



# Linda Nektar

## THE INTERIM REPORT FOR THE 12 MONTHS OF 2020 (UNAUDITED)

**reporting period:** 01.01.2020 – 31.12.2020

**financial year:** 01.01.2020 - 31.12.2020

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## Management report

In 2020 AS Linda Nektar's (the 'Company') turnover amounted to EUR 2,512,281 and marked an increase of 19.76% year-on-year (12 months 2019: 2,097,789). This is exactly in line with management guidance. The change in the product portfolio during the past 12 months has been progressing well.

The Company continues to observe requirements relating to the COVID-19 pandemic. The availability of raw materials and the health situation among personnel have been good. No production disruptions have taken place. In terms of operational impact, ongoing investments are continuing to be made, however, delays are occasionally endured due to factors such as travel restrictions.

All of our markets were affected, by the COVID-19 outbreak in 2020. The consumption of lower alcohol content beverages in Europe has fluctuated somewhat due to factors including border closures, hence, with various regional differences. The focus of consumer demand has shifted from cross-border and on-trade sales to retail sales. HORECA-related demand together with traditional Estonian-Finnish travel purchases has been softer than in previous years, however, this has been compensated by new products and geographical sales diversification.

12 months 2020 resulted in a net profit of EUR 65,523 (12 months 2019 came in with a loss of EUR 44,598). Around one third of the difference in the net profit from H1 2020 can be attributed to non-cash expenses relating to incentive-based performance. Some of the balance can be attributed to shorter-term volume related fluctuations of various product sales.

Operating cash flow for the 12 months of 2020 was a positive EUR 398,018 (12 months 2019: EUR 155,150).

As at 31 December 2020, the Company's total assets came to EUR 3,864,511 (31.12.2019: EUR 3,844,886), up 0.51% year-on-year. Current assets amounted to EUR 1,717,386 (31.12.2019: EUR 1,708,799) or 44.44% of total assets. Fixed assets amounted to EUR 2,147,125 (31.12.2019: EUR 2,136,087) or 55.56% of the balance sheet total. The liabilities of AS Linda Nektar totalled EUR 178,796 (31.12.2019: EUR 113,447). Equity capital amounted to EUR 3,685,715 (31.12.2019: EUR 3,731,439).

As of 31 December 2020, there were no loan commitments. The Company retains a conservative financial leverage policy.

A total of EUR 398,429 was invested into fixed assets (12 months 2019: EUR 177,290). Depreciation costs for the 12 months of 2020 amounted to EUR 386,952 (12 months 2019: EUR 370,257). This investment is being undertaken to enable a wider as well as higher product quality capability. In turn, such activity provides the possibility for generating more sophisticated products. Moreover, some additional adjoining land for more efficient expansion capabilities was also acquired. The Company has also invested into upgrading its corporate presence with an upgraded web presence (please see [www.lindanektar.ee](http://www.lindanektar.ee)) as well as engaging in greater use of digitalisation for embracement of both existing and corporate customers via interactive communications.

Strategic co-operation with partners such as Germany's Symrise is ongoing.

In 2020, the Company paid EUR 126,009 euros in dividends (12 months 2019: EUR 126,009). The income tax cost on dividends was EUR 24,176 (12 months 2019: EUR 27,839).

As of 31 December 2020, the Company had 13 employees, one Management Board Member, and four Supervisory Board Members. Labour costs for the 12 months of 2020 (including taxes) amounted to EUR 393,193 (12 months 2019: EUR 346,269). The services received of the share option of fair value is recognised as an employee expense in the income statement and as a reserve in equity (non-cash item).

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:**

		2020	2019
Current Ratio = Current Assets / Current Liabilities	x	9.61	15.06
Quick ratio = (Current Assets – Inventories) / Current Liabilities	x	7.07	11.13
Working Capital = Current Assets - Current Liabilities		1 538 590	1 595 352
Equity Ratio = Total Equity / Total Assets*100	%	95.37	97.05
Net Profit Margin= Net Profit / Sales Revenue*100	%	2.61	-2.13
Debt to Assets= Total Liabilities / Total Assets	x	0.05	0.03

## Financial Statements

### Statement of financial position

(In Euros)

	31.12.2020	30.06.2020	31.12.2019	30.06.2019	Note
Assets					
Current assets					
Cash and cash equivalents	835 166	697 377	883 944	859 878	2
Receivables and prepayments	429 059	625 591	378 175	466 949	3
Inventories	453 161	445 345	446 680	367 292	4
<b>Total current assets</b>	<b>1 717 386</b>	<b>1 768 313</b>	<b>1 708 799</b>	<b>1 694 119</b>	
Non-current assets					
Receivables and prepayments	12	12	42	48	3
Property, plant and equipment	2 136 844	1 997 004	2 129 820	2 264 271	6
Intangible assets	10 269	5 139	6 225	7 634	7
<b>Total non-current assets</b>	<b>2 147 125</b>	<b>2 002 155</b>	<b>2 136 087</b>	<b>2 271 953</b>	
<b>Total assets</b>	<b>3 864 511</b>	<b>3 770 468</b>	<b>3 844 886</b>	<b>3 966 072</b>	
Liabilities and equity					
Liabilities					
Current liabilities					
Payables and prepayments	178 796	112 398	113 447	214 152	8
<b>Total current liabilities</b>	<b>178 796</b>	<b>112 398</b>	<b>113 447</b>	<b>214 152</b>	
<b>Total liabilities</b>	<b>178 796</b>	<b>112 398</b>	<b>113 447</b>	<b>214 152</b>	
Equity					
Issued capital	1 575 109	1 575 109	1 575 109	1 575 109	10
Share premium	617 517	617 517	617 517	617 517	
Statutory reserve capital	70 672	70 672	70 672	70 672	
Other reserves	26 177	11 416	11 416	8 809	
Retained earnings (loss)	1 330 717	1 330 717	1 501 323	1 501 323	
Reporting period profit (loss)	65 523	52 639	-44 598	-21 510	
<b>Total equity</b>	<b>3 685 715</b>	<b>3 658 070</b>	<b>3 731 439</b>	<b>3 751 920</b>	
<b>Total liabilities and equity</b>	<b>3 864 511</b>	<b>3 770 468</b>	<b>3 844 886</b>	<b>3 966 072</b>	

## Income statement

(In Euros)

	2020	2020 H2	2019	2019 H2	Note
Revenue	2 512 281	1 196 612	2 097 789	1 049 220	11
Other income	773	0	27 074	19 466	12
Changes in inventories of finished goods and work in progress	1 402	-19 989	54 543	45 200	
Raw materials and consumables used	-1 497 379	-689 484	-1 297 803	-673 097	13
Other operating expense	-131 200	-66 294	-181 825	-96 503	14
Employee expense	-393 193	-211 678	-346 269	-182 923	15
Depreciation and impairment loss (reversal)	-386 952	-196 302	-370 257	-184 457	6,7
Significant impairment of current asset	-16 046	0	0	0	
Other expense	-73	-30	-107	-42	
<b>Operating profit (loss)</b>	<b>89 613</b>	<b>12 835</b>	<b>-16 855</b>	<b>-23 136</b>	
Interest income	86	49	96	48	
<b>Profit (loss) before tax</b>	<b>89 699</b>	<b>12 884</b>	<b>-16 759</b>	<b>-23 088</b>	
Income tax expense	-24 176	0	-27 839	0	16
<b>Reporting period profit (loss)</b>	<b>65 523</b>	<b>12 884</b>	<b>-44 598</b>	<b>-23 088</b>	

## Statement of cash flows

(In Euros)

	2020	2020 H2	2019	2019 H2	Note
Cash flows from operating activities					
Operating profit (loss)	89 613	12 835	-16 855	-23 136	
Adjustments					
Depreciation and impairment loss (reversal)	386 952	196 302	370 257	184 457	6,7
Profit (loss) from sale of non-current assets	-58	0	-861	0	
Other adjustments	14 084	14 084	2 606	2 606	
<b>Total adjustments</b>	<b>400 978</b>	<b>210 386</b>	<b>372 002</b>	<b>187 063</b>	
Changes in receivables and prepayments related to operating activities	-50 854	196 532	-81 730	88 780	
Changes in inventories	-6 481	-7 816	-118 121	-76 558	
Changes in payables and prepayments related to operating activities	-11 062	-60	27 693	-97 527	
Income tax refund (paid)	-24 176	0	-27 839	0	16
<b>Total cash flows from operating activities</b>	<b>398 018</b>	<b>411 877</b>	<b>155 150</b>	<b>78 622</b>	
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	-320 873	-274 137	-178 882	-54 604	6,7
Proceeds from sales of property, plant and equipment and intangible assets	0	0	21 250	0	
Interest received	86	49	96	48	
<b>Total cash flows from investing activities</b>	<b>-320 787</b>	<b>-274 088</b>	<b>-157 536</b>	<b>-54 556</b>	
Cash flows from financing activities					
Dividends paid	-126 009	0	-126 009	0	16
<b>Total cash flows from financing activities</b>	<b>-126 009</b>	<b>0</b>	<b>-126 009</b>	<b>0</b>	
<b>Total cash flows</b>	<b>-48 778</b>	<b>137 789</b>	<b>-128 395</b>	<b>24 066</b>	
Cash and cash equivalents at beginning of period	883 944	697 377	1 012 339	859 878	2
<b>Change in cash and cash equivalents</b>	<b>-48 778</b>	<b>137 789</b>	<b>-128 395</b>	<b>24 066</b>	
Cash and cash equivalents at end of period	835 166	835 166	883 944	883 944	2

## Statement of changes in equity

(In Euros)

						Total
	Issued capital	Share premium	Statutory reserve capital	Other reserves	Retained earnings (loss)	
<b>31.12.2018</b>	<b>1 575 109</b>	<b>617 517</b>	<b>70 672</b>	<b>8 809</b>	<b>1 627 332</b>	<b>3 899 439</b>
Reporting period profit (loss)	0	0	0	0	-21 510	-21 510
Declared dividends	0	0	0	0	-126 009	-126 009
<b>30.06.2019</b>	<b>1 575 109</b>	<b>617 517</b>	<b>70 672</b>	<b>8 809</b>	<b>1 479 813</b>	<b>3 751 920</b>
Reporting period profit (loss)	0	0	0	0	-23 088	-23 088
Changes in reserves	0	0	0	2 607	0	2 607
<b>31.12.2019</b>	<b>1 575 109</b>	<b>617 517</b>	<b>70 672</b>	<b>11 416</b>	<b>1 456 725</b>	<b>3 731 439</b>
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
<b>30.06.2020</b>	<b>1 575 109</b>	<b>617 517</b>	<b>70 672</b>	<b>11 416</b>	<b>1 383 356</b>	<b>3 658 070</b>
Reporting period profit (loss)	0	0	0	0	12 884	12 884
Changes in reserves	0	0	0	14 761	0	14 761
<b>31.12.2020</b>	<b>1 575 109</b>	<b>617 517</b>	<b>70 672</b>	<b>26 177</b>	<b>1 396 240</b>	<b>3 685 715</b>

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 1,575,109 shares have been issued.

As of 31 December 2020, the Company had 106 shareholders (31.12.2019: 71 shareholders).

In 2017, an option agreement was signed with a member of the AS Linda Nektar supervisory board. The share option gives the supervisory board member a right to acquire 5,034 ordinary shares of AS Linda Nektar. Upon exercising the option holder must pay the share nominal value of 1 euro per share, ie 5,034 euros. The vesting period of the option agreement is three years from the date of signing the contract. To exercise the option the option holder has to have a work relationship or participate in the work of management or highest supervisory body of the company during the whole vesting period. The fair value of the services received is determined on the fair value of equity instruments granted to the employee at the grant date. The market price of the share is the closing price of the share on the expiration date of the option in Nasdaq First North Alternative Market. The fair value of the share option as at 31.10.2020 has been adjusted as an employee expense in the income statement and as a reserve in equity.



## Notes

### Note 1 Accounting policies

#### General information

The 2020 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 2020 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

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

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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 Nasdaq First North Alternative Market. Derivatives are revalued at balance sheet date according to the change in fair value of the instrument.

## Note 2 Cash and cash equivalents

(In Euros)

	31.12.2020	31.12.2019
Cash on hand	72	168
Bank accounts	835 094	883 776
<b>Total cash and cash equivalents</b>	<b>835 166</b>	<b>883 944</b>

## Note 3 Receivables and prepayments

(In Euros)

	31.12.2020	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	324 818	324 818	0	
Accounts receivables	324 818	324 818	0	
Tax prepayments and receivables	99 118	99 118	0	5
Other receivable	5	5	0	
Interest receivables	5	5	0	
Prepayments	5 130	5 118	12	
Deferred expenses	5 110	5 098	12	
Other paid prepayments	20	20	0	
<b>Total receivables and prepayments</b>	<b>429 071</b>	<b>429 059</b>	<b>12</b>	
	31.12.2019	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	324 370	324 370	0	
Accounts receivables	324 370	324 370	0	
Tax prepayments and receivables	47 489	47 489	0	5
Other receivable	2	2	0	
Interest receivables	2	2	0	
Prepayments	6 356	6 314	42	
Deferred expenses	6 356	6 314	42	
<b>Total receivables and prepayments</b>	<b>378 217</b>	<b>378 175</b>	<b>42</b>	

## Note 4 Inventories

(In Euros)

	31.12.2020	31.12.2019
Raw materials	158 594	146 549
Work in progress	232 279	247 797
Finished goods	51 987	50 204
Merchandise	10 301	2 130
<b>Total Inventories</b>	<b>453 161</b>	<b>446 680</b>

In 2020 AS Linda Nektar wrote-down its finished goods ending balance by EUR 16,046. No write-down of inventories was made in 2019.

## Note 5 Tax prepayments and liabilities

(In Euros)

	31.12.2020		31.12.2019	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax	19 955	0	7 192	0
Personal income tax	0	4 292	0	4 310
Fringe benefit income tax	0	378	0	1 269
Social tax	0	8 764	0	9 266
Contributions to mandatory funded pension	0	478	0	474
Unemployment insurance tax	0	433	0	445
Excise duty tax	68 769	84	29 918	0
Other tax prepayments and liabilities	0	278	0	572
Prepayment account balance	10 394		10 379	
<b>Total tax prepayments and liabilities</b>	<b>99 118</b>	<b>14 707</b>	<b>47 489</b>	<b>16 336</b>

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

## Note 6 Property, plant and equipment

(In Euros)

											Total
	Land	Buildings	Transportation	Computers and computer systems	Other machinery and equipment	Machinery and equipment	Other property, plant and equipment	Unfinished projects	Pre-payments	Unfinished projects and prepayment	
<b>31.12.2018</b>											
Carried at cost	6 700	1 332 579	68 022	14 520	3 125 449	3 207 991	81 791	88 412	2 000	90 412	4 719 473
Accumulated depreciation	0	-389 388	-35 869	-13 746	-1 884 902	-1 934 517	-52 445	0	0	0	-2 376 350
<b>Residual cost</b>	<b>6 700</b>	<b>943 191</b>	<b>32 153</b>	<b>774</b>	<b>1 240 547</b>	<b>1 273 474</b>	<b>29 346</b>	<b>88 412</b>	<b>2 000</b>	<b>90 412</b>	<b>2 343 123</b>
Acquisitions and additions	0	52 934	58 242	5 136	17 440	80 818	1 962	41 576	0	41 576	177 290
Acquisition of buildings, new building, renovations		52 934									52 934
Other acquisitions and additions	0		58 242	5 136	17 440	80 818	1 962	41 576	0	41 576	124 356
Depreciation	0	-84 292	-15 901	-1 555	-255 429	-272 885	-10 071	0	0	0	-367 248
Disposals (in residual costs)	0	0	-20 390	0	0	-20 390	0	0	0	0	-20 390
Reclassifications	0	0	2 000	0	53 587	55 587	0	-53 587	-2 000	-55 587	0
Reclassifications from prepayments	0	0	2 000	0	0	2 000	0	0	-2000	-2000	0
Reclassifications from unfinished projects	0	0	0	0	53 587	53 587	0	-53 587	0	-53 587	0
Other changes	0	0	0	0	-126	-126	0	-2 829	0	-2 829	-2 955
<b>31.12.2019</b>											
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
<b>Residual cost</b>	<b>6 700</b>	<b>911 833</b>	<b>56 104</b>	<b>4 355</b>	<b>1 056 019</b>	<b>1 116 478</b>	<b>21 237</b>	<b>73 572</b>	<b>0</b>	<b>73 572</b>	<b>2 129 820</b>
Acquisitions and additions	22 070	0	0	2 025	57 448	59 473	2 167	308 394	0	308 394	392 104
Acquisition of land and buildings, except new buildings and renovations	22 070	0									22 070
Acquisition of buildings, new building, renovations		0									0
Other acquisitions and additions			0	2 025	57 448	59 473	2 167	308 394	0	308 394	370 034
Depreciation	0	-87 140	-15 014	-2 274	-271 619	-288 907	-8 624	0	0	0	-384 671
Disposals (in residual costs)	0	0	0	0	0	0	-409	0	0	0	-409
Reclassifications	0	0	0	0	37 606	37 606	0	-37 606	0	-37 606	0
Reclassifications from unfinished projects	0	0	0	0	37 606	37 606	0	-37 606	0	-37 606	0
<b>31.12.2020</b>											
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
<b>Residual cost</b>	<b>28 770</b>	<b>824 693</b>	<b>41 090</b>	<b>4 106</b>	<b>879 454</b>	<b>924 650</b>	<b>14 371</b>	<b>344 360</b>	<b>0</b>	<b>344 360</b>	<b>2 136 844</b>

**Disposed property, plant and equipment at selling price**

	2020	2019
Machinery and equipment	0	21 250
Transportation	0	21 250
Other property, plant and equipment	467	0
<b>Total</b>	<b>467</b>	<b>21 250</b>

In 2020 AS Linda Nektar wrote off non-current assets which were unfit for use and were technically out-dated. The acquisition cost of these assets was EUR 9,012 and impairment loss EUR 0. In 2019 AS Linda Nektar wrote off non-current assets which were out-dated. The acquisition cost of these assets was EUR 4,862 and impairment loss EUR 126.

As of 31 December 2020, outstanding payables to suppliers of the non-current assets amounted to EUR 76,411 (31.12.2019: EUR 0).

**Note 7 Intangible assets**

(In Euros)

				Total
	Computer software	Other intangible assets	Unfinished projects and prepayments	
<b>31.12.2018</b>				
Carried at cost	10 648	222 560	0	233 208
Accumulated depreciation	-7 462	-216 638	0	-224 100
<b>Residual cost</b>	<b>3 186</b>	<b>5 922</b>	<b>0</b>	<b>9 108</b>
Acquisitions and additions	0	0	0	0
Depreciation	-1 371	-1 512	0	-2 883
<b>31.12.2019</b>				
Carried at cost	10 648	7 560	0	18 208
Accumulated depreciation	-8 833	-3 150	0	-11 983
<b>Residual cost</b>	<b>1 815</b>	<b>4 410</b>	<b>0</b>	<b>6 225</b>
Acquisitions and additions	0	5 425	900	6 325
Depreciation	-660	-1 621	0	-2 281
<b>31.12.2020</b>				
Carried at cost	10 648	8 449	900	19 997
Accumulated depreciation	-9 493	-235	0	-9 728
<b>Residual cost</b>	<b>1 155</b>	<b>8 214</b>	<b>900</b>	<b>10 269</b>

## Note 8 Payables and prepayments

(In Euros)

	31.12.2020	Within 12 months	Note
Trade payables	154 446	154 446	
Employee payables	9 574	9 574	
Tax payables	14 707	14 707	5
Other payables	69	69	
Other accrued expenses	69	69	
<b>Total payables and prepayments</b>	<b>178 796</b>	<b>178 796</b>	
	31.12.2019	Within 12 months	Note
Trade payables	87 022	87 022	
Employee payables	8 515	8 515	
Tax payables	16 336	16 336	5
Other payables	1 574	1 574	
Other accrued expenses	1 574	1 574	
<b>Total payables and prepayments</b>	<b>113 447</b>	<b>113 447</b>	

The increased total relates to ongoing investments.

## Note 9 Contingent liabilities and assets

(In Euros)

	31.12.2020	31.12.2019
Contingent liabilities		
Distributable dividends	1 125 783	1 171 241
Income tax liability on distributable dividends	270 457	285 484
<b>Total contingent liabilities</b>	<b>1 396 240</b>	<b>1 456 725</b>

## Note 10 Share capital

(In Euros)

	31.12.2020	31.12.2019
Share capital	1 575 109	1 575 109
Number of shares (pcs)	1 575 109	1 575 109
Nominal value of shares	1	1



## Note 11 Net sales

(In Euros)

	2020	2019
Net sales by geographical location		
Net sales in European Union		
Estonia	917 324	824 212
Finland	381 260	352 416
Latvia	1 174 422	871 394
Lithuania	39 261	49 647
Other EU countries	14	120
<b>Total net sales in European Union</b>	<b>2 512 281</b>	<b>2 097 789</b>
<b>Total net sales</b>	<b>2 512 281</b>	<b>2 097 789</b>
Net sales by operating activities		
Manufacture of unpacked cider and other fruit wines	2 482 393	2 066 971
Equipment rent	0	6 105
Wastewater treatment	10 650	14 939
Sale of goods/services	14 406	9 624
Sale of aroma	4 832	150
<b>Total net sales</b>	<b>2 512 281</b>	<b>2 097 789</b>

## Note 12 Other operating income

(In Euros)

	2020	2019	Note
Profit from sale of plant, property and equipment	58	861	6
Sale of metal scrap	0	2 168	
Fines, penalties and compensations	445	23 783	
Other	270	262	
<b>Total other operating income</b>	<b>773</b>	<b>27 074</b>	

## Note 13 Goods, raw materials and services

(In Euros)

	2020	2019
Raw materials	-1 184 800	-990 300
Services	-312 579	-307 503
<b>Total goods, raw materials and services</b>	<b>-1 497 379</b>	<b>-1 297 803</b>

## Note 14 Miscellaneous operating expenses

(In Euros)

	2020	2019
Travel expense	-9 116	-38 480
Training expense	-16 697	-6 894
State and local taxes	-7 092	-7 920
"First North" costs	-18 605	-18 084
Legal and audit expenses	-12 267	-13 974
Communications	-10 691	-11 108
Other	-56 732	-85 365
<b>Total miscellaneous operating expenses</b>	<b>-131 200</b>	<b>-181 825</b>

## Note 15 Labour expenses

(In Euros)

	2020	2019
Wage and salary expense	-299 711	-261 520
Social security taxes	-93 482	-84 749
<b>Total labour expenses</b>	<b>-393 193</b>	<b>-346 269</b>
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 16 Income tax

(In Euros)

Income tax expense components	2020		2019	
	Taxable amount	Income tax expense	Taxable amount	Income tax expense
Declared dividends	126 009	24 176	126 009	27 839
Estonia	121 674	23 344	121 576	26 860
Other countries	4 335	832	4 433	979
<b>Total</b>	<b>126 009</b>	<b>24 176</b>	<b>126 009</b>	<b>27 839</b>

## Note 17 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

	31.12.2020	31.12.2019
	Liabilities	Liabilities
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	432	2 191

### Purchases and sales of goods and services

	2020	2019
	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	3 907	5 563

### Purchases and sales of non-current assets

	2020	2019
	Purchases of non-current assets	Purchases of non-current assets
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	0	815

### Remuneration and other significant benefits calculated for members of management and highest supervisory body

	2020	2019
Remuneration	100 011	84 856

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. See detailed information in Statement of changes in equity.

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## Signatures

The management has prepared the AS Linda Nektar unaudited Interim Report for the 12 month period ended 31 December 2020 and confirms that it provides a true and fair view of the business operations.

Report completion date: 10.02.2021



Kadri Rauba

CEO