



Linda Nektar

INTERIM REPORT FOR SIX MONTH PERIOD ENDED 30 JUNE 2021 (UNAUDITED)

reporting period: 01.01.2021 – 30.06.2021

financial year: 01.01.2021 - 31.12.2021

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Management report

Linda Nektar's (the 'Company') business development was satisfactory in comparison with the previous year. In H1 2021 Company's revenue amounted to EUR 1,564,737 and marked an increase of 18.9% year-on-year (H1 2020: EUR 1,315,669). This is as a result of widening the customer base while the product range has broadened further. This has both product mix and volume elements driving the growth.

The low- and no-alcohol market has shown no signs of slowing down in 2021. These sectors will be driven by factors such as innovation in alcohol bases, exploration of new exotic and increasingly natural flavours, and premium product offerings. Beverages have become lighter and lower in carbohydrates. The consumer is expected to be seeking drinks with natural ingredients and free of artificial flavours and colours. Looking ahead, naturally fermented bases are foreseen to meet beverage industry demand by featuring more sophisticated flavours, natural ingredients, various alcohol bases, as well lower calories and lower sugar options. With a focus on product quality, continuous innovation and sustainable methods, Linda Nektar is well-equipped to create the right fermented beverage solution for a wide range of applications. Moreover, the Company has adjusted its product portfolio to align with market condition changes in recent years.

H1 2021 produced a net profit of EUR 100,391 (H1 2020 came in with a net profit of EUR 52,639).

As of 30 June 2021, the Company's total assets came to EUR 3,803,113 (H1 2020: EUR 3,770,468) marking a increase of 0.87% year-on-year. Current assets amounted to EUR 1,614,703 (H1 2020: EUR 1,768,313) or 42.5% of total assets. Fixed assets amounted to EUR 2,188,410 (H1 2020: EUR 2,002,155) or 57.5% of the balance sheet total. The liabilities of AS Linda Nektar totalled EUR 169,987 (H1 2020: EUR 112,398) and equity capital amounted to EUR 3,633,126 (H1 2020: EUR 3,658,070).

As of 30 June 2021, there were no loan commitments, while cash and cash equivalents came to EUR 577,163 (H1 2020: EUR 697,377). The Company retains a conservative financial leverage policy.

Operating cash flow in H1 2021 was EUR 211,887 (H1 2020: negative EUR 13,860).

A total of EUR 243,181 was invested into fixed assets (H1 2020: EUR 57,157). Depreciation costs in H1 2021 amounted to EUR 201,888 (H1 2020: EUR 190,650). The main items are related to hot water generation and pasteurising equipment. When combined this provides a safer and even higher quality production environment.

In H1 2021, the Company paid EUR 158,014 euros in dividends (H1 2020: EUR 126,009). The income tax cost on dividends was EUR 28,514 (H1 2020: EUR 24,176).

The increase in raw materials and consumables used reflects increased production levels while salary-related expenses account for a combination of increased staffing levels as well as general wages.

As of 30 June 2021, the Company had 14 employees, one Management Board Member, and four Supervisory Board Members. Labour costs in H1 2021 (including taxes) amounted to EUR 202,401 (H1 2020: EUR 181,515).

During H1 2021 the Company's first executive share option programme matured, as a result of which 5,034 shares were issued to a supervisory board member. The Company has in place the opportunity to allocate a further 3% of issued capital for another programme.

In light of the market conditions, management believes that the overall operating environment remains better than during 2020. Therefore revenue guidance for 2021 is set for EUR 2.7m. This is predicated on limited additional impacts stemming from COVID-19 related issues.

Financial Ratios:

		January - June 2021	January - June 2020
Current Ratio = Current Assets / Current Liabilities	x	9.50	15.73
Quick ratio = (Current Assets – Inventories) / Current Liabilities	x	7.35	11.77
Working Capital = Current Assets - Current Liabilities		1 444 716	1 655 915
Equity Ratio = Total Equity / Total Assets*100	%	95.53	97.02
Net Profit Margin= Net Profit / Sales Revenue*100	%	6.42	4.00
Debt to Assets= Total Liabilities / Total Assets	x	0.04	0.03

Financial Statements

Statement of financial position

(In Euros)

	30.06.2021	31.12.2020	30.06.2020	Note
Assets				
Current assets				
Cash and cash equivalents	577 163	835 166	697 377	2
Receivables and prepayments	672 351	429 059	625 591	3
Inventories	365 189	453 161	445 345	4
Total current assets	1 614 703	1 717 386	1 768 313	
Non-current assets				
Receivables and prepayments	4	12	12	3
Property, plant and equipment	2 179 875	2 136 844	1 997 004	6
Intangible assets	8 531	10 269	5 139	7
Total non-current assets	2 188 410	2 147 125	2 002 155	
Total assets	3 803 113	3 864 511	3 770 468	
Liabilities and equity				
Liabilities				
Current liabilities				
Payables and prepayments	169 987	178 796	112 398	8
Total current liabilities	169 987	178 796	112 398	
Total liabilities	169 987	178 796	112 398	
Equity				
Issued capital	1 580 143	1 575 109	1 575 109	10
Share premium	617 517	617 517	617 517	
Statutory reserve capital	73 948	70 672	70 672	
Other reserves	0	26 177	11 416	
Retained earnings (loss)	1 261 127	1 330 717	1 330 717	
Reporting period profit (loss)	100 391	65 523	52 639	
Total equity	3 633 126	3 685 715	3 658 070	
Total liabilities and equity	3 803 113	3 864 511	3 770 468	

Income statement

(In Euros)

	01.01.2021- 30.06.2021	01.01.2020- 30.06.2020	Note
Revenue	1 564 737	1 315 669	11
Other income	0	773	
Changes in inventories of finished goods and work in progress	-54 560	21 391	
Raw materials and consumables used	-892 196	-807 895	12
Other operating expense	-83 558	-64 907	13
Employee expense	-202 401	-181 515	14
Depreciation and impairment loss (reversal)	-201 888	-190 650	6,7
Significant impairment of current asset	0	-16 046	
Other expense	-1263	-43	
Operating profit (loss)	128 871	76 777	
Interest income	34	38	
Profit (loss) before tax	128 905	76 815	
Income tax expense	-28 514	-24 176	15
Reporting period profit (loss)	100 391	52 639	

Statement of cash flows

(In Euros)

	01.01.2021- 30.06.2021	01.01.2020- 30.06.2020	Note
Cash flows from operating activities			
Operating profit (loss)	128 871	76 777	
Adjustments			
Depreciation and impairment loss (reversal)	201 888	190 650	6,7
Profit (loss) from sale of non-current assets	0	-58	
Total adjustments	201 888	190 592	
Changes in receivables and prepayments related to operating activities	-243 284	-247 386	
Changes in inventories	87 972	1 335	
Changes in payables and prepayments related to operating activities	64 954	-11 002	
Income tax refund (paid)	-28 514	-24 176	15
Total cash flows from operating activities	211 887	-13 860	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-316 944	-46 736	6,7
Interest received	34	38	
Total cash flows from investing activities	-316 910	-46 698	
Cash flows from financing activities			
Proceeds from issuing shares	5 034	0	
Dividends paid	-158 014	-126 009	15
Total cash flows from financing activities	-152 980	-126 009	
Total cash flows	-258 003	-186 567	
Cash and cash equivalents at beginning of period	835 166	883 944	2
Change in cash and cash equivalents	-258 003	-186 567	
Cash and cash equivalents at end of period	577 163	697 377	2

Statement of changes in equity

(In Euros)

						Total
	Issued capital	Share premium	Statutory reserve capital	Other reserves	Retained earnings (loss)	
31.12.2019	1 575 109	617 517	70 672	11 416	1 456 725	3 731 439
Reporting period profit (loss)	0	0	0	0	52 639	52 639
Declared dividends	0	0	0	0	-126 009	-126 009
Other changes in equity	0	0	0	0	1	1
30.06.2020	1 575 109	617 517	70 672	11 416	1 383 356	3 658 070
Reporting period profit (loss)	0	0	0	0	12 884	12 884
Changes in reserves	0	0	0	14 761	0	14 761
31.12.2020	1 575 109	617 517	70 672	26 177	1 396 240	3 685 715
Reporting period profit (loss)	0	0	0	0	100 391	100 391
Issue of equity	5 034	0	0	0	0	5 034
Declared dividends	0	0	0	0	-158 014	-158 014
Changes in reserves	0	0	3 276	-26 177	22 901	0
30.06.2021	1 580 143	617 517	73 948	0	1 361 518	3 633 126

The minimum share capital allowed by the Articles of Association of AS Linda Nektar is 1,200,000 euros, and the maximum share capital is 4,800,000 euros. The share has a nominal value of 1 euro. A total of 1,580,143 shares have been issued.

As of 30 June 2021, the Company had 137 shareholders (30.06.2020: 89 shareholders).

In 2017, an option agreement was signed with a member of the AS Linda Nektar supervisory board (Mr.Mats Arne Andersson). The share option gave the supervisory board member a right to acquire 5,034 ordinary shares of AS Linda Nektar. In April 2021 the option holder paid the share nominal value of 1 euro per share, ie 5,034 euros. The vesting period of the option agreement was three years from the date of signing the contract. The fair value of the share option is recognized in retained earnings (previously recognized in equity as a reserve).

Notes

Note 1 Accounting policies

General information

The 2021 H1 unaudited Interim Report of Financial Statements of AS Linda Nektar have been prepared in accordance with Estonian financial reporting standard. The main requirements of the Estonian financial reporting standards have been stipulated in the Accounting Act of the Republic of Estonia and supplemented by the guidelines issued by the Accounting Board of the Republic of Estonia.

The company belongs to the small business category. The 2021 H1 unaudited Interim Report of Financial Statements is compiled completely according to the regulations introduced for mid-sized companies.

The financial statements have been prepared in euros.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents are cash in hand, demand deposits in banks.

Foreign currency transactions and assets and liabilities denominated in a foreign currency.

Foreign currency transactions are recorded based on the currency exchange rate valid on the transaction date. Monetary entries denominated in foreign currency are translated on the basis of the currency exchange rates of the European Central Bank officially valid on the balance sheet date. Foreign exchange gains and losses from revaluation are recorded in the income statement.

Foreign exchange gains and losses are recorded under revenue and expenses in the income statement of the reporting period.

Receivables and prepayments

Accounts receivable are short-term receivables generated in the course of ordinary business, except for receivables from other group companies and associated companies. Accounts receivable are recorded at amortised cost (i.e. nominal value less possible write-downs).

Accounts receivable are evaluated on an individual basis, if possible. If the evaluation of the receivables on an individual basis proves impossible, only the material receivables will be evaluated. Other receivables are evaluated as a set of receivables, considering the information available regarding the customer's previous debts. Collection of receivables, which have been previously expensed as doubtful receivables, are reported as an adjustment to doubtful receivables.

All other receivables (accrued income, loans granted, other short-term and long-term receivables), except for receivables held for trading, are recorded at amortised cost. Receivables held for trading are recorded at their fair value.

Inventories

Raw materials are recorded at cost, consisting of the purchase price, non-refundable taxes and direct transportation costs and other expenses directly related to the acquisition, incurred upon bringing the inventories to their present condition and location, less discounts and subsidies.

Finished products and work-in-progress are recorded at production cost, consisting of the direct production costs (cost of raw materials), staff remuneration and a proportional part of the production overheads (depreciation of production buildings and equipment).

The acquisition cost of inventories is calculated based on the FIFO (Raw materials) and individual cost (Work in progress and finished goods) method.

Plant, property and equipment and intangible assets

Assets with an acquisition cost of over 1,000 euros and a useful life of over 1 year are recorded as property, plant and equipment (PPE) in the balance sheet. Assets with a useful life of over 1 year, but an acquisition cost of less than 1,000 euros, are recorded as low-value items (in inventories) and are fully expensed when the asset is taken into use. Low-value items that have been expensed are accounted for off-balance sheet.

PPE are initially recorded at acquisition cost, consisting of the purchase price and expenses incurred with the aim of taking the asset item into use. Subsequent to initial recognition, PPE are recorded at net book value. PPE constructed for own use is recorded at acquisition cost, consisting of the actual manufacturing expenses.

Depreciation is calculated on a straight-line basis, depending on the estimated useful life of the asset item:

- production buildings: 15-16 years, improvements: 5 years
- other buildings: 15-16 years, improvements: 5 years

aktsiaselts Linda Nektar

- machinery and equipment: 3-10 years
- IT equipment: 3-5 years
- office furniture: 3-7 years
- means of transport: 5 years
- tools and equipment: 3-5 years
- software: 5 years
- other intangible assets: 3 years

Land is not depreciated.

Leases

Accounting entity as lessor

Operating lease payments are recorded during the rental period as income based on the straight-line method.

Accounting entity as lessee

Operating lease payments are recorded during the rental period as expenses based on the straight-line method.

Financial liabilities

All financial liabilities (accounts payable, loans taken, accrued expenses, bonds issued, other short-term and long-term payables) are initially accounted for at their acquisition cost, which includes all expenses directly related to the acquisition. Subsequent to initial recognition, financial liabilities are recorded based on the amortised cost method.

As a rule, the amortised cost of short-term financial liabilities equals their nominal value. Therefore, short-term financial liabilities are recorded in the balance sheet at the payable amount. The amortised cost of long-term liabilities is calculated based on the effective interest rate method.

Government grants

Assets acquired with the help of government grants are recorded in the balance sheet at net acquisition cost, i.e. the acquisition cost, less government grants received for the purpose of acquiring assets (the acquisition cost of assets received free of charge is zero). Subsequent to initial recognition, the acquired assets are measured according to Accounting Board standard number 5 for tangible and intangible fixed assets.

Government grants allocated for operating expenses will be charged to income, if the collection of the grant is certain and the conditions related to the grant have been fulfilled. If the conditions for recognition of the government grant under income have not been met, the grant will be recorded under liabilities in the balance sheet. The corresponding liability is recorded under current or non-current liabilities in the balance sheet, depending on when the conditions related to the government grant are met.

Revenue recognition

Revenue and expenses are recognised on an accrual basis, based on the matching principle. Income statement format No 1 is used.

Revenue is recognised on an accrual basis under the revenue recognition principle. Revenues from the sales of goods are recorded at the moment the right of ownership is transferred to the buyer.

Expense recognition

Expenses on vacation pay are recorded in the period when they are incurred. The vacation reserve is adjusted on an annual basis at the end of each financial year. The earned vacation pay is charged to expenses in the income statement, and recorded in the balance sheet under current liabilities to employees.

Taxation

According to the Income Tax Act of the Republic of Estonia, legal entities are not subject to income tax on profits earned. Corporate income tax is paid on fringe benefits, gifts, donations, costs of entertaining guests, dividends and payments not related to business operations. Thus, in Estonia there are no differences between the tax bases and the carrying amounts of assets, which would give rise to a deferred income tax asset or liability.

From 1 January 2015, the tax rate on dividends payable is 20/80 of the amount paid out as net dividends. The corporate income tax arising from the payment of dividends is accounted for as an expense in the period when dividends are declared.

From 2019, tax rate of 14/86 can be applied to dividend payments. The more beneficial tax rate can be used for dividend payments in the amount of up to the average dividend payment during the three preceding years that were taxed with the tax rate of 20/80. When calculating the average dividend payment of three preceding years, 2018 will be the first year to be taken into account.

Related parties

For the purposes of the financial statements of AS Linda Nektar, the following are considered related parties:

- owners (parent company and owners of the parent company);
- management board and higher management;
- close relatives of the above persons, and the companies related to them.

Share-based Payments

Option contracts are carried in the balance sheet at their fair value. The fair value of services (work contribution) provided by employees to the entity in return for shares is recognised as employee costs in the income statement and as an equity reserve from the date of granting the share option and during the period when the services have been provided. The fair value of the services received is determined on the fair value of equity instruments (market price) granted to employees at the grant date. The market price of the share is the closing price of the share on the last day of the financial year in the Nasdaq First North Alternative Market. Derivatives (such as these option contracts) are revalued at balance sheet date according to the change in fair value of the instrument.

Note 2 Cash and cash equivalents

(In Euros)

	30.06.2021	30.06.2020
Cash on hand	279	26
Bank accounts	576 884	697 351
Total cash and cash equivalents	577 163	697 377

Note 3 Receivables and prepayments

(In Euros)

	30.06.2021	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	551 470	551 470	0	
Accounts receivables	551 470	551 470	0	
Tax prepayments and receivables	117 099	117 099	0	5
Prepayments	3 786	3 782	4	
Deferred expenses	3 786	3 782	4	
Total receivables and prepayments	672 355	672 351	4	
	30.06.2020	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	534 781	534 781	0	
Accounts receivables	534 781	534 781	0	
Tax prepayments and receivables	86 015	86 015	0	5
Prepayments	4 807	4 795	12	
Deferred expenses	4 807	4 795	12	
Total receivables and prepayments	625 603	625 591	12	

Note 4 Inventories

(In Euros)

	30.06.2021	30.06.2020
Raw materials	132 069	137 008
Work in progress	176 144	244 879
Finished goods	47 387	52 848
Merchandise	9 589	10 610
Total Inventories	365 189	445 345

No write-down of inventories was made in H1 2021. In H1 2020 AS there was a write-down of finished goods for the consideration of EUR 16,046. Work in progress inventories were within normal fluctuation levels.

Note 5 Tax prepayments and liabilities

(In Euros)

	30.06.2021		30.06.2020	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax	25 436	0	10 745	0
Personal income tax	0	5 185	0	4 469
Fringe benefit income tax	0	197	0	154
Social tax	0	10 027	0	9 045
Contributions to mandatory funded pension	0	533	0	480
Unemployment insurance tax	0	521	0	472
Excise duty tax	91 663	207	68 769	0
Other tax prepayments and liabilities	0	424	0	392
Prepayment account balance	0		6 501	
Total tax prepayments and liabilities	117 099	17 094	86 015	15 012

The increased excise duty tax relates to prepayment of a larger volume of raw materials.

Note 6 Property, plant and equipment

(In Euros)

	Land	Buildings				Machinery and equipment	Other property, plant and equipment			Unfinished projects and prepayment	Total
			Transportation	Computers and computer systems	Other machinery and equipment			Unfinished projects	Pre-payments		
31.12.2019											
Carried at cost	6 700	1 385 513	75 076	18 023	3 193 246	3 286 345	83 753	73 572	0	73 572	4 835 883
Accumulated depreciation	0	-473 680	-18 972	-13 668	-2 137 227	-2 169 867	-62 516	0	0	0	-2 706 063
Residual cost	6 700	911 833	56 104	4 355	1 056 019	1 116 478	21 237	73 572	0	73 572	2 129 820
Acquisitions and additions	0	0	0	2 025	18 232	20 257	2 167	34 733	0	34 733	57 157
Acquisition of buildings, new building, renovations		0						0	0	0	0
Other acquisitions and additions	0		0	2 025	18 232	20 257	2 167	34 733	0	34 733	57 157
Depreciation	0	-43 570	-7 507	-1 080	-132 850	-141 437	-4 557	0	0	0	-189 564
Disposals (in residual costs)	0	0	0	0	0	0	-409	0	0	0	-409
30.06.2020											
Carried at cost	6 700	1 385 513	75 075	20 049	3 211 478	3 306 602	83 818	108 305	0	108 305	4 890 938
Accumulated depreciation	0	-517 250	-26 478	-14 749	-2 270 077	-2 311 304	-65 380	0	0	0	-2 893 934
Residual cost	6 700	868 263	48 597	5 300	941 401	995 298	18 438	108 305	0	108 305	1 997 004
31.12.2020											
Carried at cost	28 770	1 385 513	75 076	20 049	3 279 288	3 374 413	83 818	344 360	0	344 360	5 216 874
Accumulated depreciation	0	-560 820	-33 986	-15 943	-2 399 834	-2 449 763	-69 447	0	0	0	-3 080 030
Residual cost	28 770	824 693	41 090	4 106	879 454	924 650	14 371	344 360	0	344 360	2 136 844
Acquisitions and additions	6 240	3 503	0	0	31 368	31 368	1 575	195 495	5 000	200 495	243 181
Acquisition of land and buildings, except new buildings and renovations	6 240	0									6 240
Acquisition of buildings, new building, renovations		3 503									3 503
Other acquisitions and additions			0	0	31 368	31 368	1 575	195 495	5 000	200 495	233 438
Depreciation	0	-47 746	-7 508	-1 193	-139 797	-148 498	-3 906	0	0	0	-200 150
Reclassifications	0	96 725	0	0	0	0	0	-96 725	0	-96 725	0
Reclassifications from unfinished projects	0	96 725	0	0	0	0	0	-96 725	0	-96 725	0
30.06.2021											
Carried at cost	35 010	1 485 741	75 076	20 049	3 310 658	3 405 783	85 392	443 130	5 000	448 130	5 460 056
Accumulated depreciation	0	-608 566	-41 494	-17 136	-2 539 633	-2 598 263	-73 352	0	0	0	-3 280 181
Residual cost	35 010	877 175	33 582	2 913	771 025	807 520	12 040	443 130	5 000	448 130	2 179 875

Disposed property, plant and equipment at selling price

	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
Machinery and equipment	0	0
Transportation	0	0
Other property, plant and equipment	0	467
Total	0	467

In H1 2021 and H1 2020 AS Linda Nektar did not dispose of any non-current assets.

As at 30 June 2021, outstanding payables to suppliers of the non-current assets amounted to EUR 2,648 (30.06.2020: EUR 9,954; 31.12.2020: EUR 76,411).

Note 7 Intangible assets

(In Euros)

				Total
	Computer software	Other intangible assets	Unfinished projects and prepayments	
31.12.2019				
Carried at cost	10 648	7 560	0	18 208
Accumulated depreciation	-8 833	-3 150	0	-11 983
Residual cost	1 815	4 410	0	6 225
Depreciation	-330	-756	0	-1 086
30.06.2020				
Carried at cost	10 648	7 560	0	18 208
Accumulated depreciation	-9 163	-3 906	0	-13 069
Residual cost	1 485	3 654	0	5 139
31.12.2020				
Carried at cost	10 648	8 449	900	19 997
Accumulated depreciation	-9 493	-235	0	-9 728
Residual cost	1 155	8 214	900	10 269
Depreciation	-330	-1 408	0	-1 738
30.06.2021				
Carried at cost	10 649	8 449	900	19 998
Accumulated depreciation	-9 824	-1 643	0	-11 467
Residual cost	825	6 806	900	8 531

Note 8 Payables and prepayments

(In Euros)

	30.06.2021	Within 12 months	Note
Trade payables	137 809	137 809	
Employee payables	9 574	9 574	
Tax payables	17 094	17 094	5
Other payables	5 510	5 510	
Other accrued expenses	4 830	4 830	
Other payables	680	680	
Total payables and prepayments	169 987	169 987	
	30.06.2020	Within 12 months	Note
Trade payables	88 242	88 242	
Employee payables	8 517	8 517	
Tax payables	15 012	15 012	5
Other payables	627	627	
Other accrued expenses	627	627	
Total payables and prepayments	112 398	112 398	

Note 9 Contingent liabilities and assets

(In Euros)

	30.06.2021	30.06.2020
Contingent liabilities		
Distributable dividends	1 089 214	1 106 685
Income tax liability on distributable dividends	272 304	276 671
Total contingent liabilities	1 361 518	1 383 356

Note 10 Share capital

(In Euros)

	30.06.2021	30.06.2020
Share capital	1 580 143	1 575 109
Number of shares (pcs)	1 580 143	1 575 109
Nominal value of shares	1	1

Note 11 Net sales

(In Euros)

	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
Net sales by geographical location		
Net sales in European Union		
Estonia	476 545	473 726
Finland	184 987	195 127
Latvia	891 832	634 956
Lithuania	10 760	11 846
Other EU	613	14
Total net sales in European Union	1 564 737	1 315 669
Total net sales	1 564 737	1 315 669
Net sales by operating activities		
Manufacture of cider and other fruit wines	1 556 806	1 297 444
Wastewater treatment	0	7 396
Sale of goods/services	7 703	5 997
Sale of aroma	228	4 832
Total net sales	1 564 737	1 315 669

The Company has expanded its product base in Latvia, leading to increased sales there.

Note 12 Goods, raw materials and services

(In Euros)

	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
Raw materials	-717 403	-645 014
Services	-174 793	-162 881
Total goods, raw materials and services	-892 196	-807 895

Note 13 Miscellaneous operating expenses

(In Euros)

	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
Exploration and development expense	0	-6 578
Travel expense	0	-4 496
Training expense	-20 040	-1 509
State and local taxes	-2 179	-2 639
"First North" costs	-12 077	-11 155
Legal and audit expenses	-12 222	-8 142
Communications	-5 085	-5 186
Other	-31 955	-25 202
Total miscellaneous operating expenses	-83 558	-64 907

Note 14 Labour expense

(In Euros)

	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
Wage and salary expense	-152 567	-136 731
Social security taxes	-49 834	-44 784
Total labour expense	-202 401	-181 515
Average number of employees in full time equivalent units	18	17
Average number of employees by types of employment:		
Person employed under employment contract	13	12
Member of management or controlling body of legal person	5	5

Note 15 Income tax

(In Euros)

Income tax expense components	01.01.2021 - 30.06.2021		01.01.2020 - 30.06.2020	
	Taxable amount	Income tax expense	Taxable amount	Income tax expense
Declared dividends	158 014	28 514	126 009	24 176
Estonia	152 066	27 441	121 674	23 344
Other countries	5 948	1 073	4 335	832
Total	158 014	28 514	126 009	24 176

Note 16 Related parties

(In Euros)

Name of accounting entity's parent company	Fermex International OÜ
Country where accounting entity's parent company is registered	Estonia

Related party balances according to groups

	30.06.2021		30.06.2020	
	Receivables	Liabilities	Receivables	Liabilities
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	0	4 752	0	0

Purchases and sales of goods and services

	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
	Purchases of goods and services	Purchases of goods and services
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	4 780	295

Remuneration and other significant benefits calculated for members of management and highest supervisory body	01.01.2021 - 30.06.2021	01.01.2020 - 30.06.2020
	Remuneration	45 500

For the purposes of the financial statements of AS Linda Nektar, the following are considered related parties:

- owners (parent company and owners of the parent company);
- management board and higher management;
- close relatives of the above persons, and the companies related to them.

In 2017, an option agreement was signed with a member of the AS Linda Nektar supervisory board. The option was granted with a vesting period of 3 years. According to the Option Agreement, the option holder could exercise the option within 3 months from the end of the 3-year vesting period. See detailed information in Statement of changes in equity.

Signatures

The management has prepared the AS Linda Nektar unaudited Interim Report for the six month period ended 30 June 2021 and confirms that the Report provides a true and fair view of the business operations.

Report completion date: 13.08.2021



Kadri Rauba
CEO