	Provisions for liabilities		1 144 895,11	888 890,63	
1	Provision for deferred income tax		1 789,30	1 789,30	
2	Provision for retirement and similar benefits		543 470,19	502 336,69	
	– long-term		61 290,00	51 990,00	
	– short-term		482 180,19	450 346,69	
3	Other provisions		599 635,62	384 764,64	
	– long-term				
	– short-term		599 635,62	384 764,64	
II	Long-term liabilities		0,00	0,00	
1	To related parties				
2	To other entities, where this company owns a capital share				
3	To other entities		0,00	0,00	
a)	credits and loans				
b)	arising from issuance of debt securities				
c)	other financial liabilities				
d)	bill-of-exchange liabilities				
e)	other				

Balance Sheet

FARMTRAC TRACTORS EUROPE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

all amounts in PLN

Liabilities and Equity (cont. 'Liabilities and provisions for liabilities')		As at:	2021.03.31	2020.03.31	Adj. comparative data for the prev. period
III	Short-term liabilities		29 664 781,99	37 921 910,40	
1	to related parties		22 859 355,72	25 051 330,80	
a)	trade liabilities, maturing:		22 859 355,72	25 051 330,80	
	1) up to 12 months		22 859 355,72	25 051 330,80	
	2) above 12 months				
b)	other				
2	to other entities, where this company owns a capital share		0,00	0,00	
a)	trade liabilities, maturing:		0,00	0,00	
	1) up to 12 months				
	2) above 12 months				
b)	other				
3	to other entities		6 725 417,02	12 776 068,97	
a)	credits and loans		0,00	1 348 406,84	
b)	arising from issuance of debt securities		0,00	0,00	
c)	other financial liabilities		1 578 707,57	1 050 471,56	
d)	trade liabilities, maturing:		4 263 263,76	7 858 069,78	
	1) up to 12 months		4 263 263,76	7 858 069,78	
	2) above 12 months				
e)	received advances for deliveries		317 840,53	1 978 959,39	
f)	bill-of-exchange liabilities				
g)	tax, customs, insurance and other liabilities		474 440,09	402 239,77	
h)	payroll liabilities		79 813,41	104 825,55	
i)	other		11 351,66	33 096,08	
4	Special funds		80 009,25	94 510,63	
IV	Accruals		0,00	0,00	
1	Negative goodwill				
2	Other accruals		0,00	0,00	
	– long-term				
	– short-term				
	– accruals of construction contracts				
Total equity and liabilities (sum of A and B)			31 599 152,24	39 036 359,49	

Profit or Loss Statement

FARMTRAC TRACTORS EUROPE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

all amounts in PLN

comparative variant		Current period	Previous period	Adj. comparative data for the prev. period
A	Net revenues from sales and equivalent, including:	53 927 860,00	47 824 128,66	
	– revenues from related parties	339 115,56	331 840,61	
I	Net revenues from sales of products	50 025 208,61	40 676 520,68	
II	Change in the balance of products (increase - positive value, decrease - negative value)	-1 285 434,80	2 366 481,64	
	– including: objects under construction			
III	Manufacturing cost of products for internal purposes			
IV	Net revenues from sales of goods and materials	5 188 086,19	4 781 126,34	
B	Operating expenses	52 556 310,87	48 350 695,83	
I	Amortisation and depreciation	235 478,43	248 123,03	
II	Consumption of materials and energy	39 896 583,03	36 131 113,49	
III	External services	2 059 530,65	1 933 238,22	
IV	Taxes and charges, including:	148 433,98	172 620,37	
	– excise duty			
V	Payroll	4 038 421,30	3 630 151,99	
VI	Social security and other benefits, including:	995 421,98	937 679,98	
	– retirement benefits			
VII	Other costs by type	556 470,34	867 082,67	
VIII	Value of goods and materials sold	4 625 971,16	4 430 686,08	
C	Profit (loss) on sales (A-B)	1 371 549,13	-526 567,17	
D	Remaining operating revenues	235 575,42	13 569,02	
I	Gain on disposal of non-financial fixed assets	0,00	3 448,56	
II	Subsidies			
III	Revaluation of non-financial assets			
IV	Other operating revenues	235 575,42	10 120,46	
E	Remaining operating expenses	0,00	231 318,88	
I	Loss on disposal of non-financial fixed assets			
II	Revaluation of non-financial assets			
III	Other operating expenses	0,00	231 318,88	
F	Profit (loss) on operating activities (C+D-E)	1 607 124,55	-744 317,03	
G	Financial revenues	8,40	35,77	

Profit or Loss Statement

FARMTRAC TRACTORS EUROPE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

all amounts in PLN

comparative variant, cont. of previous page		Current period	Previous period	Adj. comparative data for the prev. period
I	Dividend and profit sharing, including:			
a)	from related parties, including:			
	– entities, which shares are owned by this company			
b)	from other entities, including:			
	– entities, which shares are owned by this company			
II	Interest, including:	8,40	35,77	
	– interest from related parties			
III	Gain on disposal of financial assets, including:			
	– gain in related parties			
IV	Revaluation of financial assets			
V	Other			
H	Financial expenses	1 043 216,27	2 205 108,38	
I	Interest, including:	444 635,45	374 066,91	
	– interest for related parties			
II	Loss on disposal of financial assets, including:			
	– losses in related parties			
III	Revaluation of financial assets			
IV	Other	598 580,82	1 831 041,47	
I	Profit (loss) on business activities (F+G-H)	563 916,68	-2 949 389,64	
J	Income tax			
K	Other statutory reductions in profit (increases in loss)			
L	Net profit (loss) (I-J-K)	563 916,68	-2 949 389,64	

Statement of Changes in Equity

FARMTRAC TRACTORS EUROPE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

all amounts in PLN

all amounts in PLN

details		Current period	Previous period	Adj. comparative data for the prev. period
I	Opening balance of equity	225 558,46	3 174 948,10	
	– changes in accounting policies	0,00	0,00	
	– error adjustments	0,00	0,00	
Ia	Opening balance of equity after adjustments	225 558,46	3 174 948,10	
1	Opening balance of share capital	15 500 000,00	15 500 000,00	
1.1	Changes in share capital	0,00	0,00	
a)	increase (due to)	0,00	0,00	
	– issuance of shares	0,00	0,00	
	–			
	–			
	–			
b)	decrease (due to)	0,00	0,00	
	– shares redemption	0,00	0,00	
	–			
	–			
	–			
1.2	Closing balance of share capital	15 500 000,00	15 500 000,00	
2	Opening balance of supplementary capital	0,00	0,00	
2.1	Changes in supplementary capital	0,00	0,00	
a)	increase (due to)	0,00	0,00	
	– issuance of shares above the nominal value	0,00	0,00	
	– profit distribution (statutory)	0,00	0,00	
	– profit distribution (above the statutory required value)	0,00	0,00	
	–			
	–			
	–			
b)	decrease (due to)	0,00	0,00	
	– loss coverage	0,00	0,00	
	–			
	–			
	–			
2.2	Closing balance of supplementary capital	0,00	0,00	

Statement of Changes in Equity

FARMTRAC TRACTORS EUROPE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

all amounts in PLN

all amounts in PLN

details, cont. of previous page		Current period	Previous period	Adj. comparative data for the prev. period
3	Opening balance of revaluation reserve	0,00	0,00	
3.1	Changes in revaluation reserve	0,00	0,00	
a)	increase (due to)	0,00	0,00	
	–			
	–			
	–			
b)	decrease (due to)	0,00	0,00	
	– sales of tangible fixed assets			
	–			
	–			
	–			
3.2	Closing balance of revaluation reserve	0,00	0,00	
4	Opening balance of other reserve capitals	0,00	0,00	
4.1	Changes in other reserve capitals	0,00	0,00	
a)	increase (due to)	0,00	0,00	
	–			
	–			
	–			
b)	decrease (due to)	0,00	0,00	
	–			
	–			
	–			
4.2	Closing balance of other reserve capitals	0,00	0,00	
5	Opening balance of previous years' profit (loss)	-15 274 441,54	-12 325 051,90	
5.1	Opening balance of previous years' profit	2 450 978,70	2 450 978,70	
	– changes in accounting policies	0,00	0,00	
	– error adjustments	0,00	0,00	

Statement of Changes in Equity

FARMTRAC TRACTORS EUROPE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

all amounts in PLN

all amounts in PLN

details, cont. of previous page		Current period	Previous period	Adj. comparative data for the prev. period
5.2	Opening balance of previous years' profit, after adjustments	2 450 978,70	2 450 978,70	
a)	increase (due to)	0,00	0,00	
	– distribution of previous years' profit	0,00	0,00	
	–			
	–			
	–			
b)	decrease (due to)	0,00	0,00	
	–			
	–			
	–			
5.3	Closing balance of previous years' profit	2 450 978,70	2 450 978,70	
5.4	Opening balance of previous years' loss	-17 725 420,24	-14 776 030,60	
	– changes in accounting policies	0,00	0,00	
	– error adjustments	0,00	0,00	
5.5	Opening balance of previous years' loss, after adjustments	-17 725 420,24	-14 776 030,60	
a)	increase (due to)	0,00	0,00	
	– previous years' loss brought forward	0,00	0,00	
	–			
	–			
	–			
b)	decrease (due to)	0,00	0,00	
	–			
	–			
	–			
5.6	Closing balance of previous years' loss	-17 725 420,24	-14 776 030,60	
5.7	Closing balance of previous years' profit (loss)	-15 274 441,54	-12 325 051,90	
6	Net result	563 916,68	-2 949 389,64	
a)	net profit	563 916,68	0,00	
b)	net loss	0,00	2 949 389,64	
c)	write-offs on profit	0,00	0,00	
II	Closing balance of equity	789 475,14	225 558,46	
III	Equity including proposed profit distribution (loss coverage)	789 475,14	225 558,46	

Cash Flow Statement

FARMTRAC TRACTORS EUROPE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

all amounts in PLN

indirect method		Current period	Previous period	Adj. comparative data for the prev. period
A	Cash flows from operating activities			
I	Net profit (loss)	563 916,68	-2 949 389,64	
II	Total adjustments	2 689 908,54	5 173 197,93	
1	Amortisation and depreciation	235 478,43	248 123,03	
2	Exchange gains (losses)			
3	Interest and profit sharing (dividend)	444 635,45	374 066,91	
4	Profit (loss) on investment activities	0,00	-3 448,56	
5	Change in provisions	256 004,48	93 817,63	
6	Change in inventory	6 753 934,70	-10 857 685,93	
7	Change in receivables	2 327 076,23	1 740 172,52	
8	Change in short-term liabilities excluding credits and loans	-7 436 957,58	13 620 348,92	
9	Change in prepayments and accruals	109 736,83	-42 196,59	
10	Other adjustments			
III	Net cash flows from operating activities (I +/- II)	3 253 825,22	2 223 808,29	
B	Cash flows from investment activities			
I	Inflows	0,00	3 448,56	
1	Disposal of intangible and tangible fixed assets	0,00	3 448,56	
2	Disposal of investments in real property and intangible assets			
3	From financial assets, including:	0,00	0,00	
a)	in related parties			
b)	in other entities	0,00	0,00	
	1) sales of financial assets			
	2) dividends and profit sharing			
	3) repayment of granted long-term loans			
	4) interest			
	5) other inflows from financial assets			
4	Other inflows from investment activities			
II	Outflows	165 006,13	110 503,06	
1	Purchase of intangible assets and tangible fixed assets	165 006,13	110 503,06	

Cash Flow Statement

FARMTRAC TRACTORS EUROPE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

all amounts in PLN

indirect method, cont. of previous page		Current period	Previous period	Adj. comparative data for the prev. period
2	Investments in real property and intangible assets			
3	To financial assets, including:	0,00	0,00	
a)	in related parties			
b)	in other entities	0,00	0,00	
	1) purchase of financial assets			
	2) long-term loans granted			
4	Other outflows from investment activities			
III	Net cash flows from investment activities (I-II)	-165 006,13	-107 054,50	
C	Cash flows from financial activities			
I	Inflows	0,00	1 348 406,84	
1	Net inflows from issuance of shares and other capital instruments and from capital contributions			
2	Credits and loans	0,00	1 348 406,84	
3	Issuance of debt securities			
4	Other inflows from financial activities	0,00	0,00	
II	Outflows	1 264 806,28	3 411 646,41	
1	Purchase of own shares			
2	Dividend and other payments to shareholders			
3	Profit distribution liabilities other than profit distribution payments to shareholders			
4	Repayment of credits and loans	1 348 406,84	1 999 157,43	
5	Redemption of debt securities			
6	Payment of other financial liabilities	-528 236,01	1 038 422,07	
7	Payment of liabilities arising from financial leases	0,00	0,00	
8	Interest	444 635,45	374 066,91	
9	Other outflows from financial activities			
III	Net cash flows from financial activities (I-II)	-1 264 806,28	-2 063 239,57	
D	Total net cash flows (A.III. +/- B.III +/- C.III)	1 824 012,81	53 514,22	
E	Balance sheet change in cash, including:			
	– change in cash due to exchange differences			
F	Cash opening balance	193 088,37	139 574,15	
G	Closing balance of cash (F+/-D), including:	2 017 101,18	193 088,37	
	– of limited disposability	80 009,25	94 510,63	

Additional Information:

FARMTRAC TRACTORS EUROPE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

all amounts in PLN

Reconciliation of difference between the financial result and the income tax basis

Reconciliation of difference between the financial result (profit or loss) and the income tax basis		Current period		Previous period	
		Total:	from capital gains:	Total:	from capital gains:
A.	Profit (loss)	563 916,68	—	-2 949 389,64	—
B.	Revenues exempt from taxation *	0,00	0,00	0,00	0,00
C.	Revenues non-taxable in the current year	7 788 431,64	0,00	3 312 378,98	0,00
D.	Revenues taxable in current year, accounted in previous years' books	0,00	0,00	0,00	0,00
E.	Non-deductible costs*	0,00	0,00	0,00	0,00
F.	Costs not recognized as deductible in current year	7 114 231,54	0,00	5 463 510,98	0,00
G.	Costs deductible in current year, accounted in previous years' books	0,00	0,00	0,00	0,00
	<i>Income (A - B - C + D + E + F - G)</i>	-110 283,42	—	-798 257,64	—
H.	Previous years' loss	0,00	0,00	0,00	0,00
I.	Other changes of the income tax basis	0,00	0,00	0,00	0,00
J.	Income tax basis	-110 283,00	—	-798 258,00	—
K.	Income tax	0,00	—	0,00	—

* Permanent differences between the financial profit (loss) and the profit (loss) for tax calculation

Attachments and explanations:

Introduction To The Financial Report Farmtrac Tractors Europe Limited Liability Company

Attachment:



FTES 2020 2021 06 05 21 EN.pdf

MANAGEMENT BOARD REPORT

Attachment:



Management Board Report 2020 2021 06 05 21 ENG.pdf

Attachment:

Attachment:

Attachment:

Attachment:

Additional Information:

FARMTRAC TRACTORS EUROPE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ

all amounts in PLN



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