

Operative report 2023, Q1

L I N E N

SIA "L. J. LINEN"
Riga, 2023

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INFORMATION ON THE COMPANY

NAME OF THE COMPANY SIA "L. J. LINEN"

LEGAL STATUS OF THE COMPANY Limited Liability Company

NUMBER, PLACE AND DATE OF REGISTRATION Nr.40003669025, Riga, 08.03.2004

ADDRESS Antonijas street 5, Rīga, LV-1010

NAME OF THE SHAREHOLDER JĀNIS KUĻIKOVSKIS 100%

BOARD

BOARD MEMBER LĪVIJA KUĻIKOVSKA
Starting 22.04.2010, can represent individually

BOARD MEMBER JĀNIS KUĻIKOVSKIS
Starting 22.04.2010, can represent individually

BOARD MEMBER ZANE KUĻIKOVSKA
starting 02.08.2018, can represent individually

REPORTING PERIOD 1 January - 31 March 2023

REPORT OF THE MANAGEMENT

TYPE OF OPERATIONS

LINEN is engaged in global trade of animal by-products and providing a tailored agriproduct supply chain for market leaders. LINEN and its Group provides a seamless, full-cycle, door-to-door trading, and delivery service. Company is a bridge between producers of raw materials and producers of animal feeds, biofuels, and human food. Almost half of the volume in meat production is considered waste. Through reprocessing, animal protein meal and animal fats are created. These products can be further used as ingredients in animal feed, human food, organic fertilizers, and cosmetics. These ingredients constitute the main part of traded goods of LINEN. The company has a global reach with deep knowledge of these ingredients with experience of almost 30 years and clients in 46 markets. LINEN is a supplier to some of the world's largest animal feed producers and LINEN is one of the largest exporters of these ingredients to developing countries from Europe.

PERFORMANCE OF THE COMPANY DURING THE Q1 OF 2023

During the first quarter of 2023 LINEN has increased its turnover by 50% compared to the respective period in 2022. In fact, during the month of March the company has managed to sell the highest amount of goods in one month in its history. The profitability of the company has been slightly lower, which is explained by the fact that some regions were slower to restart consumption after Christmas and New Year holidays. Consequently, LINEN had to shift goods that were contracted and destined for other regions. Company proved that its position in the market and access to distant continents creates great resilience to regional market fluctuations. The company can fulfill all its contractual obligations and provide great room of flexibility to its end customers. Following global economic uncertainty, during the first quarter LINEN was undergoing revision of its operational costs to be prepared in case there would be any unfavorable developments in the global economy. LINEN is continuing to work on diversification of its product portfolio and is intensively exploring possibilities to do cross-continent trade by importing as well as exporting goods from its markets. Such a strategy will help mitigate any currency risks that might arise and strengthen the company's position in each of the markets. LINEN is closely monitoring global economic developments, but it still believes that its main markets are still on a growth path.

LĪVIJA KUĻIKOVSKA

JĀNIS KUĻIKOVSKIS

ZANE KUĻIKOVSKA

PROFIT OR LOSS STATEMENT FOR YEAR 2023, Q1		
	2023, Q1 EUR	2022, Q1 EUR
NET TURNOVER	10 666 280	7 121 612
<i>INCOME FROM ANIMAL FEED PREMIX WHOLESALERS</i>		
	10 666 280	7 121 612
COST OF SALES	(9 782 033)	(6 380 083)
GM1	884 247	741 529
	<i>GM1%</i> 8.29%	10.41%
SELLING EXPENSES	(291 323)	(216 605)
	<i>PERSONNEL EXPENSES</i> (201 074)	(154 236)
	<i>BUSINESS TRIPS</i> (56 717)	(54 145)
	<i>OTHER COSTS</i> (33 532)	(8 223)
GM2	592 924	524 924
	<i>GM2%</i> 5.56%	7.37%
ADMINISTRATIVE EXPENSE	(340 651)	(153 350)
OTHER OPERATING INCOME	413 053	109 859
OTHER OPERATING EXPENSES	(140 734)	(31 052)
INTEREST INCOME AND SIMILAR INCOME	29 666	-
EBITDA	554 258	450 381
	<i>EBITDA%</i> 5.20%	6.32%
DEPRECIATION	(9 104)	(8 639)
EBIT	545 154	441 742
	<i>EBIT%</i> 5.11%	6.2%
CORPORATE INCOME TAX	(8 068)	(12 997)
INTEREST EXPENSES	(85 293)	(4 518)
NET INCOME	451 793	424 227
	<i>NET INCOME %</i> 4.24%	5.96%

BALANCE SHEET AS OF 31 MARCH 2023		
	31.03.2023.	31.03.2022.
	EUR	EUR
NON-CURRENT ASSETS	123 714	110 668
INTANGIBLE FIXED ASSETS	46 502	8 022
	<i>INTANGIBLE ASSETS</i>	8 022
PROPERTY, PLANT AND EQUIPMENT	76 511	102 646
	<i>OTHER FIXED ASSETS</i>	82 646
	<i>ADVANCE PAYMENTS FOR FIXED ASSETS</i>	20 000
LONG-TERM ASSETS	701	-
	<i>OTHER LOANS TO RELATED PARTIES</i>	-
	<i>OTHER LONG-TERM INVESTMENTS</i>	-
CURRENT ASSETS	19 026 715	8 963 641
INVENTORIES	57 312	60 389
	<i>FINISHED GOODS AND GOODS FOR SALE</i>	60 389
RECEIVABLES	18 934 667	8 885 020
	<i>TRADE RECEIVABLES</i>	995 221
	<i>IC TRADE RECEIVABLES</i>	7 660 833
	<i>RECEIVABLES FROM RELATED PARTIES</i>	822
	<i>OTHER RECEIVABLES</i>	223 860
	<i>PREPAID EXPENSES</i>	4 284
CASH AND CASH EQUIVALENTS	34 736	18 232
TOTAL ASSETS	19 150 429	9 074 309

BALANCE SHEET AS OF 31 MARCH 2023		
	31.03.2023.	31.03.2022.
	EUR	EUR
CAPITAL AND RESERVES	10 052 412	5 708 019
<i>SHARE CAPITAL</i>	<i>2 842</i>	<i>2 842</i>
<i>ACCUMULATED PROFIT</i>	<i>10 049 570</i>	<i>5 705 177</i>
<i>A) BROUGHT FORWARD</i>	<i>9 597 776</i>	<i>5 280 950</i>
<i>B) CURRENT YEAR</i>	<i>451 794</i>	<i>424 227</i>
NON-CURRENT LIABILITIES	2 000 000	-
<i>LOANS FROM FINANCIAL INSTITUTIONS</i>	<i>2 000 000</i>	<i>-</i>
CURRENT LIABILITIES	7 098 017	3 366 290
<i>SHORT TERM LIABILITIES FROM FINANCIAL INSTITUTIONS</i>	<i>1 000 000</i>	<i>333 333</i>
<i>SHORT TERM LIABILITIES FROM RELATED PARTIES</i>	<i>357 000</i>	<i>-</i>
<i>TRADE PAYABLES</i>	<i>5 104 051</i>	<i>2 861 363</i>
<i>PAYABLES TO RELATED COMPANIES</i>	<i>214 623</i>	<i>-</i>
<i>TAXES AND SOCIAL INSURANCE CONTRIBUTIONS</i>	<i>-</i>	<i>40</i>
<i>ACCRUED LIABILITIES</i>	<i>410 977</i>	<i>137 255</i>
<i>OTHER CURRENT LIABILITIES</i>	<i>11 366</i>	<i>34 299</i>
EQUITY AND LIABILITIES	19 150 429	9 074 309

FINANCIAL COVENANTS

	31.03.2023. EUR
EQUITY RATIO AT LEAST 40% (FORTY PER CENT) CALCULATED AT THE END OF EACH QUARTER	52.49%

TOTAL EQUITY 10 052 412

TOTAL ASSETS 19 150 429

NET DEBT LEVERAGE RATIO LESS THAN 2X (TWO TIMES) CALCULATED FOR THE RELEVANT PERIOD AT THE END OF EACH QUARTER	0.66
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ROLLING EBITDA 4 487 770

NET DEBT 2 965 264

CASH AND CASH EQUIVALENTS (34 736)

LOANS FROM FINANCIAL INSTITUTIONS 3 000 000

INTEREST COVERAGE RATIO OF AT LEAST 3X (THREE TIMES), CALCULATED FOR THE RELEVANT PERIOD AT THE END OF EACH QUARTER	34.75
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ROLLING EBITDA 4 487 770

ROLLING INTEREST EXPENSES 129 162

ACCOUNTS RECEIVABLES COVERAGE RATIO OF AT LEAST 1.5X (ONE AND A HALF TIMES), CALCULATED AT THE END OF EACH QUARTER	2.59
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TRADE RECEIVABLES 3RD PARTIES 7 772 482

LOANS FROM FINANCIAL INSTITUTIONS 3 000 000