



# Linda Nektar

## INTERIM REPORT FOR THE 12 MONTHS OF 2022 (UNAUDITED)

**reporting period:** 01.01.2022 – 31.12.2022

**financial year:** 01.01.2022 - 31.12.2022

**business name:** aktsiaselts Linda Nektar

**register code:** 10211034

**street:** Valga mnt 4

**small town:** Kobela alevik

**rural municipality:** Antsla vald

**county:** Võru maakond

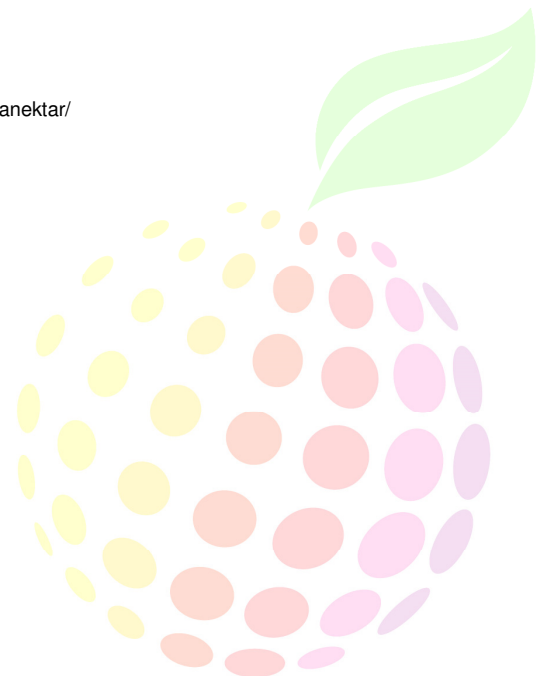
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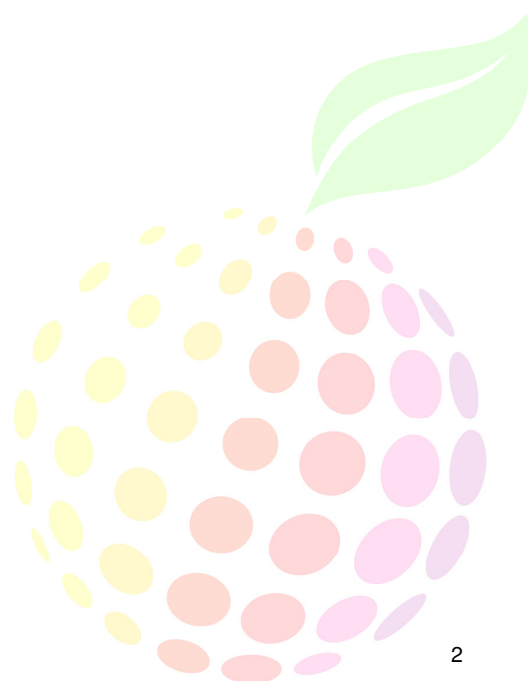
**web address:** www.lindanektar.ee

**LinkedIn:** <https://www.linkedin.com/company/lindanektar/>



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## Management report

In H2 2022 AS Linda Nektar's (The Company's) products experienced solid demand thus resulting in good volume performance. At the same time, external challenges from supply chain constraints, driven by the war in Ukraine led to higher input costs and negatively impacted profitability during the period. The inflationary pressures were led by rising energy costs while supply chain constraints causing momentarily fear for availability of certain raw materials on the market was rapidly driving prices.

For the full 12-month period of 2022 revenues were EUR 3.8m, largely in line with management's guidance of EUR 3.6m, while net profitability improved by a couple of percentage points to 7.15% (3.95% in 2021).

In the coming periods the Company strongly believes in the continuity of recognised megatrends in consumer behaviour. The demand for calorie-reduced and low-alcoholic fermented drinks is increasing in popularity. In addition, fermented ready to drink beverages (often known as RTD) are supported by the trend of premiumisation in the category. Consumers have a desire for natural ingredients, with fermentation seen as sustainable production. Premiumisation and innovative products are expected to drive growth in the low-and-no alcohol and RTD segments. The Company is well positioned with a focus on customised, high value-added ingredients for its customers which help them to create innovative fermented drinks. Together with its customers the Company seeks and expects growth in the customer base as well as geographical distribution.

Looking into 2023 the Baltic and Finnish markets, where the Company's products are mainly delivered, the business environment remains challenging with an uncertain macro situation. High inflation and uncertainty among consumers can be expected to affect the purchasing power for certain goods, calling for a preparedness to undertake recipe and/or product changes.

At the end of 2022 the Company experienced a downward development in raw material prices, as the market prices of several agricultural commodities have fallen from record levels in the European market. At the same time, the transfer of more favourable commodity prices to production costs and consumer prices still takes time. Ukraine war developments bring, however, a shadow of uncertainty and volatility, and the circumstances can rapidly change.

### Financial review

In 2022 AS Linda Nektar (The Company's) unaudited turnover was EUR 3,786,852 (12 months 2021: EUR 3,110,589). This marked an increase of 21.7% year-on-year. The 12 months of 2022 generated a net profit of EUR 270,903 (12 months 2021: EUR 122,715).

As of 31 December 2022, the Company's total assets came to EUR 4,137,806 (31.12.2021: EUR 3,809,320) marking an increase of 8.6% year-on-year. Current assets amounted to EUR 1,474,446 (31.12.2021: EUR 1,532,607) or 35.6% of total assets. Fixed assets amounted to EUR 2,663,360 (31.12.2021: EUR 2,276,713) or 64.4% of the balance sheet total. The liabilities of AS Linda Nektar totalled EUR 369,467 (31.12.2021: EUR 153,870) and equity amounted to EUR 3,768,339 (31.12.2021: EUR 3,655,450).

As of 31 December 2022, there were no loan commitments, while cash and cash equivalents came to EUR 294,451 (31.12.2021: EUR 651,135). The Company retains its conservative financial leverage policy. Operating cash flow for the 12 months of 2022 was stable at EUR 552,831 (12 months 2021: EUR 560,581).

The Company continues to actively make investments into R&D in order to support future sales growth, improve production efficiency and promote the achievement of responsibility targets with regard to energy efficiency and carbon neutrality. During the period the Company was close to completing investments in new equipment lifting its technical levels, fermentation capacity, and degree of automation. The Company's quality assurance system was also improved, achieving certification according to the FSSC 22000 standard. A total of EUR 821,626 was invested into fixed assets (12 months 2021: EUR 554,705). Some investments will be implemented through support provided by the Agricultural Registers and Information Board (ARIB). A subsidy of EUR 217,863 will be paid out if the granted investment project is implemented no later than September 2023.

The Company will also continue its investments into solar energy supply thus lowering its carbon footprint and energy related costs. In 2022 the Estonian Agricultural Registers and Information Board as part of the Rural Development Plan measure 4.2.6 'Investment Support' granted EUR 66,938 for construction of a solar park. The subsidy will be paid out if the investment is implemented no later than November 2024.

Depreciation costs for the 12 months of 2022 amounted to EUR 435,004 (12 months 2021: EUR 399,020).

In 2022, the Company paid EUR 158,014 in dividends (12 months 2021: EUR 158,014). The income tax cost on dividends was EUR 27,584 (12 months 2021: EUR 28,514).

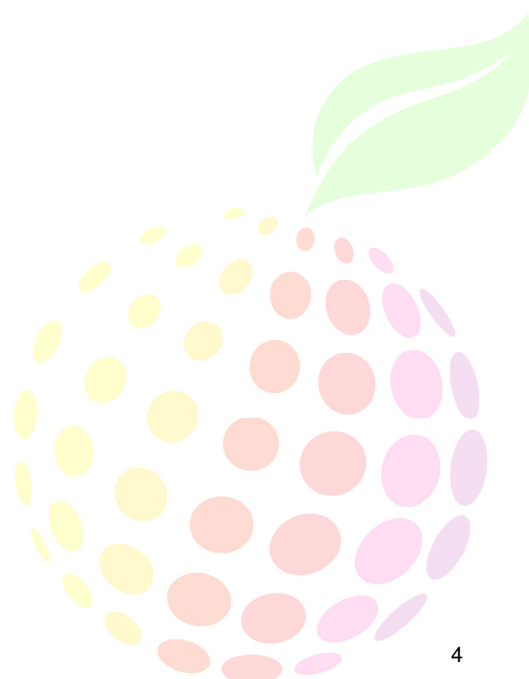
As of 31 December 2022, the Company had 14 employees, one Management Board Member and four Supervisory Board Members. Labour costs for the 12 months of 2022 (including taxes) amounted to EUR 476,525 (12 months 2021: EUR 431,138).

Management's revenue guidance for the whole of 2023 is more or less similar to that achieved in 2022, hence EUR 3.8m.

**Financial Ratios**

		2022	2021
Current Ratio = Current Assets / Current Liabilities	x	3.99	9.96
Quick ratio = (Current Assets – Inventories) / Current Liabilities	x	2.19	7.92
Working Capital = Current Assets - Current Liabilities		1 104 979	1 378 737
Equity Ratio = Total Equity / Total Assets*100	%	91.07	95.96
Net Profit Margin= Net Profit / Sales Revenue*100	%	7.15	3.95
Debt to Assets= Total Liabilities / Total Assets	x	0.09	0.04

Kadri Rauba  
CEO

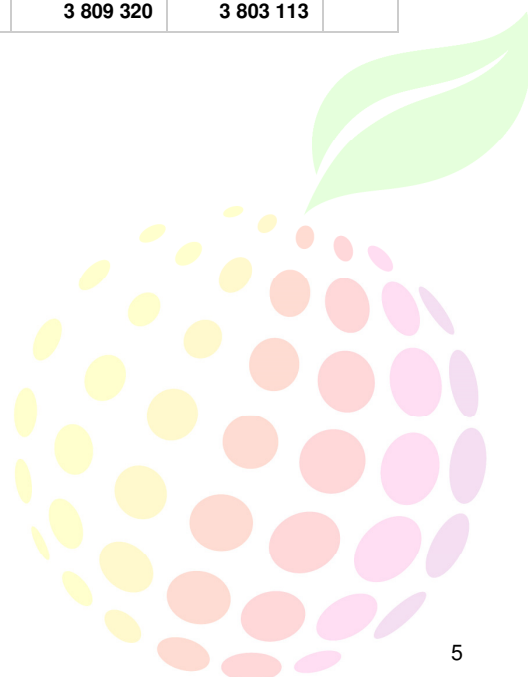


## Financial Statements

### Statement of financial position

(In Euros)

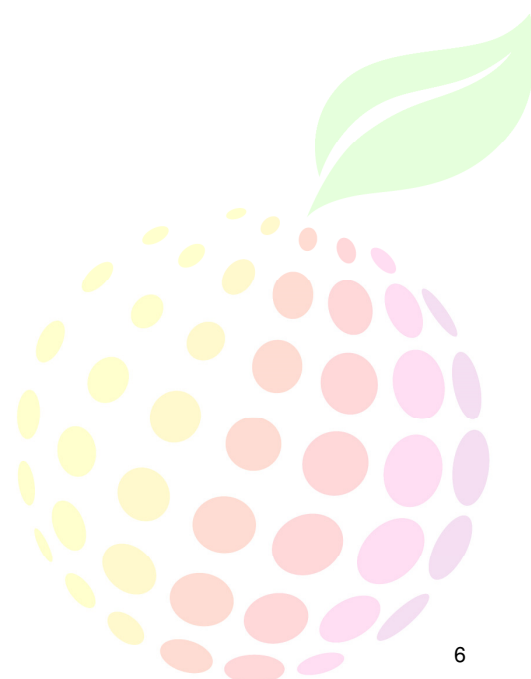
	31.12.2022	30.06.2022	31.12.2021	30.06.2021	Note
Assets					
Current assets					
Cash and cash equivalents	294 451	694 213	651 135	577 163	2
Receivables and prepayments	515 099	675 334	568 144	672 351	3
Inventories	664 896	611 203	313 328	365 189	4
<b>Total current assets</b>	<b>1 474 446</b>	<b>1 980 750</b>	<b>1 532 607</b>	<b>1 614 703</b>	
Non-current assets					
Receivables and prepayments	45	6	20	4	3
Property, plant and equipment	2 647 768	2 196 030	2 269 900	2 179 875	6
Intangible assets	15 547	5 055	6 793	8 531	7
<b>Total non-current assets</b>	<b>2 663 360</b>	<b>2 201 091</b>	<b>2 276 713</b>	<b>2 188 410</b>	
<b>Total assets</b>	<b>4 137 806</b>	<b>4 181 841</b>	<b>3 809 320</b>	<b>3 803 113</b>	
Liabilities and equity					
Liabilities					
Current liabilities					
Payables and prepayments	369 467	321 109	153 870	169 987	8
<b>Total current liabilities</b>	<b>369 467</b>	<b>321 109</b>	<b>153 870</b>	<b>169 987</b>	
<b>Total liabilities</b>	<b>369 467</b>	<b>321 109</b>	<b>153 870</b>	<b>169 987</b>	
Equity					
Issued capital	1 580 143	1 580 143	1 580 143	1 580 143	11
Share premium	617 517	617 517	617 517	617 517	
Statutory reserve capital	80 084	80 084	73 948	73 948	
Retained earnings (loss)	1 219 692	1 219 692	1 261 127	1 261 127	
Reporting period profit (loss)	270 903	363 296	122 715	100 391	
<b>Total equity</b>	<b>3 768 339</b>	<b>3 860 732</b>	<b>3 655 450</b>	<b>3 633 126</b>	
<b>Total liabilities and equity</b>	<b>4 137 806</b>	<b>4 181 841</b>	<b>3 809 320</b>	<b>3 803 113</b>	



## Income statement

(In Euros)

	2022	2022 H2	2021	2021 H2	Note
Revenue	3 786 852	1 603 948	3 110 589	1 545 852	12
Other income	13 824	13 824	3 587	4 575	10
Changes in inventories of finished goods and work in progress	224 182	-12 849	-129 648	-75 088	
Raw materials and consumables used	-2 528 575	-1 063 424	-1 800 469	-908 273	13
Other operating expenses	-284 899	-169 658	-177 526	-93 967	14
Employee expenses	-476 525	-254 875	-431 138	-228 737	15
Depreciation and impairment loss (reversal)	-435 004	-208 386	-399 020	-197 133	6,7
Significant impairment of current asset	0	0	-23 783	-23 783	
Other expenses	-1 428	-1 000	-1 431	-1 156	
<b>Operating profit (loss)</b>	<b>298 427</b>	<b>-92 420</b>	<b>151 161</b>	<b>22 290</b>	
Interest income	60	27	68	34	
<b>Profit (loss) before tax</b>	<b>298 487</b>	<b>-92 393</b>	<b>151 229</b>	<b>22 324</b>	
Income tax expense	-27 584	0	-28 514	0	16
<b>Reporting period profit (loss)</b>	<b>270 903</b>	<b>-92 393</b>	<b>122 715</b>	<b>22 324</b>	



## Statement of cash flows

(In Euros)

	2022	2022 H2	2021	2021 H2	Note
Cash flows from operating activities					
Operating profit (loss)	298 427	-92 420	151 161	22 290	
Adjustments					
Depreciation and impairment loss (reversal)	435 004	208 386	399 020	197 133	6,7
Profit (loss) from sale of non-current assets	0	0	-1 395	-1 395	
Other adjustments	-13 790	-13 790	0	0	10
<b>Total adjustments</b>	<b>421 214</b>	<b>194 596</b>	<b>397 625</b>	<b>195 738</b>	
Changes in receivables and prepayments related to operating activities	53 020	160 196	-139 093	104 191	
Changes in inventories	-353 268	-55 393	139 833	51 861	
Changes in payables and prepayments related to operating activities	147 232	-26 419	39 569	-25 385	
Income tax refund (paid)	-27 584	0	-28 514	0	16
Proceeds from government grants	13 790	13 790	0	0	10
<b>Total cash flows from operating activities</b>	<b>552 831</b>	<b>194 350</b>	<b>560 581</b>	<b>348 695</b>	
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	-751 561	-594 139	-619 200	-302 257	6,7
Proceeds from sales of property, plant and equipment and intangible assets	0	0	27 500	27 500	
Interest received	60	27	68	34	
<b>Total cash flows from investing activities</b>	<b>-751 501</b>	<b>-594 112</b>	<b>-591 632</b>	<b>-274 723</b>	
Cash flows from financing activities					
Proceeds from issuing shares	0	0	5 034	0	
Dividends paid	-158 014	0	-158 014	0	16
<b>Total cash flows from financing activities</b>	<b>-158 014</b>	<b>0</b>	<b>-152 980</b>	<b>0</b>	
<b>Total cash flows</b>	<b>-356 684</b>	<b>-399 762</b>	<b>-184 031</b>	<b>73 972</b>	
Cash and cash equivalents at beginning of period	651 135	694 213	835 166	577 163	2
<b>Change in cash and cash equivalents</b>	<b>-356 684</b>	<b>-399 762</b>	<b>-184 031</b>	<b>73 972</b>	
Cash and cash equivalents at end of period	294 451	294 451	651 135	651 135	2

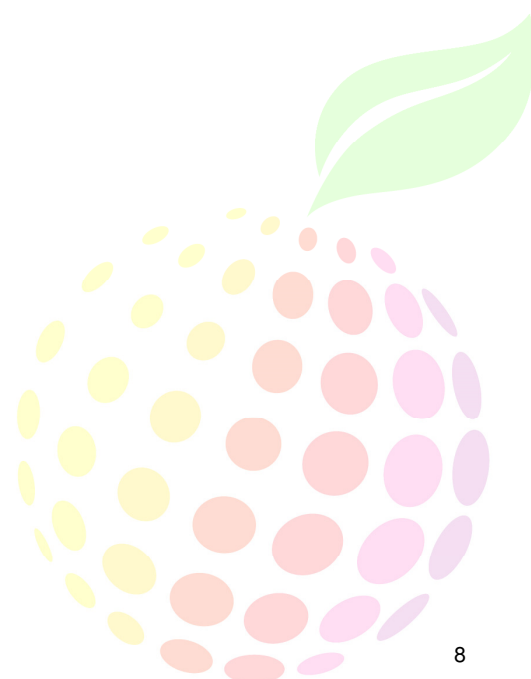
**Statement of changes in equity**

(In Euros)

	Issued capital	Share premium	Statutory reserve capital	Other reserves	Retained earnings (loss)	Total
<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>
Reporting period profit (loss)	0	0	0	0	100 391	100 391
Issue of equity	5034	0	0	-26 177	26 177	5 034
Declared dividends	0	0	0	0	-158 014	-158 014
Changes in reserves	0	0	3 276	0	-3 276	0
<b>30.06.2021</b>	<b>1 580 143</b>	<b>617 517</b>	<b>73 948</b>	<b>0</b>	<b>1 361 518</b>	<b>3 633 126</b>
Reporting period profit (loss)	0	0	0	0	22 324	22 324
<b>31.12.2021</b>	<b>1 580 143</b>	<b>617 517</b>	<b>73 948</b>	<b>0</b>	<b>1 383 842</b>	<b>3 655 450</b>
Reporting period profit (loss)	0	0	0	0	363 296	363 296
Declared dividends	0	0	0	0	-158 014	-158 014
Changes in reserves	0	0	6 136	0	-6 136	0
<b>30.06.2022</b>	<b>1 580 143</b>	<b>617 517</b>	<b>80 084</b>	<b>0</b>	<b>1 582 988</b>	<b>3 860 732</b>
Reporting period profit (loss)	0	0	0	0	-92 393	-92 393
<b>31.12.2022</b>	<b>1 580 143</b>	<b>617 517</b>	<b>80 084</b>	<b>0</b>	<b>1 490 595</b>	<b>3 768 339</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 1,580,143 shares have been issued.

As of 31 December 2022, the Company had 172 shareholders (31.12.2021: 164 shareholders).





## Notes

### Note 1 Accounting policies

#### General information

The 12 months of 2022 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 standard 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 12 months of 2022 unaudited 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, a 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)

	31.12.2022	31.12.2021
Cash on hand	8	86
Bank accounts	294 443	651 049
<b>Total cash and cash equivalents</b>	<b>294 451</b>	<b>651 135</b>

Cash levels have decreased from previous years due to higher levels of inventories together with ongoing increased investment-related capex.

## Note 3 Receivables and prepayments

(In Euros)

	31.12.2022	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	334 996	334 996	0	
Accounts receivables	334 996	334 996	0	
Tax prepayments and receivables	176 129	176 129	0	5
Prepayments	4 019	3 974	45	
Deferred expenses	3 827	3 782	45	
Other paid prepayments	192	192	0	
<b>Total receivables and prepayments</b>	<b>515 144</b>	<b>515 099</b>	<b>45</b>	

	31.12.2021	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	408 962	408 962	0	
Accounts receivables	432 745	432 745	0	
Allowance for doubtful receivables	-23 783	-23 783	0	
Tax prepayments and receivables	153 891	153 891	0	5
Prepayments	5 311	5 291	20	
Deferred expenses	5 311	5 291	20	
<b>Total receivables and prepayments</b>	<b>568 164</b>	<b>568 144</b>	<b>20</b>	

## Note 4 Inventories

(In Euros)

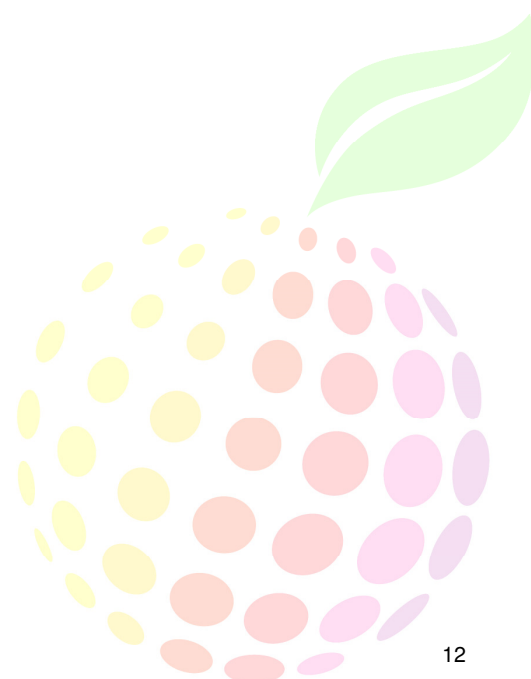
	31.12.2022	31.12.2021
Raw materials	265 038	165 067
Work in progress	306 174	114 403
Finished goods	66 097	33 858
Inventory prepayments	27 587	0
<b>Total Inventories</b>	<b>664 896</b>	<b>313 328</b>

This increase in inventories reflects a combination of higher input prices and changes in the product portfolio.

## Note 5 Tax prepayments and liabilities

(In Euros)

	31.12.2022		31.12.2021	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax	29 156	0	15 919	0
Personal income tax	0	8 304	0	5 838
Fringe benefit income tax	0	1 350	0	648
Social tax	0	15 311	0	11 456
Contributions to mandatory funded pension	0	508	0	410
Unemployment insurance tax	0	764	0	561
Excise duty tax	69 450	0	91 663	62
Other tax prepayments and liabilities	0	267	0	308
Prepayment account balance	77 523		46 309	
<b>Total tax prepayments and liabilities</b>	<b>176 129</b>	<b>26 504</b>	<b>153 891</b>	<b>19 283</b>



## Note 6 Property, plant and equipment

(In Euros)

	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	Total
<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>
Acquisitions and additions	6 240	142 478	59 890	0	275 447	335 337	1 574	69 076	0	69 076	554 705
Acquisition of land and buildings, except new buildings and renovations	6 240	0						0	0	0	6 240
Acquisition of buildings, new building, renovations		142 478						0	0	0	142 478
Other acquisitions and additions			59 890	0	275 447	335 337	1 574	69 076	0	69 076	405 987
Depreciation	0	-96 328	-15 003	-2 387	-275 497	-292 887	-6 329	0	0	0	-395 544
Disposals (in residual costs)	0	0	-26 105	0	0	-26 105	0	0	0	0	-26 105
Reclassifications	0	112 925	0	0	176 231	176 231	0	-289 156	0	-289 156	0
Reclassifications from unfinished projects	0	112 925	0	0	176 231	176 231	0	-289 156	0	-289 156	0
<b>31.12.2021</b>											
Carried at cost	35 010	1 640 916	74 724	17 606	3 726 205	3 818 535	85 392	124 280	0	124 280	5 704 133
Accumulated depreciation	0	-657 148	-14 852	-15 887	-2 670 570	-2 701 309	-75 776	0	0	0	-3 434 233
<b>Residual cost</b>	<b>35 010</b>	<b>983 768</b>	<b>59 872</b>	<b>1 719</b>	<b>1 055 635</b>	<b>1 117 226</b>	<b>9 616</b>	<b>124 280</b>	<b>0</b>	<b>124 280</b>	<b>2 269 900</b>
Acquisitions and additions	0	42 041	0	1 570	29 567	31 137	12 280	734 013	2 155	736 168	821 626
Acquisition of buildings, new building, renovations		42 041						0	0	0	42 041
Other acquisitions and additions			0	1 570	29 567	31 137	12 280	734 013	2 155	736 168	779 585
Depreciation	0	-106 947	-13 956	-1 694	-290 064	-305 714	-6 103	0	0	0	-418 764
Impairment loss	0	0	0	0	0	0	0	-10 517	0	-10 517	-10 517
Reclassifications	0	0	0	0	13 315	13 315	0	-27 792	0	-27 792	-14 477
Reclassifications from unfinished projects	0	0	0	0	13 315	13 315	0	-27 792	0	-27 792	-14 477
<b>31.12.2022</b>											
Carried at cost	35 010	1 682 957	74 724	18 128	3 765 359	3 858 211	97 672	819 984	2 155	822 139	6 495 989
Accumulated depreciation	0	-764 095	-28 808	-16 533	-2 956 906	-3 002 247	-81 879	0	0	0	-3 848 221
<b>Residual cost</b>	<b>35 010</b>	<b>918 862</b>	<b>45 916</b>	<b>1 595</b>	<b>808 453</b>	<b>855 964</b>	<b>15 793</b>	<b>819 984</b>	<b>2 155</b>	<b>822 139</b>	<b>2 647 768</b>

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

	2022	2021
Machinery and equipment	0	27 500
Transportation	0	27 500
<b>Total</b>	<b>0</b>	<b>27 500</b>

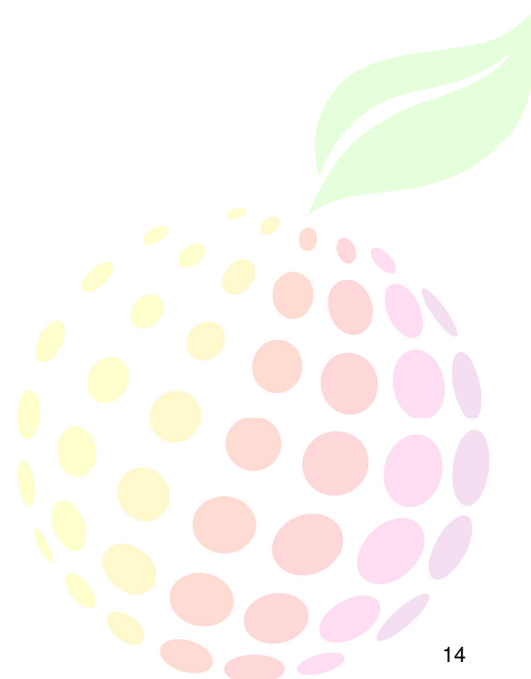
As at 31 December 2022, outstanding payables to suppliers of the non-current assets amounted to EUR 80,281 (31.12.2021: EUR 11,916).

Unfinished building impairment loss EUR 10,517, demolition cost EUR 29,700 (Note 14). This is linked to preparation work for further expansion. In addition investments have been made in order to enhance the capability to handle a more complex product portfolio.

## Note 7 Intangible assets

(In Euros)

	Computer software	Other intangible assets	Unfinished projects and prepayments	Total
<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>
Depreciation	-660	-2 816	0	-3 476
<b>31.12.2021</b>				
Carried at cost	10 649	8 449	900	19 998
Accumulated depreciation	-10 154	-3 051	0	-13 205
<b>Residual cost</b>	<b>495</b>	<b>5 398</b>	<b>900</b>	<b>6 793</b>
Depreciation	-495	-5 229	0	-5 724
Other changes	0	14 478	0	14 478
<b>31.12.2022</b>				
Carried at cost	10 649	22 927	900	34 476
Accumulated depreciation	-10 649	-8 280	0	-18 929
<b>Residual cost</b>	<b>0</b>	<b>14 647</b>	<b>900</b>	<b>15 547</b>



## Note 8 Payables and prepayments

(In Euros)

	31.12.2022	Within 12 months	Note
Trade payables	324 912	324 912	
Employee payables	13 794	13 794	
Related parties payables	780	780	17
Tax payables	26 504	26 504	5
Other payables	3 477	3 477	
Other accrued expenses	1 607	1 607	
Other payables	1 870	1 870	
<b>Total payables and prepayments</b>	<b>369 467</b>	<b>369 467</b>	

	31.12.2021	Within 12 months	Note
Trade payables	123 167	123 167	
Employee payables	10 404	10 404	
Related parties payables	676	676	17
Tax payables	19 283	19 283	5
Other payables	340	340	
Other payables	340	340	
<b>Total payables and prepayments</b>	<b>153 870</b>	<b>153 870</b>	

## Note 9 Contingent liabilities and assets

(In Euros)

	31.12.2022	31.12.2021
Contingent liabilities		
Distributable dividends	1 202 756	1 116 609
Income tax liability on distributable dividends	287 839	267 233
<b>Total contingent liabilities</b>	<b>1 490 595</b>	<b>1 383 842</b>

## Note 10 Grants

(In Euros)

	2022		2021	
	Received	Recognized in the income statement	Received	Recognized in the income statement
Grants for operating expenses				
EAS	13 790	13 790	0	0
<b>Total grants for operating expenses</b>	<b>13 790</b>	<b>13 790</b>	<b>0</b>	<b>0</b>

Development of non-conventional technology for flavour enhancement and dealcoholisation. The project was financed by the European Regional Development Fund to the sum of EUR 13,790.

## Note 11 Share capital

(In Euros)

	31.12.2022	31.12.2021
Share capital	1 580 143	1 580 143
Number of shares (pcs)	1 580 143	1 580 143
Nominal value of shares	1	1

See detailed information in Statement of changes in equity (summary section).

## Note 12 Net sales

(In Euros)

	2022	2021
Net sales by geographical location		
Net sales in European Union		
Estonia	1 618 366	1 088 446
Finland	347 421	345 895
Latvia	1 781 584	1 637 433
Lithuania	20 362	36 765
Other EU	19 119	2 050
<b>Total net sales in European Union</b>	<b>3 786 852</b>	<b>3 110 589</b>
<b>Total net sales</b>	<b>3 786 852</b>	<b>3 110 589</b>
Net sales by operating activities		
Manufacture of cider and other fruit wines	3 761 857	3 093 146
Sale of goods/services	24 995	14 510
Sale of aroma	0	2 933
<b>Total net sales</b>	<b>3 786 852</b>	<b>3 110 589</b>

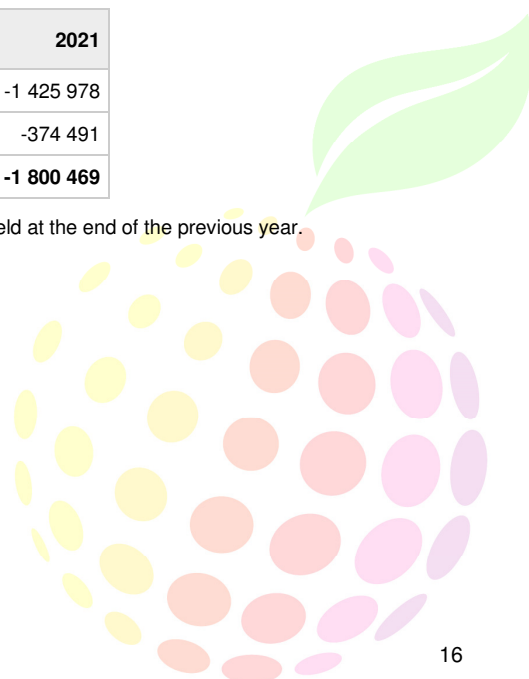
Aroma sales are not currently a focus for management due to increased demand for natural fermented flavour generating ingredients.

## Note 13 Goods, raw materials and services

(In Euros)

	2022	2021
Raw materials	-2 045 651	-1 425 978
Services	-482 924	-374 491
<b>Total goods, raw materials and services</b>	<b>-2 528 575</b>	<b>-1 800 469</b>

This increase reflects a combination of both higher volumes and costs, as well as stocks held at the end of the previous year.





## Note 14 Miscellaneous operating expenses

(In Euros)

	2022	2021	Note
Exploration and development expenses	-28 700	0	10
Travel expenses	-31 832	-12 927	
Training expenses	-45 869	-41 213	
State and local taxes	-12 317	-7 597	
"First North" costs	-19 548	-18 526	
Legal and audit expenses	-18 088	-15 272	
Communications	-10 896	-10 116	
Other	-117 649	-71 875	
<b>Total miscellaneous operating expenses</b>	<b>-284 899</b>	<b>-177 526</b>	

Unfinished building demolition cost EUR 29,700, impairment loss EUR 10,517 (Note 6).

Development of non-conventional technology for flavour enhancement and dealcoholisation project total costs were EUR 19,700. The project was financed by the European Regional Development Fund to the sum of EUR 13,790 (Note 10).

## Note 15 Labour expense

(In Euros)

	2022	2021
Wage and salary expense	-359 531	-324 739
Social security taxes	-116 990	-106 399
<b>Total labour expense</b>	<b>-476 521</b>	<b>-431 138</b>
Average number of employees in full time equivalent units	19	19
Average number of employees by types of employment:		
Person employed under employment contract	14	14
Member of management or controlling body of legal person	5	5

## Note 16 Income tax

(In Euros)

Income tax expense components	2022		2021	
	Taxable amount	Income tax expense	Taxable amount	Income tax expense
Declared dividends	158 014	27 584	158 014	28 514
Estonia	152 031	26 539	152 066	27 441
Other countries	5 983	1 045	5 948	1 073
<b>Total</b>	<b>158 014</b>	<b>27 584</b>	<b>158 014</b>	<b>28 514</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

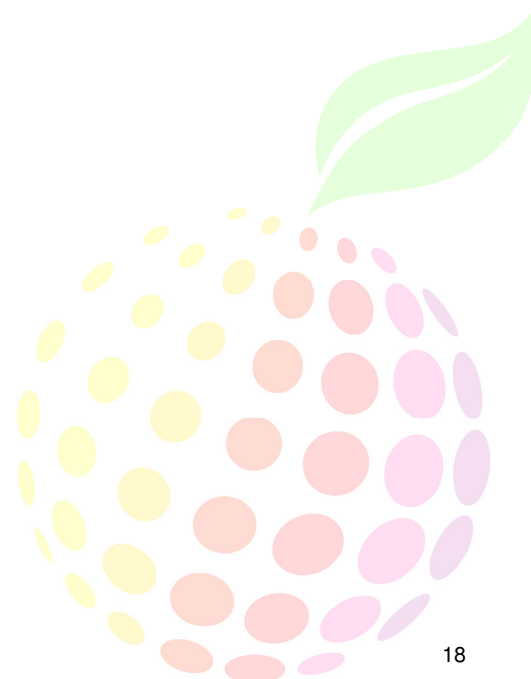
SHORT TERM	31.12.2022	31.12.2021
<b>Payables and prepayments</b>		
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	780	676
<b>Total payables and prepayments</b>	<b>780</b>	<b>676</b>

BOUGHT	2022	2021
	Services	Services
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	4 060	5 560
<b>Total bought</b>	<b>4 060</b>	<b>5 560</b>

Remuneration and other significant benefits calculated for members of management and highest supervisory body	2022	2021
Remuneration	91 250	91 250

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.



## Signatures

The management has prepared the AS Linda Nektar unaudited Interim Report for the 12 months of 2022 and confirms that the Report provides a true and fair view of the business operations.

Report completion date: 15.02.2023



Kadri Rauba  
CEO

