

JSC DITTON PIEVADKĒŽU RŪPNĪCA

Reg. No. 40003030187

Višķu Street 17, Daugavpils, LV-5410, Latvia

FINANCIAL REPORT

FOR 3 MONTHS OF THE YEAR 2021

(01.01.2021 – 31.03.2021)

(Not subject to audit by the independent sworn auditor)

**Prepared in accordance with Financial Instruments Market Law and Law On the Annual
Financial Statements and Consolidated Financial Statements of the Republic of Latvia**

Daugavpils

2021

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INFORMATION ABOUT THE COMPANY

Company name	Ditton pievadķēžu rūpnīca
Legal status	Joint Stock Company
Registration number	40003030187
Registration in Register of Enterprises	Rīga, 03.10.1991
Registration in Commercial Register Office	Rīga, 29.08.2003
Legal address	Višķu St. 17, Daugavpils, LV-5410, Latvia
Mailing address	Višķu St. 17, Daugavpils, LV-5410, Latvia
Fixed capital	10,360,000 EUR
Number of public bearer shares	7 400 000
Nominal value of one share	1.40 EUR
Chief accountant	Jūlija Lavrecka
Reporting period	01.01.2021 – 31.03.2021

Person in charge for drawing up of the financial report:

Mr. Boriss Matvejevs, phone +371 65402333, email: dpr@dpr.lv

INFORMATION ON MANAGEMENT BOARD AND COUNCIL MEMBERS

THE MANAGEMENT BOARD

Chairman of the Management Board

Rolands Zarāns, re-elected 14.01.2019 (elected since 15.01.2014)

Member of the Management Board

Jevgēnijs Koršēnkovs, elected since 01.09.2020

Information on shares owned by Members of the Management Board

Members of the Management Board	Share ownership*	
	Quantity of shares	%
Rolands Zarāns	no shares	-
Jevgēnijs Koršēnkovs	no shares	-

THE COUNCIL

Chairman of the Council

Boriss Matvejevs, re-elected on 15.02.2017 (elected since 05.05.2005)

Members of the Council

Genādijs Zavadskis, elected on 15.02.2017

Oto Dzenis, elected on 18.06.2020

Aleksandrs Sokolovs, elected on 18.06.2020

Information on shares owned by Members of the Council

Members of the Council	Share ownership*	
	Quantity of shares	%
Boriss Matvejevs	no shares	-
Genādijs Zavadskis	no shares	-
Oto Dzenis	no shares	-
Aleksandrs Sokolovs	700 000	9,46**

For more detailed information on professional background of members of the Management Board and of the Council, please refer to our website: www.dpr.lv.

* as at 18.06.2020

** beneficiary of the Shareholder DVINSK MNG, Ltd

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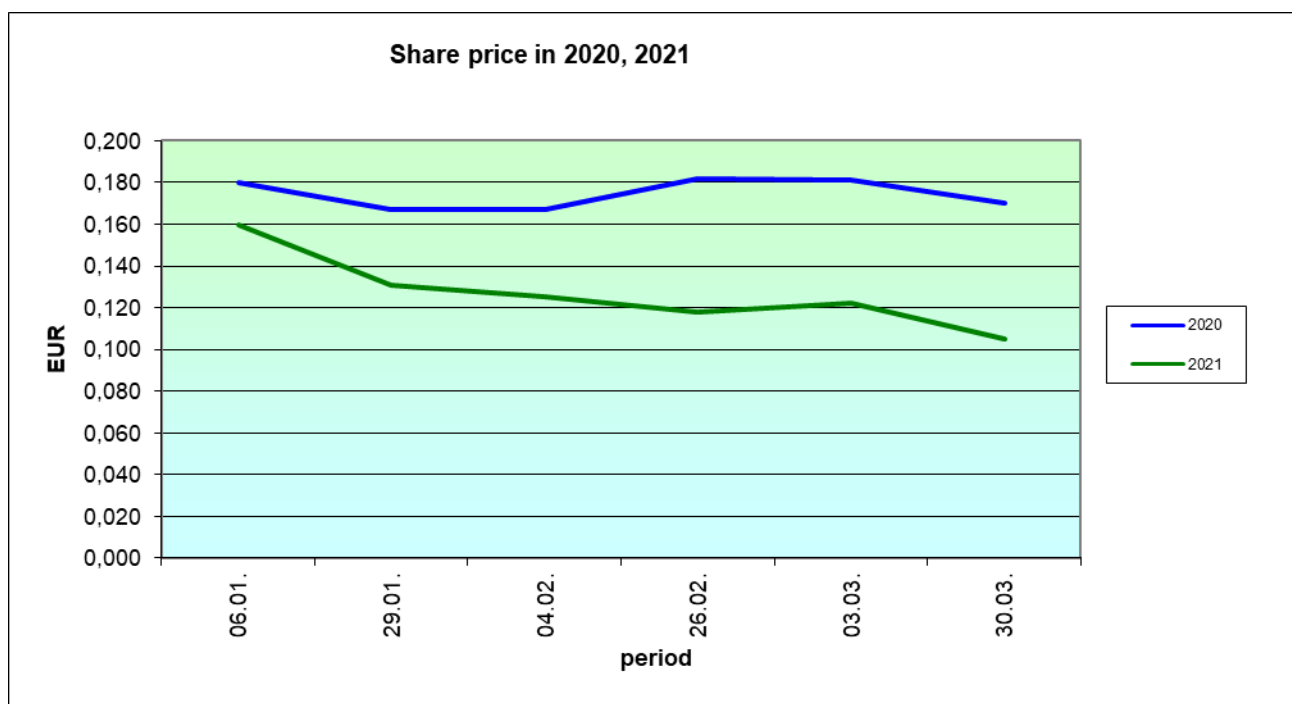
MAJOR SHAREHOLDERS (OVER 5%)*

NAME	Ownership interest %
Vladislavs Driksne	19,92
MAX Invest Holding Ltd.	13,63
Maleks S Ltd.	13,56
DVINSK MNG Ltd.	9,46

** Note: 1) The Company does not keep any Shareholder Register. Information presented is based on the lists of shareholders of the JSC Ditton pievadēžu rūpnīca as at 18.06.2020. Nasdaq CSD has prepared this list for shareholders' meeting due to the Commercial Law of the Republic of Latvia and the Financial Instruments Market Law of the Republic of Latvia, taking into account the shareholders' notifications on acquisition and disposal significant holding in the Issuer's equity in accordance with the section 61 of the Financial Instruments Market Law.*

2) As at 31.03.2021, the Company has no information at its disposal on distribution of stocks (20%) among heirs of E. Zavadskis and their records in financial instruments accounts pursuant to the section 125 of the Financial Instruments Market Law.

SHARE PRICE DEVELOPMENT



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STATEMENT ABOUT MANAGEMENT LIABILITY

The Management declares that the interim report for 3 months of the year 2021 has been prepared in compliance with the existing legislative requirements of the Republic of Latvia and of the European Union, incl. internal procedures and regulations.

According to the information at our disposal, it gives a true and fair view of the assets, liabilities, financial standing and profits of the Company, incl. changes in equity.

The Management Board assures that this financial report for 3 months of 2021 contains truthful information and that revenue recognition principle and assessment methods applied by its preparation are consistent with those applied in the last Annual Report.

The Management states herewith that the information set out in the Management statement to the financial statements for the year 2020 has no significant changes and is up to date.

Chairman of the Management Board
of JSC Ditton pievadķēžu rūpnīca

Rolands Zarāns

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BALANCE SHEET

ASSETS	31.03.2021	31.03.2020
	EUR	EUR
Long-term investments		
Intangible investments		
Concessions, patents, licenses, trademarks and similar rights	403	5 236
Total intangible investments	403	5 236
Fixed assets		
Immovable property:		
Land	2 061 350	1 972 722
Buildings and structures and permanent crop	1 934 423	1 213 136
Investment properties – land	-	88 628
Investment properties - buildings	-	863 729
Technological equipment and devices	2 250 775	2 502 207
Other fixed assets and inventory	21 705	31 802
Costs of the establishment of fixed assets and unfinished building objects	-	-
Total fixed assets	6 268 253	6 672 224
Long-term financial investments		
Other securities and investments	-	-
Total long-term financial investments	-	-
Total long-term investments	6 268 253	6 672 224
Current assets		
Inventories		
Raw materials, consumables and supplies	463 920	469 331
Work in progress	170 402	169 488
Finished products and goods for sale	263 011	233 180
Advance payments for inventories	100 304	85 853
Total inventories	997 637	957 852
Debtors		
Trade receivables	447 632	598 571
Other debtors	19 921	22 649
Next period costs	634	478
Total debtors	468 187	621 698
Cash	119 867	68 820
Total current assets	1 585 691	1 648 370
<u>TOTAL ASSETS</u>	<u>7 854 347</u>	<u>8 325 830</u>

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BALANCE SHEET

LIABILITIES	31.03.2021 EUR	31.03.2020 EUR
1. Equity		
Stock or share capital (equity capital)	10 360 000	10 360 000
Reserves:		
Other reserves	169 251	169 251
Retained profits or uncovered losses brought forward from the previous years	(9 370 970)	(9 345 727)
Profit or loss of the reporting year	135 796	51 451
Total equity	1 294 077	1 172 440
 Long-term creditors		
Loans from credit institutions	4 135 577	4 282 577
Other loans	100 000	3 700
Next period income	1 133 515	1 216 999
Total long-term creditors	5 369 092	5 979 060
 Short-term creditors:		
Loans from credit institutions	170 384	300 255
Other loans	-	33 300
Prepayments received from purchasers	8 364	58 319
Accounts payable to suppliers and contractors	398 353	480 698
Taxes and State mandatory social insurance payments	382 381	460 102
Other creditors	73 295	121 356
Deferred income	62 613	62 613
Accrued obligations	95 788	70 936
Total short-term creditors	1 191 178	1 512 948
Total creditors	6 560 270	7 492 008
 <u>TOTAL LIABILITIES</u>	 <u>7 854 347</u>	 <u>8 325 830</u>

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INCOME STATEMENT

	31.03.2021	31.03.2020
	EUR	EUR
Net turnover	1 303 998	1 266 202
Production costs of goods sold, purchase costs of goods sold or services rendered	(947 344)	(962 295)
Gross profit or loss	356 654	303 907
Sales costs	(11)	(11)
Administrative expenses	(163 800)	(184 791)
Other income from operating activities	30 031	33 146
Other costs of operating activities	(38 709)	(53 277)
Other interest receivable and similar income	361	-
Interest payments and similar expenses	(48 730)	(47 523)
• <i>from other persons</i>	<i>(48 730)</i>	<i>(47 523)</i>
Profit or loss before enterprise income tax	135 796	51 451
Enterprise income tax	-	-
Profit or loss for the fiscal period	<u>135 796</u>	<u>51 451</u>
Profit/diluted profit or loss per share	0.018	0.006

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CASH FLOW STATEMENT

	31.03.2021	31.03.2020
	EUR	EUR
I. Cash flows from operating activities		
1. Profit or loss before enterprise income tax	135 796	51 451
<i>Adjustments to:</i>		
Depreciation of fixed assets	100 931	114 439
Depreciation of intangible assets	1 208	1 208
EU funds income recognition	(20 870)	-
Interest payments and similar income	48 730	47 523
Income from sale of fixed assets	-	-
2. Profit or loss before adjustments to fixed assets and short-term creditors	265 795	214 621
<i>Adjustments to Current assets and Short-term creditors:</i>		
Increase or decrease in accounts receivables	(32 646)	38 245
Increase or decrease in inventories	(56 889)	(39 429)
Increase or decrease in accounts payable to suppliers, contractors and other creditors	(211 177)	(40 099)
Net cash flows used in operating activities	<u>(34 917)</u>	<u>173 338</u>
II. Cash flows from investing activities		
Proceeds from sale of fixed assets	-	-
Net cash flows used in investing activities	=	=
III. Cash flows from financing activities		
Proceeds from borrowings or repayment of borrowings, net	96 300	(65 252)
Subsidies, grants, gifts or donations received	(48 730)	(47 523)
Purchase of fixed assets	(536)	(2 106)
Net cash flows used in financing activities	<u>47 034</u>	<u>(114 881)</u>
Net cash flows of the reporting year	12 117	58 457
Cash and cash equivalents at the beginning of fiscal period	<u>107 750</u>	<u>10 363</u>
Cash and cash equivalents at the end of fiscal period	<u>119 867</u>	<u>68 820</u>

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STATEMENT OF CHANGES IN EQUITY
for the period from 01.01.2021 till 31.03.2021

	Equity capital	Other reserves	Retained profit of previous periods	Profit or loss of fiscal period	Total
	EUR	EUR	EUR	EUR	EUR
At 1 January 2020	10 360 000	169 251	(9 228 221)	(117 506)	1 183 524
Other reserves	-	-	-	-	169 251
Profit of 3 months period 2020	-		-	51 451	51 451
At 31 March 2020	10 360 000	169 251	(9 345 727)	(51 451)	1 234 975
At 1 January 2021	10 360 000	169 251	(9 345 727)	(25 243)	1 158 281
Profit of 3 months period 2021	-		-	135 796	135 796
At 31 March 2021	10 360 000	169 251	(9 370 970)	135 796	1 294 077

Appendix

Explanatory notes

Accounting policies and methods applied in present interim financial report are consistent with those applied in the last Annual Report.

These financial statements are prepared on the basis of source documents and present fairly the financial position of the JSC as at 31 March 2021, its` operating results and cash flows for 3 months ended 31 March 2021.

This financial report has been prepared in compliance with statutory regulations of the Republic of Latvia on a going concern basis. Appropriate accounting policies have been applied consistently to each category.

The interim financial report for 3 months of 2021 has not been audited by sworn auditor.

The interim report has been prepared in euros.

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Explanations and analyses on separate items of financial reports

Production of driving chains in 3 months of 2021 (thousand meters)

The index of the produced driving chains is by 6 thousand meters higher than in 3 months of 2020.

Production of driving chains in 3 months of 2021 (thousand euros)

The value of the produced driving chains in these 3 months reached € 1,026 thousand, what is by € 73 thousand higher than the index of the same period of the previous year.

Sales (net-turnover) in 3 months of 2021 (thousand euros)

The net-turnover of the fiscal period is fulfilled by € 1,304 thousand, being by € 38 thousand or 3 per cent more than the index in the same period of the previous year.

Core product sales in 3 months of 2021 (thousand euros)

Core product sales amounting to € 1,087 thousand in the reporting period are by € 53 thousand or 5 per cent more than the result of the same period in the previous year.

The average statistical number of employees in 3 months of year 2021 was 132 employees with the average salary amounted to EUR 747 what is by EUR 67 higher than in 3 months of 2020.