

Summit Motors Slovakia, spol. s r. o.

Appendix to the Independent Auditors' Report
issued on Consolidated Annual report
and Consolidated Annual Report
As at 31 March 2021

Summit Motors Slovakia, spol. s r.o.
Appendix to the Independent Auditors 'Report,
issued on Consolidated Annual Report
and Consolidated Annual Report
As at 31 March 2021

Contents

Appendix to the Independent Auditors 'Report

Annual report



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Translation of the Appendix to the independent Auditors' Report originally prepared in Slovak language

Appendix to the independent Auditors' Report issued on 30 September 2021 (this Appendix is issued in respect of the Consolidated Annual Report)

pursuant to Article 27 (6) of the Act No. 423/2015 Coll. on statutory audit and on amendments to Act No. 431/2002 Coll. on accounting as amended ("the Act on Statutory Audit")

To the Owners and Directors of Summit Motors Slovakia, spol. s r.o.

We have audited the consolidated financial statements of Summit Motors Slovakia, spol. s r.o. and its subsidiaries ("the Group") as of 31 March 2021 presented as attachment of the accompanying Consolidated Annual Report. We have issued an unmodified independent auditors' report on the consolidated financial statements on 30 September 2021.

This Appendix supplements the aforementioned auditor's report solely in respect of the following information:

Report on Other Legal and Regulatory Requirements

Reporting on other information in the Consolidated Annual Report

The statutory body is responsible for the other information. The other information comprises the information included in the Consolidated Annual Report prepared in accordance with the Act No. 431/2002 Coll. on Accounting as amended ("the Act on Accounting") but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information in the Consolidated Annual Report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the Consolidated Annual Report that we have obtained prior to the date of the auditors' report on the audit of the consolidated financial statements, and, in doing so, consider whether the other information is materially inconsistent with the audited consolidated financial statements or our knowledge obtained in the audit of the consolidated financial statements, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The Consolidated Annual Report was not available to us as at the date of the auditors' report on the audit of the consolidated financial statements.

With respect to the Consolidated Annual Report, once obtained, we are required by the Act on Accounting to express an opinion on whether the other information given in the Consolidated Annual Report is consistent with the consolidated financial statements prepared for the same financial year, and whether it contains information required by the Act on Accounting.



Based on the work undertaken in the course of the audit of the consolidated financial statements, in our opinion, in all material respects:

- the other information given in the Consolidated Annual Report for the year ended 31 March 2021 is consistent with the consolidated financial statements prepared for the same financial year; and
- the Consolidated Annual Report contains information required by the Act on Accounting.

In addition to this, in light of the knowledge of the Group and its environment obtained in the course of the audit of the consolidated financial statements, we are required by the Act on Accounting to report if we have identified material misstatements in the other information in the Consolidated Annual Report. We have nothing to report in this respect.

8 October 2021
Bratislava, Slovak Republic

Auditing company:
KPMG Slovensko spol. s r.o.
License SKAU No. 96




Responsible auditor:
Peter Nemečkay
License UDVA No. 1054

SUMMIT MOTORS SLOVAKIA, spol. s r.o.
CONSOLIDATED ANNUAL REPORT
4/2020 - 3/2021

Basic information about the company, business characteristics and relationships with external entities

Business name: Summit Motors Slovakia, spol. s r.o.

Address: Tuhovská 9
831 07 Bratislava

Identification no.: 35 837 331

Date of incorporation: 15.05.2002

Date of establishment: 30.05.2002

Legal form: Limited liability company

Core business:

- Purchase of goods for the purpose of its sale to the final customer (retail) in the scope of free trade licence
- Purchase of goods for sale to other companies (wholesale) in the scope of free trade licence
- Intermediation activity in the field of trade, production and services in the scope of free trade licence
- Motor vehicle rental

Statutory representatives: Executives:

Hideto Asada
Yuki Ura

The Executive of the company is its statutory representative; represents the company and acts on its behalf externally and can authorise individually in all matters.

Share capital: 7.029.345 EUR
Share capital paid: 7.029.345 EUR

Partners:

Sumitomo Corporation
OTEMACHI PLACE EAST TOWER
3-2 Otemachi 2-Chome, Chiyoda-ku
Tokyo 100-8601, Japan

Share participation: 2 811 738 EUR
Share participation paid: 2 811 738 EUR

Sumitomo Corporation Europe Limited
Vintners' Place, Upper Thames Street 68
London EC4V 3BJ
United Kingdom of Great Britain and Northern Ireland

Share participation: 4 217 607 EUR
Share participation paid: 4 217 607 EUR

Information on the consolidated group:

The consolidated financial statements include the financial statements of the company and its subsidiary Summit Motors Bratislava, spol. s r.o., established in November 2004 and with its registered office in Bratislava, Tuhovská 9. The Company and its subsidiary are hereinafter referred to as the Group.

The Group is included in the consolidated financial statements of Sumitomo Corporation Europe Holding Limited (London). The consolidated financial statements can be obtained directly at the registered office of the company.

The group does not have a branch abroad.

Information on business activities:

The company is the exclusive importer of Ford new vehicles and spare parts in the Slovak Republic and has concluded Sales and Service Agreements with 15 dealerships within Slovakia and Service Agreements with 4 partners, which are independent legal entities:

1. Summit Motors Bratislava, spol. s r.o., Bratislava
2. N motor, s.r.o., Nitra
3. AUTO KOIŠ spol. s r.o., Bánovce nad Bebravou
4. EUROMOTOR, spol. s r.o., Banská Bystrica
5. SZILCAR PARTNERS s.r.o., Košice
6. BUILT, spol. s r.o., Prešov
7. CarComplex, spol. s r.o., Michalovce
8. AUTONOVA, s.r.o., Poprad
9. AUTOPOLIS, s.r.o., Bratislava
10. J.M. MARTIN, spol. s r.o., Martin
11. UNICAR, s. r. o., Liptovský Mikuláš
12. INTRO.CO, s.r.o., Holíč
13. JR CARS, s.r.o., Žilina
14. EKOAUTO s.r.o., Bardejov (authorised service)
15. Autocomodex spol. s r.o., Trnava
16. Eurocar s.r.o. Nove Zamky (authorized service)
17. N7 s.r.o. Senica (authorized service)
18. MRJ s.r.o. (authorized service)
19. AUTO J+J, s.r.o.

The company did not have any research and development costs.

During the 12 months ended 31 March 2021, the Company did not acquire its own business interests or the business shares of the parent company.

Cash:

The Group has all domestic bank accounts opened with Československá obchodná banka, a.s. Through this bank, it executes all its domestic and foreign payments. In addition, it has 1 bank account opened at Citibank Europe plc, a branch of a foreign bank, which is connected to the Cash Pooling system of Sumitomo Corporation Europe Limited.

Taxes:

The Group is a payer of value added tax, corporate income tax, real estate tax and motor vehicle tax.

Employees:

The average number of employees of the group for the period of 12 months ending on 31 March 2021 was 100.

Management	4
Employees	100

The average number of employees of the group for the previous year was 110 (out of which 5 managers).

Report on economic results for the period 4/2020 - 3/2021

The volume of registered vehicles on the Slovak market has a growing tendency in the last five years besides 2020/21. The FORD brand has been showing a continuous decline in market share in Slovakia since 2015. In the 12-month period ending 31 March 2021, the brand's position weakened and fell to 1.5%. The number of registered FORD vehicles in the monitored period represented 1,201 registrations (2019: 1,927).

Overview of Ford's share of the Slovak market:

	4/2015- 3/2016	4/2016- 3/2017	4/2017- 3/2018	4/2018- 3/2019	4/2019- 3/2020	4/2020- 3/2021	Change
Vehicles registered in Slovakia	89 026	98 448	105 227	106 697	104 929	79 418	-24%
FORD vehicles registered	3 119	2 995	2 743	2 662	1 927	1 201	-38%
FORD market share	3,50%	3,04%	2,61%	2,49%	1,84%	1,51%	-18%

Consolidated revenues for sales of goods and services in the reported period decreased to **TEUR 40,790** and were in the following structure:

Revenue (TEUR)	4/2015- 3/2016	4/2016- 3/2017	4/2017- 3/2018	4/2018- 3/2019	4/2019- 3/2020	4/2020- 3/2021	Change
Sale of vehicles	47 948	47 979	46 171	45 344	39 130	31 373	-20%
Sale of spare parts	3 893	4 361	4 574	5 046	5 898	5 120	-13%
Sale of services	3 521	3 647	3 815	3 902	4 592	4 297	-6%
Total sales	55 362	55 987	54 560	54 292	49 621	40 790	-18%

The Group achieved a total profit after tax of **TEUR 106** in the following structure:

Item (TEUR)	4/2015- 3/2016	4/2016- 3/2017	4/2017- 3/2018	4/2018- 3/2019	4/2019- 3/2020	4/2020- 3/2021	Change
Revenues	55 362	55 987	54 560	54 292	49 621	40 790	-18%
Cost of sales	-45 036	-45 461	-45 200	-44 632	-39 289	-32 409	-18%
	10 326	10 526	9 360	9 660	10 331	8 381	-19%
Material, energies and services	-3 112	-3 225	-3 427	-3 845	-4 202	-3 909	-7%
Advertising	-1 260	-947	-1 319	-1 676	-668	-438	-34%
Personnel expenses	-3 635	-3 757	-4 106	-4 378	-4 199	-3 592	-14%
Depreciation	-802	-901	-1 028	-1 117	-1 232	-317	-74%
Other operating income, net	79	265	239	423	242	192	-21%
Other operating expenses, net	0	0	0	0	0	-236	n/a
	-8 730	-8 565	-9 641	-10 593	-10 059	-8 301	-17%
Profit from operating activities	1 596	1 961	-281	-933	272	80	-71%
Interest expense	0	0	-13	-34	-56	-23	-59%
Other financial income, net	8	-25	-20	-22	-23	-18	-21%
Profit before tax	1 604	1 936	-314	-989	193	39	-80%
Income tax	-396	-444	38	-52	-44	67	-252%
Profit/(loss) for the period	1 208	1 492	-276	-1 041	149	106	-29%

In FY20 the Group has faced worldwide crisis of Covid pandemic. The crisis impacted also new car market in Slovakia which dropped by 24% and FORD market share decreased by 18%. Also the revenues of the Group decreased by 18% to only TEUR 40,790. The Group has continued its activities in area of cost efficiency and managed to generate a profit of TEUR 106.

Assets of the Group

As at 31 March 2021, the Group reported assets in the total amount of **TEUR 23,744** in the following structure of assets and liabilities:

Item (TEUR)	4/2015- 3/2016	4/2016- 3/2017	4/2017- 3/2018	4/2018- 3/2019	4/2019- 3/2020	4/2020- 3/2021	Change
Property, plant and equipment	7 934	8 084	8 122	9 257	7 248	5 292	-27%
Intangible assets	59	66	69	68	89	130	46%
Trade and other receivables	0	0	0	0	0	0	0%
Prepaid expenses	44	50	36	35	23	17	-27%
Deferred tax asset	59	20	137	84	41	166	310%
Non-current assets	8 096	8 220	8 364	9 444	7 401	5 605	-24%
Inventories	14 114	16 276	20 423	22 933	14 538	14 768	2%
Trade and other receivables	1 356	1 181	1 463	1 705	1 763	2 079	18%
Borrowings granted	0	0	0	0	0	0	0%
Income tax receivable	0	0	307	76	19	0	-100%
Prepaid expenses	114	116	118	136	88	105	19%
Cash and cash equivalents	5 431	1 315	776	919	9 029	1 187	-87%
Current assets	21 015	18 888	23 087	25 769	25 438	18 139	-29%
Total assets	29 111	27 108	31 451	35 213	32 838	23 744	-28%
Share capital	7 029	7 029	7 029	7 029	7 029	7 029	0%
Share premium	169	169	169	169	169	169	0%
Legal reserve fund	803	803	803	803	803	803	0%
Other capital funds	24	24	24	24	24	24	0%
Retained earnings	11 957	12 241	10 474	9 433	9 582	9 688	1%
Total equity	19 982	20 266	18 499	17 458	17 607	17 713	1%
Other non-current liabilities	91	97	86	238	337	518	54%
Non-current liabilities	91	97	86	238	337	518	54%
Trade and other liabilities	8 753	6 573	6 879	7 326	4 834	4 666	-3%
Loans and borrowings	0	0	5 853	10 005	9 747	756	-92%
Provisions	124	118	134	186	314	65	-79%
Income tax payable	161	54	0	0	0	26	0%
Current liabilities	9 038	6 745	12 866	17 517	14 895	5 513	-63%
Total equity and liabilities	29 111	27 108	31 451	35 213	32 838	23 744	-28%

During the year ended 31 March 2021, assets and liabilities/equity decreased by **28%** compared to the previous year, with the following significant changes in their structure:

1. The Group recorded a **27%** decrease in fixed assets due to the carrying amount of Company's cars used by employees of the Group for a period up to 12 months were transferred on 1 April 2020 to inventories.
2. Significant decrease in cash by **87%** is a result cash flow management, where the significant amount of cash was used to repay major part of loan from parent company.
3. Other non-current liabilities has increased by **54%** mainly due to significant contract liabilities from service free guarantee to customers.
4. Loans and borrowings were decreased by **92%** by loan repayments to parent company.

Basic financial indicators for the period 4/2020 - 3/2021

Net working capital: 12.612 TEUR

Fixed assets / equity: 29.9%

Fixed assets / (equity + non-current liabilities): 29%

Fixed assets of the company are fully covered by equity.

Current liquidity ratio: 3,33 *

Quick liquidity ratio: 0,60 *

Immediate liquidity ratio: 0,22 *

Individual indicators confirm a sufficient level of liquidity of the company.

Return on equity (ROE): +0,60%

Return on total assets (ROA): +0,45%

The company improved its economic result, which was also positively reflected in profitability indicators.

Distribution of profit or loss for the period 4/2020 - 3/2021

The company's management proposes to pay shareholders a total profit for the year ended 31 March 2021 in a form of dividends.

The impact of the Group on the environment

The Group carries out all its business activities in strict accordance with the applicable legislation relating to environmental protection and is not aware of any adverse effects caused by it, whether current or future.

Significant subsequent events after the balance sheet date

After the end of the accounting period and until the date of preparation of this report, the Group did not record any other events of special significance.

Group targets

For the following period, the group sets the following business targets:

1. Introduction of the electrified vehicles
2. Implementation of CRM system
3. Increasing an used car sales under a "Preverene" Brand

In Bratislava, 05.10.2021

Yuki Ura
Managing director

Attachment:

- 1) Audited consolidated financial statements for the period 4/ 2020 - 3/2021

Summit Motors Slovakia, spol. s r.o.

Consolidated Financial Statements
Prepared in accordance with
International Financial Reporting Standards
as adopted by the European Union

For the year ended 31 March 2021
(English translation)

CONTENTS

Independent auditors' report	3-5
Consolidated statement of financial position as of 31 March 2021	6
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2021	7
Consolidated statement of changes in equity for the year ended 31 March 2021	8
Consolidated statement of cash flows for the year ended 31 March 2021	9
Notes to the consolidated financial statements for the year ended 31 March 2021	10-33



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Independent Auditors' Report

To the Owners and Directors of Summit Motors Slovakia, spol. s r.o.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Summit Motors Slovakia, spol. s r.o. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 March 2021, consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section. We are independent of the Group in accordance with the ethical requirements of the Act No. 423/2015 Coll. on statutory audit and on amendments to Act No. 431/2002 Coll. on accounting as amended ("the Act on Statutory Audit") including the Code of Ethics for an Auditor that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Statutory Body for the Consolidated Financial Statements and Those Charged with Governance for the Consolidated Financial Statements

The statutory body is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the statutory body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the statutory body is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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.
- 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Reporting on other information in the Consolidated Annual Report

The statutory body is responsible for the other information. The other information comprises the information included in the Consolidated Annual Report prepared in accordance with the Act No. 431/2002 Coll. on Accounting as amended ("the Act on Accounting") but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information in the Consolidated Annual Report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the Consolidated Annual Report that we have obtained prior to the date of the auditors' report on the audit of the consolidated financial statements, and, in doing so, consider whether the other information is materially inconsistent with the audited consolidated financial statements or our knowledge obtained in the audit of the consolidated financial statements, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The Consolidated Annual Report was not available to us as of the date of this auditors' report on the audit of the consolidated financial statements.

When we obtain the Consolidated Annual Report of the Company, based on the work undertaken in the course of the audit of the consolidated financial statements we will express an opinion as to whether, in all material respects:

- the other information given in the Consolidated Annual Report for the year ending 31 March 2021 is consistent with the consolidated financial statements prepared for the same financial year; and
- the Consolidated Annual Report contains information required by the Act on Accounting.

In addition, we will report whether we have identified any material misstatement in the other information in the Consolidated Annual Report in light of the knowledge and understanding of the Group and its environment that we have acquired during the course of the audit of the consolidated financial statements.

30 September 2021
Bratislava, Slovak Republic

Auditing company:
KPMG Slovensko spol. s r.o.
License SKAU No. 96




Responsible auditor:
Peter Nemečkay
License UDVA No. 1054

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2021

	Note	31.3.2021 EUR	31.3.2020 EUR
Assets			
Non-current assets			
Property, plant and equipment	4	5 291 643	7 247 750
Intangible assets		129 589	89 003
Prepaid expenses		17 102	23 411
Deferred tax asset	5	166 299	40 500
		5 604 633	7 400 664
Current assets			
Inventories	6	14 768 100	14 538 436
Trade and other receivables	7	2 079 114	1 763 437
Tax receivable		0	18 926
Prepaid expenses		104 792	87 942
Cash	8	1 187 106	9 028 910
		18 139 112	25 437 651
TOTAL ASSETS		23 743 745	32 838 315
Equity			
Share capital	9	7 029 345	7 029 345
Share premium	9	169 023	169 023
Legal reserve fund	10	802 517	802 517
Other capital funds	10	24 246	24 246
Retained earnings	10	9 687 918	9 581 837
Total equity		17 713 049	17 606 968
Liabilities			
Non-current liabilities			
Other non-current liabilities	12	517 604	336 792
		517 604	336 792
Current liabilities			
Trade and other payables	12	4 665 859	4 833 709
Loans and borrowings	11	755 877	9 746 780
Provisions	13	64 914	314 066
Income tax payable		26 442	-
		5 513 092	14 894 555
TOTAL EQUITY AND LIABILITIES		23 743 745	32 838 315

The notes on pages 10 to 33 form part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

		EUR	EUR
Revenue from merchandise sold	14	36 492 655	45 028 777
Revenue from services	16	4 297 174	4 591 738
Revenue from contracts with customers		40 789 829	49 620 515
Other income		192 179	242 398
Cost of merchandise sold	15	(32 408 504)	(39 289 028)
Consumption of material and energy	17	(1 962 129)	(2 037 819)
Services	19	(1 947 203)	(2 164 638)
Advertising		(438 335)	(668 211)
Personnel expenses	18	(3 591 857)	(4 198 551)
Depreciation and amortisation expenses	4	(317 280)	(1 232 449)
Other expenses		(236 237)	
Result from operating activities		80 463	272 217
Interest expense		(22 868)	(56 394)
Other finance costs		(18 097)	(22 708)
Total finance costs	20	(40 965)	(79 102)
Profit / (loss) before tax		39 498	193 115
Income tax	21	66 583	(44 034)
Profit / (loss) for the period		106 081	149 081
Total comprehensive income for the period		106 081	149 081

Note: Financial year ended 31 March 2021 is referred as „2021“ and financial year ended 31 March 2020 is referred as „2020“.

The notes on pages 10 to 33 form part of these consolidated financial statements.

Summit Motors Slovakia, spol. s r.o.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Share capital EUR	Share premium EUR	Legal reserve fund EUR	Other capital funds EUR	Retained earnings EUR	Total EUR
At 31 March 2019	7 029 345	169 023	802 517	24 246	9 432 756	17 457 887
Profit for the year	-	-	-	-	149 081	149 081
At 31 March 2020	7 029 345	169 023	802 517	24 246	9 581 837	17 606 968
Profit for the year	-	-	-	-	106 081	106 081
Dividends paid	-	-	-	-	-	-
At 31 March 2021	7 029 345	169 023	802 517	24 246	9 687 918	17 713 049
						-

The notes on pages 10 to 33 form part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 EUR	2020 EUR
Profit before tax		39 498	193 115
Cash flows from operations			
Adjustments for non-cash items:			
Depreciation and amortization		317 280	1 232 449
Gain on sale of non-current assets		-	(547 017)
Interest expenses		22 868	56 382
Interest income		-	-
Increase/(decrease) in provisions		(249 152)	227 080
Change in impairment allowance		205 264	30 801
Other / transfer of company cars to inventory		-	-
Operating profit before changes in working capital		335 758	1 192 810
Change in working capital			
Increase in inventories		1 236 403	8 377 523
Decrease/(increase) in trade receivables, other receivables and prepaid expenses		(360 354)	(6 575)
Decrease in trade and other payables		57 621	(2 806 975)
		1 269 428	6 756 783
Interest paid		-	(92)
Interest received		-	-
Income tax paid, net		-	56 779
Net cash flows from operating activities		1 269 428	6 813 470
Cash flows from investing activities			
Acquisition of property, plant and equipment		(38 659)	(5 087 226)
Acquisition of intangible assets		(58 802)	(39 664)
Income / (repayment) of loans		(9 013 771)	-
Proceeds from sale of property, plant and equipment		-	6 423 447
Net cash flows from investing activities		(9 111 232)	1 296 557
Cash flows from financing activities			
Dividends paid		-	-
Net cash flows from financing activities		-	-
Net increase of cash and cash equivalents		(7 841 804)	8 110 027
Cash and cash equivalents at the beginning of the year		9 028 910	918 883
Cash and cash equivalents at the end of the year	9	1 187 106	9 028 910

Note: Financial year ended 31 March 2021 is referred as „2021“ and financial year ended 31 March 2020 is referred as „2020“. The carrying amount of Company's cars used by employees of the Group for a period up to 12 months were transferred on 1 April 2020 to inventories. The amount transferred was included in the cash flows statement within changes in inventories

The notes on pages 10 to 33 form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 GENERAL INFORMATION

General

Summit Motors Slovakia, spol. s r.o. ("the Company") was established on 15 May 2002 and registered in the Commercial Register on 30 May 2002 (Commercial Register of the District Court Bratislava I., Section Sro., file 26651/B). The identification number of the Company (IČO) is 35 837 331, and the tax identification number (DIČ) is SK 202 024 7900.

The Company Summit Motors Slovakia, spol. s r.o. is a subsidiary of SUMITOMO CORPORATION EUROPE LIMITED, London, United Kingdom of Great Britain and Northern Ireland which owns 60% of its share capital.

The Company owns 100% of the share capital of Summit Motors Bratislava, spol. s r.o., established in November 2004, which has its registered office at Tuhovská 9, Bratislava.

The consolidated financial statements for the year ended 31 March 2021, comprise the financial statements of the Company and those of its subsidiary, Summit Motors Bratislava, spol. s r.o. (together referred as the "Group" and individually as "Group entities").

The financial statements of Group entities are included in the consolidated financial statements of SUMITOMO CORPORATION EUROPE HOLDING LIMITED, London, United Kingdom of Great Britain and Northern Ireland. These consolidated financial statements are available at the parent company's registered office at Vintners Place, 68 Upper Thames Street, London.

SUMITOMO CORPORATION prepares consolidated financial statements for the whole Group. These consolidated financial statements are available at the company's registered office 8-11, Harumi 1-chome, Chou-ku, Tokyo, Japan. The address of the registration court maintaining the Commercial Register in which these consolidated financial statements are filed is Kudan, Dai-ni Godochosha, 1-1-15, Kudan Minami, Chiyoda-ku Tokyo, 102-8225, Japan.

The Group entities are not partners with unlimited liability in other companies according to Article 56 (5) of the Commercial Code.

Name and registered office

Summit Motors Slovakia, spol. s r.o.
Tuhovská 9
Bratislava 831 07

Principal activities:

- import and wholesale of Ford motor cars in Slovakia,
- motor car leases,
- motor car repairs.

Employees

In 2021, the average number of employees of the Group was 100, of which were 4 managers (in 2020 it was 110, of which 5 managers).

Statutory representatives

During the year ended 31 March 2020, the statutory representatives of the Company were:

- Hideto Asada
- Alexander Vyšek (by 31 October 2020)
- Yuki Ura (from 31 October 2020)

Date of authorization of the consolidated financial statements for issue

These consolidated financial statements have been prepared as at and for the year ended 31 March 2020 and were authorized for issue by the Company's statutory body on 31 October 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Information on shareholders

The Company's shareholders and their ownership interest in share capital as of 31 March 2021 and 31 March 2020 are shown in the table below:

	Ownership interest in share capital		Voting rights
	EUR	%	%
Sumitomo Corporation, Japan	2 811 738	40%	40%
SUMITOMO CORPORATION EUROPE LIMITED, United Kingdom	4 217 607	60%	60%
Total	7 029 345	100%	100%

2 BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS/EU").

These consolidated financial statements have been prepared as consolidated financial statements. The consolidated financial statements are in accordance with Article 22 of Slovak Act No. 431/2002 Coll. on Accounting for the accounting period from 1 April 2020 to 31 March 2021.

These consolidated financial statements indicate the current financial year ended 31 March 2021 as a year 2021 and the preceding financial year ended 31 March 2020 as a year 2020.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

c) Functional and presentation currency

These consolidated financial statements are presented in euro, which has been the Group's functional currency. All financial information presented in euros is rounded to the nearest euro, unless otherwise indicated.

d) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on management experience and other events including expected future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of assumptions and estimation uncertainty in applying accounting policies that would have the significant effect on the amounts recognised in the financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to both periods presented in these consolidated financial statements.

Some comparable data have been specified in more detail to reflect the presentation of the current period:

- Related to the above, the Company decided to be more specific by reporting the sales of the Company and split the caption Sales into Revenues from merchandise sold and revenues from service. Furthermore the company decided to split the caption Material, energy and services into lines Consumption of material and energy; and Services. Caption other operating income net was split to other income and other expense.

The Company's management does not consider these adjustments to be significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

a) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group transactions and balances and any unrealised gains or losses on intra-group transactions are eliminated when preparing the consolidated financial statements.

b) Foreign currency

Transactions in foreign currencies are translated into euro at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to euro at the exchange rate ruling at that date. Gains and losses arising on translation are recognised in profit or loss.

c) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises expenses that are directly attributable to the acquisition of property, plant and equipment.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent expenditure incurred after the asset is put in use are capitalised only in cases when it is probable that there will be additional future economic benefits for the Group and these expenses can be reliably measured. Expenses for repairs and maintenance are included in profit or loss as incurred.

Substantial technical improvements are capitalised if it is probable that these can be reliably matched with future economic benefits for the Group.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation commences when the asset is available for use intended by management. Land is not depreciated. The estimated useful lives are as follows:

<i>Type of asset</i>	<i>Estimated useful life</i>	<i>Annual depreciation rate</i>
Buildings	20/40 years	5% - 2.5%
Assembled structures	12 years	8.3%
Machinery and equipment	4, 6, 12 years	8.3%; 16.7%; 25%
Vehicles	4 years	31.2%, 6.4%

Vehicles are depreciated in the first three years 31.2% and in the last year 6.4%.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

d) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Cost comprises expenses that are directly attributable to the acquisition of non-current intangible assets.

Subsequent expenditure incurred after the asset is put in use are capitalised only in cases when it is probable that there will be additional future economic benefits for the Group and these expenses can be reliably measured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of intangible assets. The amortisation commences when the asset is available for use. The estimated useful lives are as follows:

<i>Type of asset</i>	<i>Estimated useful life</i>	<i>Annual depreciation rate</i>
Software	5 years	20.0 %

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

e) Leasing

Operating lease – the Group as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains, lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group considers a contract to be a lease in case that all following conditions are met:

- the contract involves the use of an identified asset, this may be specified explicitly or implicitly, and
- the Group has the right to obtain substantially all of the economic benefits from use of asset, and
- the Group has the right to direct the use of the asset.

At inception and subsequent reassessment of a contract that contains a lease and non-lease component, the Group allocates the consideration in the contract to each lease component on a pro rata basis and on the total value of the non-lease components if agreed separately and on the total value of the non-lease components if agreed separately.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date, any initial direct costs incurred less adjusted for any lease incentives received. In determining the lease term, the Group considers the length of the lease term and early termination or extension option of contract. In assessing the likelihood of exercise extension or early termination option of lease term, the Group considers all relevant facts and circumstances that provide economic impulse to exercise (not exercise) those options. The period by which the contract can be extended (or period which follows after early termination option of contract) will be included in the lease term only if the Group is sufficiently certain that the extension will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. If the lease contains transfer of ownership or call option, the right-of-use asset is depreciated using the straight-line method during the useful life of the asset. Depreciation begins on the date of commencement of the lease. The impairment assessment of the right-of-use asset is described in accounting policy i) ii. below.

The lease liability is initially measured on the date when the leased asset is made available to the lessee (the lease commencement date). The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. Group's incremental borrowing rate was determined based on available financial information relating to the Group. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero (so that the final right-of-use asset will amount to zero).

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases for all types of leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group has also elected not to recognise right-of-use assets and lease liabilities for contracts where the value of the leased asset is below EUR 5 000. The estimated value of asset is based on the assumption that the asset is new. If the value of the asset cannot be reliably measured, the optional exception is not applied.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost method, and the cost includes the purchase price and related other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price less the estimated costs necessary to make the sale. The company classifies the company cars under Inventory caption from 2021. In prior year, the company cars were classified under caption Property, plant and equipment. Disposal of inventories is recorded to cost of merchandise sold or material costs. Spare parts consumed for repairs are classified as material consumption under Material and energy consumption. Spare parts consumed by selling directly to customers are classified Cost of sales of spare parts.

g) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets at amortised cost consist of trade and other receivables, cash and cash equivalents, and intercompany loan.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice.

These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

iii. *Financial assets – Subsequent measurement and gains and losses*

Financial assets at amortized costs

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

iv. *Financial liabilities – Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

v. *Derecognition*

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

vi. *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

h) **Cash and cash equivalents**

Cash and cash equivalents include petty cash, bank accounts repayable on demand, and other highly liquid assets with a maturity of less than three months. Cash and cash equivalents are stated at nominal value.

i) **Impairment of assets**

i. *Financial assets*

The Group recognises loss allowances for ECLs on:

- Financial assets measured at amortized costs.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are not discounted as they don't include any significant financial component.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets in the statement of financial position.

Impairment losses related to trade and other receivables are recognized in profit and loss.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

ii. Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised directly in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j) Employee benefits

Short-term employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided by the employee. A provision is recognised for the amount expected to be paid under short-term cash bonus if the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution pension plan

The Group contributes to the government defined contribution pension plans. The Group makes contributions to the obligatory health, sickness benefit, retirement benefit, accident insurance and also contributions to the guarantee insurance and unemployment schemes at the statutory rates in force during the year, based on gross salary payments.

k) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, or in other comprehensive income.

i. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to the tax payable in respect of previous years.

ii. Deferred tax

Deferred tax is calculated using the balance sheet liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and tax losses carried forward. Temporary differences relating to the initial recognition of assets or liabilities in a transaction that is not a business combination and that affect neither accounting nor taxable profit are not considered. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset only if certain criteria are met.

l) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

m) Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control over a product or service to a customer.

New motors and old motor vehicle sales

The Group recognizes the revenue from sale of new cars as well as sale of use cars, when the control passes to its customers, which is determined based on the acceptance date of take over from the customer. The controls over cars passes usually at a point the cars are given available to the customer or when the transportation is completed to the customer.

For some contracts for new motors vehicle sales the amount invoiced to customer may include two separate performance obligations - sale of car and extended service (technical inspections and service controls). In such case, the amount on invoice is split to the two separate performance obligations based on proportion of the standalone selling prices that are determined using costs plus margin method. The revenue from extended service is recognized as a contract liability (within long term other operating liabilities – refer to Note 12) and recognized to revenue when the performance obligation is fulfilled.

Some old motor vehicles are used by the Group prior to the sale to final customers temporarily. Such sales and cost of sales are presented within lines Revenues and Costs of merchandise sold.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Sale of spare parts

The Group recognizes the revenue from sale spare parts, when the control passes to its customers, which is determined based on the delivery to the customer. The controls over spare parts passes usually at a point the spare parts is delivered to the customer or is installed within the repair services and repair service is completed.

Repair, technical inspections and service control

The Group recognize revenues from repair, technical inspections and service control (together also maintenance) at a point in time when the service is completed and the car subject to service is accepted by the customers, as the customer consumes the benefit from the service once the service is completed.

The transaction price of sale of new motor vehicle, sale of old motor vehicles and sale of maintenance may include future discounts that are granted to the customers. Management determines these discounts and recognise them when is it highly probable the discount will be granted. The discount is presented as contract liability – refer to Note 12 Trade and other payables.

Revenues and related cost of sales from sale of own and demo cars are presented within Revenues and Costs of merchandise sold.

n) Net finance costs

Finance income and expenses comprise interest expense on loans, interest income from cash pooling activities and foreign exchange gains and losses.

Interest income and expense are recognised in profit of loss as they accrue, using the effective interest method.

o) Adoption of new standards and interpretations

As of 1 April 2020, the Group initially applied the following new standards and interpretations:

Amendment to IAS 1 Presentation of financial statements and IAS 8 Accounting policies, changes in accounting estimates and errors - definition of materiality

Effective for annual periods beginning on or after 1 January 2020.

The amendments clarify and consolidate the definition of materiality in order to improve consistency in the application of this principle across IFRSs.

The Amendments did not have a material impact on the consolidated financial statements when they were first applied. Amendments to IFRS 9, IAS 39 and IFRS 7 Interest rate benchmark reform (released on 26 September 2019)

Effective for annual periods beginning on or after 1 January 2020.

The amendments address issues affecting financial reporting in the period leading up to IBOR reform, are mandatory and apply to all hedging relationships directly affected by uncertainties related to IBOR reform.

The Amendments did not have a material impact on the consolidated financial statements when they were first applied because the Group does not account for hedging.

Amendments to IFRS 3 Business combinations

Effective for annual periods beginning on or after 1 January 2020.

The amendments narrowed and clarified the definition of a business. They also permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business.

The Amendments did not have a material impact on the consolidated financial statements when they were first applied.

p) New standards and interpretations not yet adopted

The following new Standards, amendments to Standards and Interpretations are not yet mandatorily effective for annual periods beginning on or after 1 April 2020, and have not been applied in preparing these consolidated financial statements. The Group plans to adopt these pronouncements when they become effective.

Amendments to IFRS 16 Leases COVID-19 - Related rent concessions

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Effective for annual periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not authorised for issue at 28 May 2020.

The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession. For example, if the concession is in the form of a one-off reduction in rent, it will be accounted for as a variable lease payment and be recognised in profit or loss.

The practical expedient will only apply if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021; and
- no other substantive changes have been made to the terms of the lease.

The Group does not expect that the amendments, when initially applied, will have a material impact on the consolidated financial statements of the Group because the Group does not account for COVID-19 – related lease discounts.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2 (issued on 27 August 2020)

Effective for annual periods beginning on or after 1 January 2021. Early application is permitted.

The amendments address issues that might affect financial reporting once the existing interest rate benchmark is replaced.

The Group does not expect the amendments to have a material impact on its consolidated financial statements when initially applied.

Standards and interpretations not yet adopted by the European Union

Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture

Effective date deferred indefinitely. Available for optional adoption in full IFRS financial statements. The European Commission decided to defer the endorsement indefinitely, it is unlikely that it will be endorsed by the EU in the foreseeable future.

The Amendments clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business, such that:

- a full gain or loss is recognised when a transaction between an investor and its associate or joint venture involves the transfer of an asset or assets which constitute a business (whether it is housed in a subsidiary or not), while
- a partial gain or loss is recognised when a transaction between an investor and its associate or joint venture involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The Group expects that the amendments, when initially applied, will have no material impact on its consolidated financial statements, as the Group does not have any associates or joint ventures.

Amendments to IFRS 16 Leases COVID-19 - Related rent concessions beyond 30 June 2021

Effective for annual reporting periods beginning on or after 1 April 2021. Earlier application is permitted, including in financial statements not authorised for issue at 31 March 2021.

The amendment provides an extension for practical expedient on COVID-19 related rent concessions permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

The Group does not expect that the amendments, when initially applied, will have a material impact on the consolidated financial statements of the Group because the Group does not account for COVID-19 – related lease discounts.

Amendments to IAS 16 Property, plant and equipment - Revenue before commissioning

Effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted.

The amendments to IAS 16 requires that revenue from the sale of items produced in the process of placing an asset in a designated location and bringing it into working condition in accordance with management's intentions is recognized in profit or loss together with the cost of those items and that the Company measures the cost of these items as required by IAS 2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Amendments must be applied retrospectively, but only to those items of property, plant and equipment that have been placed in a designated location and are operable in accordance with management's intentions at the beginning of the earliest reporting period or later in which the Company first applies the amendments. The cumulative impact of the first application of the amendments is recognized as an adjustment to the opening balance of retained earnings (or other equity items, as the case may be) at the beginning of the earliest period presented (if necessary).

The Group does not expect the Amendments to have a material impact on its financial statements when initially applied.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets Onerous Contracts – Cost of Fulfilling a Contract

Effective for annual periods beginning on or after 1 January 2022 Early application is permitted.

In determining costs of fulfilling a contract, the amendments require an entity to include all costs that relate directly to a contract. Paragraph 68A clarifies that the cost of fulfilling a contract comprises both: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

The Company should apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the reporting period in which it first applies the amendments (date of first application). The Company will not adjust comparable information. Instead, at the date of the first application, it shall recognize the cumulative effect of the first application of the amendments as an adjustment to the opening balance of retained earnings or other equity items, according to a particular situation.

The Group does not expect the Amendments to have a material impact on its consolidated financial statements when initially applied.

Annual Improvements to IFRS Standards 2018 - 2020

Effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

Amendment to IFRS 9 Financial Instruments

The improvements clarify that, when assessing whether an exchange of debt instruments between an existing borrower and lender are on terms that are substantially different, the fees to include together with the discounted present value of the cash flows under the new terms include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

Amendment to Illustrative Examples accompanying IFRS 16 Leases

The improvements remove from illustrative Example 13 accompanying IFRS 16 reference to a reimbursement by the lessor to the lessee for leasehold improvements as well as an explanation of a lessee's accounting for such reimbursement.

Amendment to IAS 41 Agriculture

The improvements remove the requirement to use pre-tax cash flows to measure fair value of agriculture assets. Previously, IAS 41 had required an entity to use pre-tax cash flows when measuring fair value but did not require the use of a pre-tax discount rate to discount those cash flows.

The Group does not expect the Amendments to have a material impact on its consolidated financial statements when initially applied.

Amendments to IAS 1 Presentation of Financial Statements Classification of Liabilities as Current or Non-current - deferment of effect (issued on 23 January 2020 and 15 July 2020)

Effective for annual periods beginning on or after 1 January 2023. Early application is permitted.

The amendments affect only the presentation of liabilities in the statement of financial position. The amendments clarify that the classification of liabilities as current or non-current shall be based solely on the Entity's right to defer settlement at the end of the reporting period. The Company's right to defer settlement for at least 12 months from the reporting date need not be unconditional but must have substance.

The classification is not affected by management's intentions or expectations about whether and when the Entity will exercise its right. The amendments also clarify the situations that are considered settlement of a liability.

The Group does not expect the Amendments to have a material impact on its consolidated financial statements when initially applied.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments

Effective for annual periods beginning on or after 1 January 2023. Early application is permitted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

The amendments to IAS 1 require companies to disclose their significant accounting policies and not their significant accounting policies.

The Group does not expect the Amendments to have a material impact on its consolidated financial statements when initially applied.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Effective for annual periods beginning on or after 1 January 2023. Early application is permitted.

The amendments introduce a definition of “accounting estimates” and include additional amendments to IAS 8 that clarify how to distinguish changes in accounting policies from changes in estimates. The distinction is important because changes in accounting policies are generally applied retrospectively, while changes in estimates are recognized in the period in which the change occurs.

The Group does not expect the Amendments to have a material impact on its consolidated financial statements when initially applied.

4 PROPERTY, PLANT AND EQUIPMENT

	Land EUR	Buildings and equipment EUR	Machinery and equipment EUR	Acquisition of property, plant and equipment EUR	Advance payments made for property, plant and equipment EUR	Total EUR
Acquisition costs						
1 April 2019	1 501 048	8 778 251	4 559 077	-	-	14 838 376
Additions	-	43 687	8 827 851	-	-	8 871 539
Disposals	(195 000)	(619 288)	(9 980 101)	-	-	(10 794 389)
Transfers	-	-	-	-	-	-
31 March 2020	1 306 048	8 202 650	3 406 828	-	-	12 915 526
1 April 2020	1 306 048	8 202 650	3 406 828	-	-	12 915 526
Additions	-	-	38 659	-	-	38 659
Disposals	-	-	-	-	-	-
Transfers *	-	-	(1 934 958)	-	-	(1 934 958)
31 March 2021	1 306 048	8 202 650	1 510 529	-	-	11 019 226
Accumulated depreciation and impairment losses						
1 April 2019	-	4 140 957	1 440 836	-	-	5 581 793
Depreciation for the year	-	238 468	5 157 868	-	-	5 396 336
Disposals	-	(135 246)	(5 175 107)	-	-	(5 310 353)
31 March 2020	-	4 244 179	1 423 597	-	-	5 667 776
1 April 2020	-	4 244 179	1 423 597	-	-	5 667 776
Depreciation for the year	-	221 832	95 448	-	-	317 280
Disposals	-	-	-	-	-	-
Transfers *	-	-	(257 473)	-	-	(257 473)
31 March 2021	-	4 466 011	1 261 572	-	-	5 727 583
Net book value						
1 April 2019	1 501 048	4 637 294	3 118 241	-	-	9 256 583
31 March 2020	1 306 048	3 958 471	1 983 231	0	0	7 247 750
31 March 2021	1 306 048	3 736 639	248 957	0	0	5 291 643

* The carrying amount of Company's cars used by employees of the Group for a period up to 12 months were transferred on 1 April 2020 to inventories. The amount transferred was included in the cash flows statement within changes in inventories

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	Land	Buildings	Machinery and equipment	Acquisition of property, plant and equipment	Advance payments made for property, plant and equipment	Total
	EUR	EUR	EUR	EUR		EUR
Acquisition costs						
1 April 2018	1 501 048	8 691 631	3 179 199	-	-	13 371 878
Additions	-	86 620	1 379 878	-	-	1 466 498
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
31 March 2019	1 501 048	8 778 251	4 559 077	-	-	14 838 376
1 April 2019	1 501 048	8 778 251	4 559 077	-	-	14 838 376
Additions	-	43 687	-	-	-	43 687
Disposals	(195 000)	(619 288)	(1 152 249)	-	-	(1 966 538)
Transfers	-	-	-	-	-	-
31 March 2020	1 306 048	8 202 650	3 406 828	-	-	12 915 526
Accumulated depreciation and impairment losses						
1 April 2018	-	3 888 875	1 361 236	-	-	5 250 111
Depreciation for the year	-	252 082	864 998	-	-	1 117 080
Disposals	-	-	(785 398)	-	-	(785 398)
31 March 2019	-	4 140 957	1 440 836	-	-	5 581 793
1 April 2019	-	4 140 957	1 440 836	-	-	5 581 793
Depreciation for the year	-	238 468	975 425	-	-	1 213 893
Disposals	-	(135 246)	(992 664)	-	-	(1 127 910)
31 March 2020	-	4 244 179	1 423 597	-	-	5 667 776
Net book value						
1 April 2018	1 501 048	4 802 756	1 817 963	-	-	8 121 767
31 March 2019	1 501 048	4 637 294	3 118 241	0	0	9 256 583
31 March 2020	1 306 048	3 958 471	1 983 231	0	0	7 247 750

The Group has insured the property, plant and equipment against natural disaster and damages resulting from operations for a value of EUR 14,749 thousand (2020: EUR 14,749 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

5 DEFERRED TAX ASSET

Deferred tax asset is attributable to the following:

	31.03.2021			31.03.2020		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	EUR	EUR	EUR	EUR	EUR	EUR
Property, plant and equipment	53 106	(265 471)	(212 365)	21 720	(130 694)	(108 974)
Inventories	21 429	-	21 429	25 441	-	25 441
Provisions	278 879	-	278 879	122 230	-	122 230
Receivables	511	-	511	1 803	-	1 803
Tax losses carried forward	77 846	-	77 846	-	-	-
Deferred tax asset	431 770	(265 471)	166 299	171 194	(130 694)	40 500

	31.03.2021	31.03.2020
	EUR	EUR
Balance at the beginning of the period - asset	40 500	84 534
Recognised as expense (Note 20)	125 799	(44 034)
Balance at the end of the period - asset	166 299	40 500

Deferred tax asset was calculated using the corporate income tax rate of 21%.

Deferred tax asset which was not recognized is in amount of EUR 55 271 and represents tax impact of tax losses carryforward (EUR 263 000), which the Group decided not to book due to uncertainty about sufficient future tax base for their amortisation due to pending pandemic situation.

6 INVENTORIES

	31.3.2021	31.3.2020
	EUR	EUR
New vehicles	10 148 284	12 934 944
Used cars	2 087 803	551 134
Spare parts	1 035 832	1 052 359
Company cars	1 496 181	0
Total	14 768 100	14 538 436

The carrying amount of Company's cars used by employees of the Group for a period up to 12 months were transferred on 1 April 2020 to inventories. The amount transferred was included in the cash flows statement within changes in inventories

Spare parts stock represent merchandise for sale and for consumption in own workshop.

New vehicles are stored by a third party who has full responsibility for any loss or damage. Used cars risks are covered by inventory insurance contract. Spare parts are insured up to their net book value. Company cars are fully covered by standard KASKO (accident) insurance.

The movement in the provision for impairment of inventories during accounting period is as follows:

	31.03.2021	31.03.2020
	EUR	EUR
As of 1 April	121 149	104 159
Creation	317 778	94 888
Release	(100 623)	(77 898)
As of 31 March	338 303	121 149

Creation and reversal of impairment allowance are recognised in cost of sales. Inventory was written down mainly due to expected market value of vehicles and spare parts being below their carrying amount as a reaction to pending pandemic situation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7 TRADE AND OTHER RECEIVABLES

	31.3.2021	31.3.2020
	EUR	EUR
Trade receivables	1 294 459	1 418 135
Accrued income	393 991	321 066
Other receivables	393 096	32 823
Value adjustment to receivables	2 081 546	1 772 024
Total	(2 432)	(8 586)
	2 079 114	1 763 438

Movement of value adjustment during the accounting period:

	31.3.2021	31.3.2020
	EUR	EUR
Balance at the beginning of the year	8 586	510
Value adjustment to receivables, net	(6 154)	8 076
Balance at the end of the year	2 432	8 586

All trade and other receivables are in EUR currency.

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in Note 26 Financial risk management.

Average due date on sales of distributor is 60 days. The car agent sells majority of cars on prepayment basis.

8 CASH AND CASH EQUIVALENTS

	31.03.2021	31.03.2020
	EUR	EUR
Bank accounts	1 171 853	9 012 826
Petty cash	7 819	8 403
Stamps and vouchers	7 435	7 681
	1 187 106	9 028 910

9 SHARE CAPITAL

	31.03.2021	31.03.2020
	EUR	EUR
Registered in the Commercial Register, subscribed and fully paid	7 029 345	7 029 345

10 RESERVES FUNDS, FUNDS CREATED FROM PROFIT AND THE PROFIT/LOSS FOR THE ACCOUNTING PERIOD

Legal reserve fund

	Legal reserve fund	Other capital funds	Retained earnings	Total
	EUR	EUR	EUR	EUR
At 31 March 2019	802 517	24 246	9 432 756	10 259 519
Profit for the year	-	-	149 081	149 081
At 31 March 2020	802 517	24 246	9 581 837	10 408 600
Profit for the year	-	-	106 081	106 081
Dividends paid	-	-	-	-
At 31 March 2021	802 517	24 246	9 687 918	10 514 681

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Under the Slovak Commercial Code, all companies are required to maintain a legal reserve fund to cover losses. The Group entities are obliged to contribute an amount to the fund each year which is not less than 5 % of their annual net profit (based on statutory financial statements prepared in accordance with Slovak accounting regulations) until the fund's balance reaches 10% of registered share capital. The legal reserve fund is not intended for distribution to the owners. The legal reserve fund has already attained the limit stipulated by the legislation as of 31 March 2021 and 31 March 2020, respectively.

Other capital funds

Other capital funds can be used for distribution to owners or for an increase of share capital based on decision of annual general meeting.

11 LOANS AND BORROWINGS

Overview of received loans and borrowings is given in the following table:

In EUR

	Currency	Current interest	Maturity	31.03.2021	31.03.2020
Loans and borrowings					
SUMITOMO					
CORPORATION EUROPE					
LIMITED	EUR	0.16%-0.21%	30 June 2021	755 877	9 746 780
				<u>755 877</u>	<u>9 746 780</u>

The fair value of current loans and borrowings approximates their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the risk-adjusted discount rates and are within level 2 of the fair value hierarchy.

A loan in the amount of EUR 755 877 (31.3.2020: EUR 9 746 780) represents a cash management system into which the Group entered through Citibank with its parent company SUMITOMO CORPORATION EUROPE LIMITED. The credit limit is set to the amount of EUR 23 000 000. The interest rate is linked to LIBOR and during the year ended 31 March 2021, the range was between 0,16% and 0,21%. The purpose of the loan is new cars inventory financing. The maturity date is not specified, the contract is renewed automatically by one year (as at 30 June).

12 TRADE AND OTHER PAYABLES

	31.3.2021	31.3.2020
	EUR	EUR
Long-term contract liability - Free service	453 253	273 259
Other non-current liabilities	64 351	63 533
Total Long-term liabilities	517 604	336 792
Trade payables	3 233 486	3 870 307
Value added tax liability	627 887	423 385
Employee liabilities	125 489	145 908
Bonuses	109 115	43 100
Untaken vacation pay	95 845	81 977
Short-term contract liability - Customer discounts	338 309	0
Other liabilities	44 147	171 198
Liabilities from social insurance	91 582	97 834
Total Short-term liabilities	4 665 859	4 833 709
Total liabilities	5 183 464	5 170 501

Discounts are provided to customers after exceeding stated annual turnover. These discounts relate to performance obligation – revenue from maintenance services.

Information about the Group's exposure to currency and liquidity risks is included in Note 26 Financial risk management. Substantially all trade and other payables are in EUR currency.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Trade payables are not secured by a lien or other collateral.

Trade payables according to their maturity as of 31 March 2021 are presented in the table below:

Item	within maturity period	Less than 360 days overdue	More than 360 days Overdue	Total
Trade payables	3 223 644	9 843	-	3 233 487

Trade payables according to their maturity as of 31 March 2020 are presented in the table below:

Item	within maturity period	Less than 360 days overdue	More than 360 days Overdue	Total
Trade payables	3 859 983	10 325	-	3 870 307

Social fund is due from 1 to 5 years. Other payables are within maturity period and payable within one year.

The average due date on purchases of material, merchandise and services is 30 days. The Group's main supplier is the Ford Motor Company. All conditions with Ford were agreed at the group level, and Sumitomo Corporation Japan provides a guarantee to Ford for the trade payables of the Group.

Social fund:

	31.03.2021 EUR	31.03.2020 EUR
As of 1 April	63 533	74 179
Creation	11 905	14 811
Drawing	(11 087)	(25 457)
As of 31 March	64 351	63 533

13 PROVISIONS

	1 April 2020 EUR	Creation EUR	Use/ release EUR	31 March 2021 EUR
Warranty fee	37 345	20 109	37 345	20 109
Maintenance services discounts	11 744	-	3 005	8 739
Services	8 300	3 000	8 300	3 000
Other	256 677	33 066	256 677	33 066
Provision total	314 066	56 175	305 327	64 914

Provision for services includes provision for the costs of legal services in such cases where the Group withdrew from debt collection.

The balance of other provisions represents mainly provision for guarantee maintenance of used cars in the amount of EUR 24 962 (31 March 2020: EUR 16 440).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

14 Revenues from merchandise sold

In the following table, revenue from contracts with customers related to sales of merchandise is disaggregated by major categories.

	2021	2020
	EUR	EUR
Revenues from merchandise sold - new vehicles	24 599 033	36 953 500
Revenues from merchandise sold - used and company cars	6 774 098	2 176 897
Revenues from merchandise sold - spare parts	5 119 523	5 898 380
	36 492 655	45 028 777

15 COST OF SALES

	2021	2020
	EUR	EUR
Cost of merchandise sold of new vehicles	22 024 405	33 365 161
Cost of merchandise sold of used and company cars	6 752 997	1 766 845
Cost of merchandise sold of spare parts	3 631 102	4 157 023
	32 408 504	39 289 028

16 SALE OF SERVICES

In the following table, revenue from contracts with customers related to services provided is disaggregated by major service lines.

	2021	2020
	EUR	EUR
Repairs, technical inspections, service controls	2 800 899	3 085 132
Warranties claimed from Ford Motor Company	1 332 420	1 275 437
Other	163 855	231 170
	4 297 174	4 591 738

17 MATERIAL AND ENERGY CONSUMPTION

In the following table, costs for material and energy consumption is disaggregated by major categories.

	2020	2019
	EUR	EUR
Material	-1 793 219	-1 863 524
Electricity	-76 661	-80 121
Gas	-83 873	-87 015
Water	-8 376	-7 159
	-1 962 129	-2 037 819

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

18 PERSONNEL COSTS

	2021	2020
	EUR	EUR
Wages and salaries	-2 645 772	-3 116 652
Social and health insurance	-908 597	-1 031 036
Other social expenses	-37 488	-50 863
Total	-3 591 857	-4 198 551

In 2020 the average no. of employees has decreased by 8% to 100.

Personnel costs include emoluments of key management personnel, as disclosed in note 24.

19 SERVICES

	2021	2020
	EUR	EUR
Warranties	-998 315	-1 313 900
Repairs and maintenance	-160 586	-138 964
Software and licences	-141 895	-139 570
Security	-107 692	-118 828
Warehouse services	-105 034	-162 715
Experts and advisory services	-100 466	-99 378
Audit	-47 526	-40 180
Other services	-285 690	-151 103
	-1 947 203	-2 164 638

Services also include the costs of the audit of the individual statutory financial statements of the Company and its subsidiary and the audit of the consolidated financial statements of the Group in the amount of EUR 47 526 (2020: EUR 40 180). The audit company did not provide any other assurance or advisory services during the 12 months ending 31 March 2021.

20 FINANCE COSTS, NET

In EUR

	2021	2020
Interest expenses	-22 868	-56 394
Interest income	-	-
<i>Interest expenses, net</i>	<i>-22 868</i>	<i>-56 394</i>
Foreign exchange losses, net	-	-
Other financial expenses	-18 097	-22 708
<i>Other financial expenses, net</i>	<i>-18 097</i>	<i>-22 708</i>
Finance costs, net	-40 965	-79 102
<i>Of which:</i>		
Finance income	-	-
Finance expenses	-40 965	-79 102

Interest expenses were paid to parent company. Other financial expenses represent mainly fees to local banks for customer payments by debit/credit cards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

21 INCOME TAX

	EUR	EUR
Current tax expense:		
Period income tax charge	41 339	0
Adjustment to prior year income tax	17 877	0
Deferred tax expense:		
Origination and reversal of temporary differences (note 6)	-125 799	44 034
Total income tax expense	-66 583	44 034

Reconciliation of the effective tax rate

<i>In euro</i>	2021	Income tax	%	2020	Income tax	%
Profit / (Loss) before tax for the period	37 191			239 905		
Income tax using the Group's domestic tax rate		7 810	21%		50 380	21%
Tax effect of:						
Income not subject to tax		-291 799	-785%		-212 042	-88%
Tax non-deductible expenses		409 869	1102%		261 262	108%
Tax losses claimed during the period		-84 540	-227%		-99 599	-41%
Income tax for prior period		17 877	48%		0	0
Income tax (income) / expenses in profit or loss		59 216			0	
Effective tax rate			159%			0%

22 LEASES (Group as lessee)

During the year ended 31 March 2021, the Group had no assets leased under operating lease contract (2020: nil).

23 CONTINGENT LIABILITIES

Uncertainties in tax legislation

Many parts of Slovak tax legislation (such as transfer pricing regulation) remain untested and there is uncertainty about the interpretation that the tax authorities may apply in a number of areas. The effect of this uncertainty cannot be quantified and will only be resolved as legislative precedents are set, or when the official interpretations of the authorities are available. Management is not aware of any circumstances that would cause any significant costs for the Group.

24 INFORMATION ON PAYMENTS AND BENEFITS TO MEMBERS OF THE ACCOUNTING ENTITY'S STATUTORY BODIES, SUPERVISORY BODIES, OTHER BODIES AND KEY MANAGEMENT PERSONNEL

Emoluments (comprising short-term income: salaries and bonuses) granted to the statutory representatives and key management, consisting of 4 members, during the period from April 2020 until March 2021 amounted to EUR 281 thousand and other benefits represented amount EUR 28 thousand (2020: EUR 354 thousand and EUR 58 thousand respectively, 4 members).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

25 INFORMATION ON THE ACCOUNTING ENTITY'S TRANSACTIONS WITH RELATED PARTIES

The Group carried out the following transactions with related parties during the accounting period:

	2021 EUR	2020 EUR
Transactions with subsidiaries under the control of Sumimoto Corporation (revenue)	-	-
Transactions with subsidiaries under the control of Sumimoto Corporation (expenses)		
Service fees		
Other operating expenses	120 256	99 791
	20 109	34 831

Assets and liabilities arising from transactions with companies within the Group (sister accounting entities) are presented in the table below:

In euro

31 March 2021 31 March 2020

Loans and borrowings (Note 11)	755 877	9 746 780
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The Group enters into transactions with related parties on an arm's-length basis.

Sumitomo Corporation Japan has provided a guarantee for trade payables on behalf of the Group to Ford Motor Company.

26 FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks:

- credit risk
- market risk
- liquidity risk

The statutory representatives have overall responsibility for the establishment and oversight of the Group's risk management framework.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

Approximately 61 % of the Group's sales are attributable to 16 main customers, car dealers, with whom it has long-term relationships. The management has established a credit policy under which each new car dealer is analysed individually for credit worthiness.

The remaining sales are attributable to retailers which comprise mainly reputable companies or other companies and individuals who pay cash in advance.

Bank accounts

The table below shows the balances of receivables from banks at the reporting date:

	31.03.2021 EUR	31.03.2020 EUR
Counterparty: ČSOB	1 187 106	9 028 910
Total bank accounts	1 187 106	9 028 910

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

The Group uses an independent rating from Moody's. The Group believes that these are low credit risk receivables to which the 12-month expected losses would be applied. Due to the insignificance, the Group did not recognise a provision for cash and cash equivalents.

Expected credit loss for customers

Management assess a credit risk grade for each customer and for every sales transaction. The financial receivables from sale of cars due from third party customers are historically paid within due date, whereby the risk is reduced to an acceptable low level. As the vast majority of third-party receivables are from sale of cars, the Group does not provide a split of receivable to different risk grades, but it provides the split of receivables by type of transaction.

Weighted average loss rate was calculated as 0% and therefore exposure to credit risk has been set as remote.

Ageing structure of not impaired gross trade receivables classified according to due date is presented in the table below:

	31.03.2021	31.03.2020
	EUR	EUR
Within maturity period		
Overdue 1-30 days	1 921 258	1 629 549
Overdue 31-90 days	129 725	110 028
Overdue 91-360 days	14 059	11 925
Overdue > 360 days	14 072	11 936
Total	2 079 114	1 763 437

In 2020, trade receivables in default were in the amount of EUR 2 432 (31.03.2020: EUR 8 586).

The structure of trade receivables classified by subjects is presented in the table below:

	31.3.2021	31.3.2020
	EUR	EUR
Wholesale customers		
Others	1 274 641	1 045 673
Retail customers	388 344	376 386
Total	416 129	341 378
	2 079 114	1 763 437

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates and share prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The Group is not exposed to any significant market risks. The Group has no significant positions in foreign currency. The Group is not exposed to significant interest rate risks.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages its liquidity in order to secure sufficient disposable sources to be able to settle all its obligations due to be paid.

The structure of the Group's financial assets and liabilities classified according to their remaining maturity as of 31 March 2021 is presented in the table below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

31 March 2021

In EUR

	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Without maturity	Total
Assets							
Cash and cash equivalents	1 187 106						1 187 106
Trade and other receivables	1 921 258	129 725	14 059	14 072			2 079 114
Total assets	3 108 364	129 725	14 059	14 072	-	-	3 266 220
Liabilities							
Trade and other payables	4 644 247	8 629	12 983				4 665 859
Provisions	-		64 914				64 914
Loans and borrowings	-		755 877				755 877
Total liabilities	4 644 247	8 629	833 774	-	-	-	5 486 650
2021	(1 535 883)	121 096	(819 715)	14 072	-	-	(2 220 430)

Undiscounted cash flows of the financial assets and financial liabilities do not significantly differ from their remaining maturity.

The structure of the Group's assets and liabilities classified according to their remaining maturity as of 31 March 2020 is presented in the table below:

31 March 2020

In EUR

	< 1 month	1 - 3 months	3 - 12 months	1 - 5 years	> 5 years	Without maturity	Total
Assets							
Cash and cash equivalents	9 028 910	-	-	-	-	-	9 028 910
Trade and other receivables	1 629 549	110 028	11 925	11 936	-	-	1 763 437
Total assets	10 658 459	110 028	11 925	11 936	-	-	10 792 347
Liabilities							
Trade and other payables	4 823 384	3 254	6 522	549	-	-	4 833 709
Provisions	-	-	314 066	-	-	-	314 066
Loans and borrowings	-	-	9 746 780	-	-	-	9 746 780
Total liabilities	4 823 384	3 254	10 067 368	549	-	-	14 894 555
Net position as of 31 March 2020	5 835 075	106 774	(10 055 443)	11 386	-	-	(4 102 208)

27 Capital management

The Group defines the capital as its equity. The Group's policy is to build a strong capital base to sustain future development of the business. The Group's needs for the capital are primarily satisfied through loans and borrowings.

The Group monitors capital using a ratio of 'net debt' to 'equity'. Net debt is calculated as total liabilities (as shown in the consolidated statement of financial position) less cash and cash equivalents. Equity comprises all components of equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

<i>In EUR</i>	<i>Note</i>	<i>31 March 2021</i>	<i>31 March 2020</i>
Total liabilities		-6 030 697	-15 231 347
Less cash and cash equivalents	8	1 187 106	9 028 910
Net debt		-4 843 591	-6 202 437
Equity		17 713 049	17 606 968
Net debt to equity ratio		27%	35%

28 FAIR VALUES

Fair value is the amount, at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The estimated fair values of the Group's financial assets and liabilities at the year end were as follows:

<i>In EUR</i>	Net book value	Fair value	Net book value	Fair value
	31.03.2021	31.03.2021	31.03.2020	31.03.2020
Non-current financial assets and liabilities				
Other non-current liabilities	517 604	517 604	336 792	336 792
Current financial assets and liabilities				
Trade and other receivables	2 079 114	2 079 114	1 763 437	1 763 437
Trade and other payables	4 665 859	4 665 859	4 833 709	4 833 709
Loans and borrowings	755 877	755 877	9 746 780	9 746 780

All items above are measured using Level 2 of the fair value hierarchy.

The following methods and assumptions were used in estimating the fair values of the Group's financial assets and liabilities:

Trade receivables and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date. Carrying amount of trade and other receivables is a reasonable approximation of their fair value.

Non-derivative financial liabilities

Non-derivative financial liabilities are recognised initially at fair value and for disclosure purposes, at each reporting date. Fair value is calculated based on the present value of expected payments, discounted using a risk-adjusted discount rate at the measurement date. Carrying amount of non-derivative financial liabilities is approximately equal to their fair value.

28 Subsequent events

No events with a significant impact on the true and fair presentation that would require an adjustment or additional disclosure of the financial statements occurred after 31 March 2021.