



# Linda Nektar

## Company Presentation

Capital Markets Day

21.9.2016



## The company

- Estonian-based company serving the beverage industry with key raw materials for ciders and alcopops.
- AS Linda Nektar specialises in the fermenting and treatment of fruit wines according to their customers' needs.
- The company is located in southern Estonia, with easy access to all Baltic countries.
- Considerable investments have been made into proprietary R&D over the past eight years, with a view to commercialising this know-how.



Source: Linda Nektar

## History

- **1993:** Primalco Oy, the Finnish state alcohol monopoly purchases the majority of Linda Nektar's shares.
- **1998:** Transfer of new tanks and equipment from Primalco's site in Helsinki/Finland.
- **2002:** Fermex International becomes majority owner. End of bottling and consumer products. Change from B2C to B2B company takes place.

Focus on wine fermentation starts.



*Source: Linda Nektar*

## Focus on development

AS Linda Nektar's focus is to constantly develop its processes and products.

A development programme for aroma treatment technology was initiated in 2013 and the commercialisation of this technology is now in its initial roll-out phase.

## Gradual evolution

In the course of Linda Nektar's change from a B2C to a B2B company, several evolutionary steps took place:

- **2004-2005:** Introduction of modern cross flow filtration.
- **2005:** First in world to install IsoMix mixers to boost and control fermentation.
- **2011:** Additional cross flow filter capacity installed.
- **2012-2013:** New building completed and new fermentation tanks installed.
- **2014:** In line mixing facility completed.
- **2015-2016:** Increased capacity in place and installation of full-scale aroma treatment equipment underway.

## Production

Linda Nektar's product is fermented and treated wine, shipped in tankers to customers.

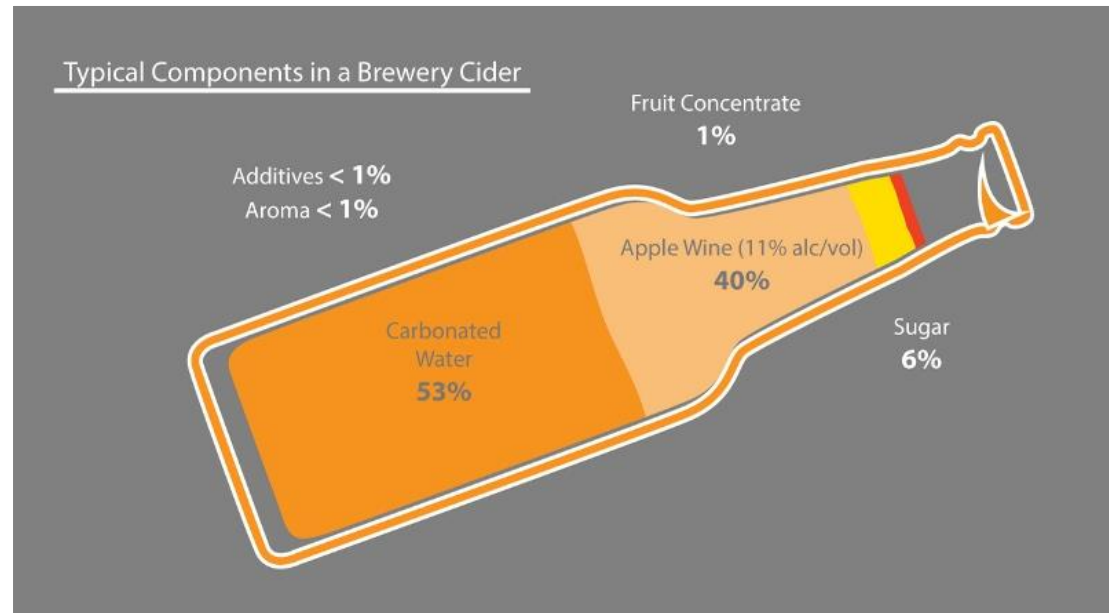
### A simplified description of the production process



*Source: Linda Nektar*

## Products and customers

The products are used as a component in ciders and alcopops.  
The customers are bottlers in the Baltic countries and Finland.



Source: Linda Nektar

## Future

### **Expansion**

Linda Nektar continues to improve the products and processes.

### **New Business**

Development of business model in progress.

Screening of strategic partners in progress.

## Selected Interim Financial Highlights



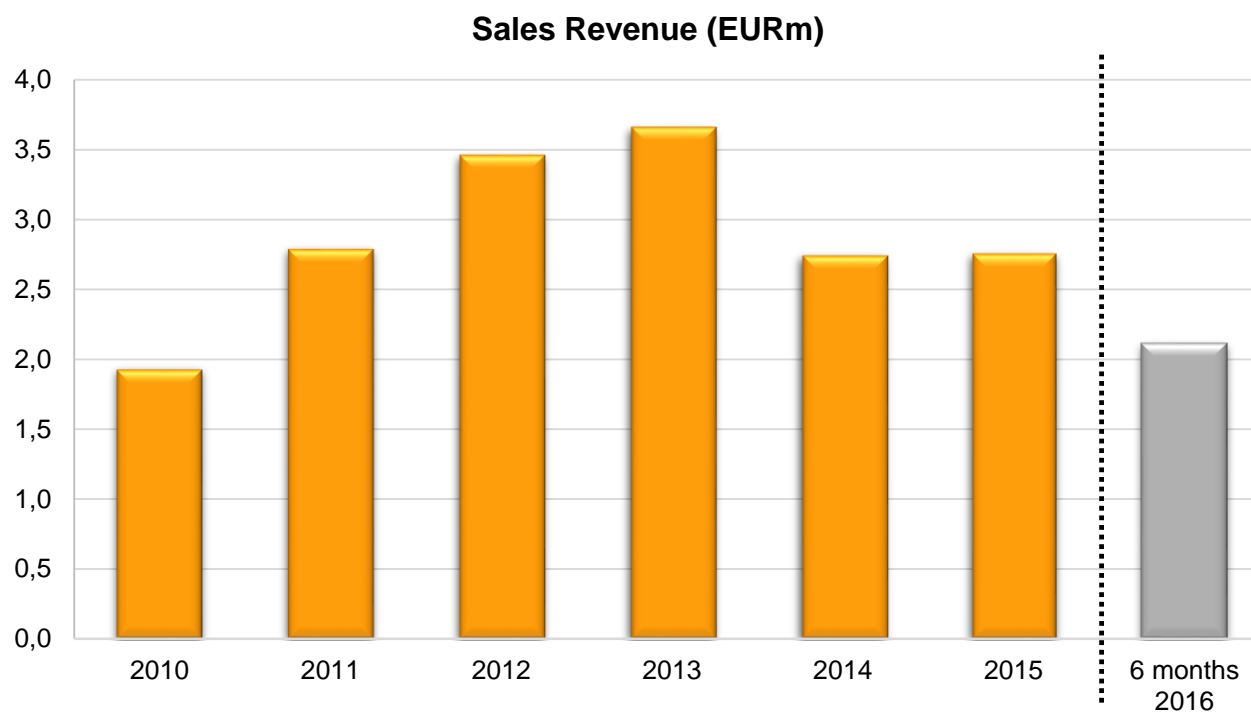
Financial Ratios	H1 2016	H1 2015
Current Ratio = Current Assets/ Current Liabilities (x)	3.96	6.61
Quick ratio = (Current Assets – Inventories) / Current Liabilities (x)	3.16	5.88
Working Capital = Current Assets - Current Liabilities (EUR)	1,340,468	1,817,296
Equity Ratio = Total Equity / Total Assets (%)	89.55	91.47
Net Profit Margin= Net Profit / Sales Revenue (%)	19.47	16.74
Debt to Assets= Total Liabilities / Total Assets (x)	0.10	0.09

**Sales revenue growth:** 46% y-o-y during the first half of 2016.

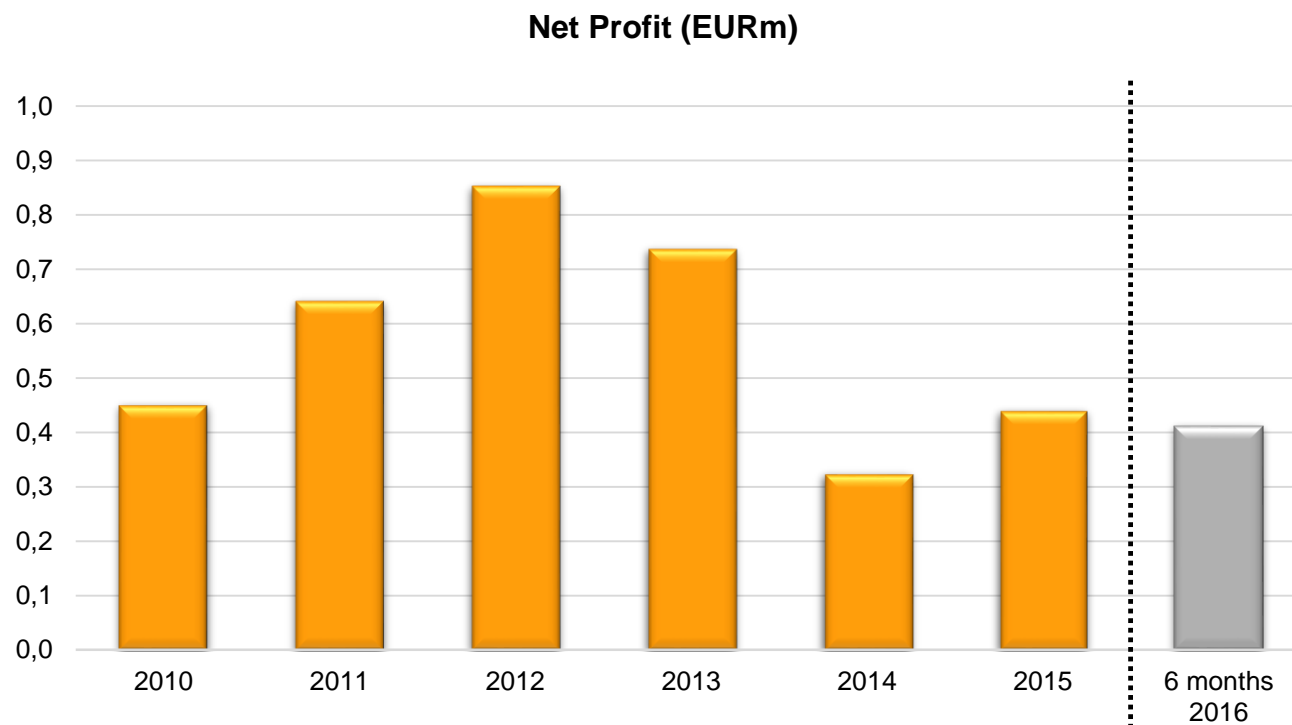
**Net profit growth:** 70% y-o-y during the first half of 2016.



# Top and Bottom Line Development from 2010



# Top and Bottom Line Development from 2010



# Interim Results Overview



<b>Balance Sheet (EUR)</b>	<b>30.06.2016</b>	<b>31.12.2015</b>	<b>30.06.2015</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	744 903	991 984	1 359 386
Receivables and prepayments	689 546	364 401	546 489
Inventories	359 642	339 693	235 517
<b>Total current assets</b>	<b>1 794 091</b>	<b>1 696 078</b>	<b>2 141 392</b>
Non-current assets			
Receivables and prepayments	0	0	582
Property, plant and equipment	2 367 273	1 996 019	1 653 359
Intangible assets	179 193	209 860	3 911
<b>Total non-current assets</b>	<b>2 546 466</b>	<b>2 205 879</b>	<b>1 657 852</b>
<b>Total assets</b>	<b>4 340 557</b>	<b>3 901 957</b>	<b>3 799 244</b>
<b>Liabilities and equity</b>			
Liabilities			
Current liabilities			
Payables and prepayments	297 766	210 703	249 984
Government grants	155 857	74 112	74 112
<b>Total current liabilities</b>	<b>453 623</b>	<b>284 815</b>	<b>324 096</b>
<b>Total liabilities</b>	<b>453 623</b>	<b>284 815</b>	<b>324 096</b>
Equity			
Issued capital	1 575 109	1 575 109	1 575 109
Share premium	617 517	617 517	673 573
Statutory reserve capital	24 818	2 812	2 812
Retained earnings (loss)	1 257 938	981 564	981 564
Annual period profit (loss)	411 552	440 140	242 090
<b>Total equity</b>	<b>3 886 934</b>	<b>3 617 142</b>	<b>3 475 148</b>
<b>Total liabilities and equity</b>	<b>4 340 557</b>	<b>3 901 957</b>	<b>3 799 244</b>

# Interim Results Overview



<b>Income Statement (EUR)</b>	<b>01.01.2016 - 30.06.2016</b>	<b>01.01.2015 - 30.06.2015</b>
Revenue	2 113 661	1 446 303
Changes in inventories of finished goods and work in progress	18 642	36 743
Raw materials and consumables used	-1 170 116	-700 306
Other operating expenses	-173 020	-247 780
Employee expenses	-174 372	-152 924
Depreciation and impairment loss (reversal)	-167 848	-107 697
Other expense	-1	-204
<b>Operating profit (loss)</b>	<b>446 946</b>	<b>274 135</b>
Other financial income and expense	46	230
<b>Profit (loss) before tax</b>	<b>446 992</b>	<b>274 365</b>
Income tax expense	-35 440	-32 275
<b>Annual period profit (loss)</b>	<b>411 552</b>	<b>242 090</b>

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The Certified Adviser for AS Linda Nektar is AS LHV Pank