



Linda Nektar

Company Presentation

Nasdaq Riga

25th November 2016



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The shares of Linda Nektar are admitted to trading on Nasdaq Baltic First North Market.

The Certified Adviser for AS Linda Nektar is AS LHV Pank

The Company

Estonian-based company serving the beverage industry with the key raw material for ciders and alcopops.

AS Linda Nektar specialises in fermenting and treating fruit wines.

The company is located in southern Estonia, with easy access to all Baltic countries.

Considerable investments made in proprietary R&D over the past seven years, with a view to commercialising this know-how.

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 the majority owner. End of bottling and consumer products. Change from B2C to B2B company takes place.

Focus on wine fermentation starts.

Focus on Development

AS Linda Nektar focuses on constantly developing its processes and products. A programme to develop aroma treatment technology was initiated in 2013.

Evolution

Evolving the company from a B2C to B2B beverage company:

- **2004 -2005:** Introduction of modern cross flow filtration
- **2005:** 1st in world to install IsoMix mixers to boost and control fermentation
- **2011:** Additional cross flow filter capacity installed
- **2012-2013:** New building completed and fermentation tanks installed
- **2014:** In line mixing facility completed
- **2016:** Installation of carbon treatment and aroma separation equipment continues / GC analysing equipment installed (Gas Chromatography)

Production

The company produces fermented and treated wine, which is shipped in tanker trucks to customers.

Simplified Description of the Production Process



Source: Linda Nektar



Inputs

Buying required ingredients
from around the world
(components widely available)

Mainly apple concentrate
and dextrose, available as
standardised commodities



Fermentation

Linda Nektar
ferments this
mixture into
aroma-adjusted
wine for ciders etc



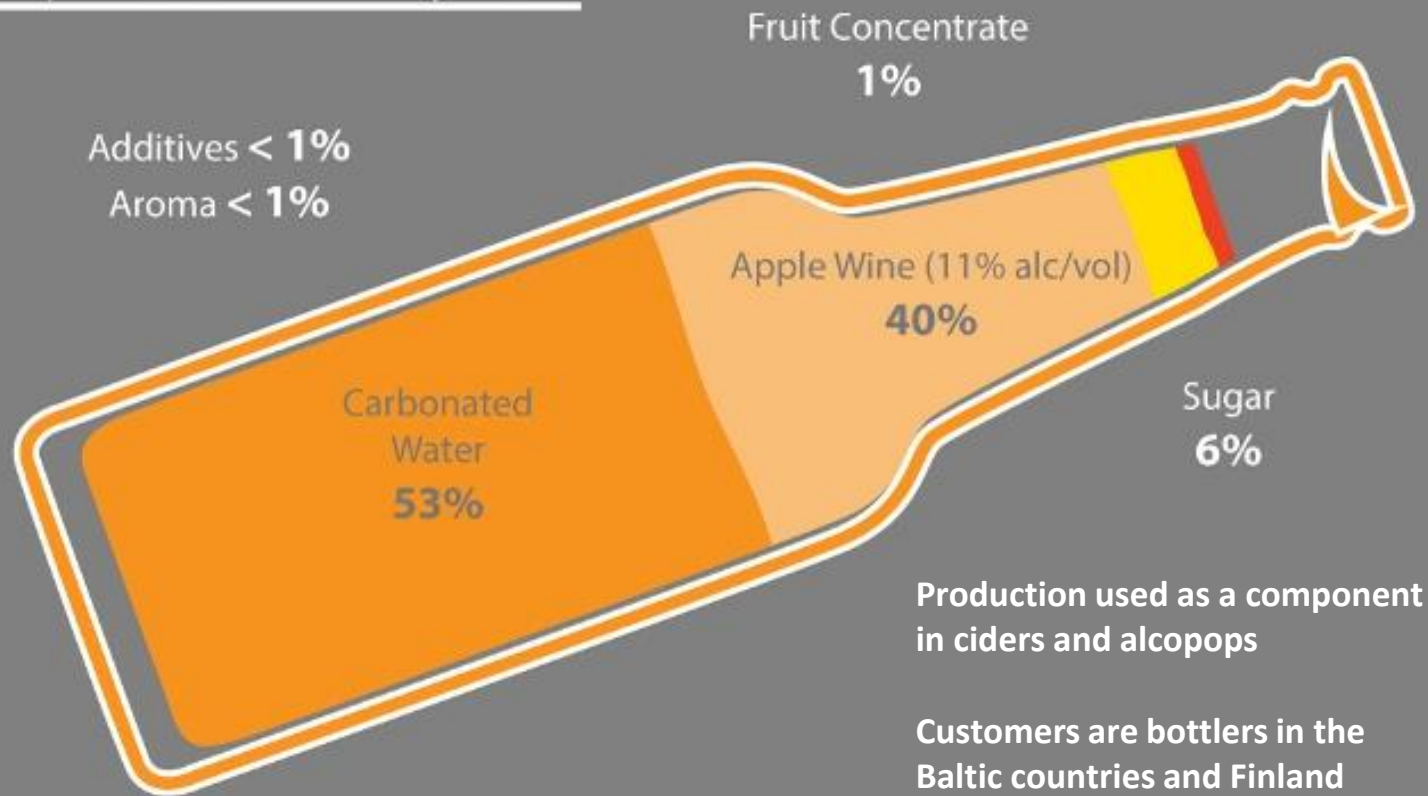
Clients

Selling to breweries, as well as
beverage producers.

Majority of sales to Estonia,
other markets include Latvia,
Denmark and Finland



Typical Components in a Brewery Cider



Romance or Rocket Science?

Traditional perceptions of the wine industry



'Bachus,' Michelangelo Caravaggio, 1594



Continued Investments in R&D and New Tech



Future

Expansion

Linda Nektar continues improving its products and processes

New Business

Development of new business model

Screening of strategic partners

Selected Interim Financial Highlights

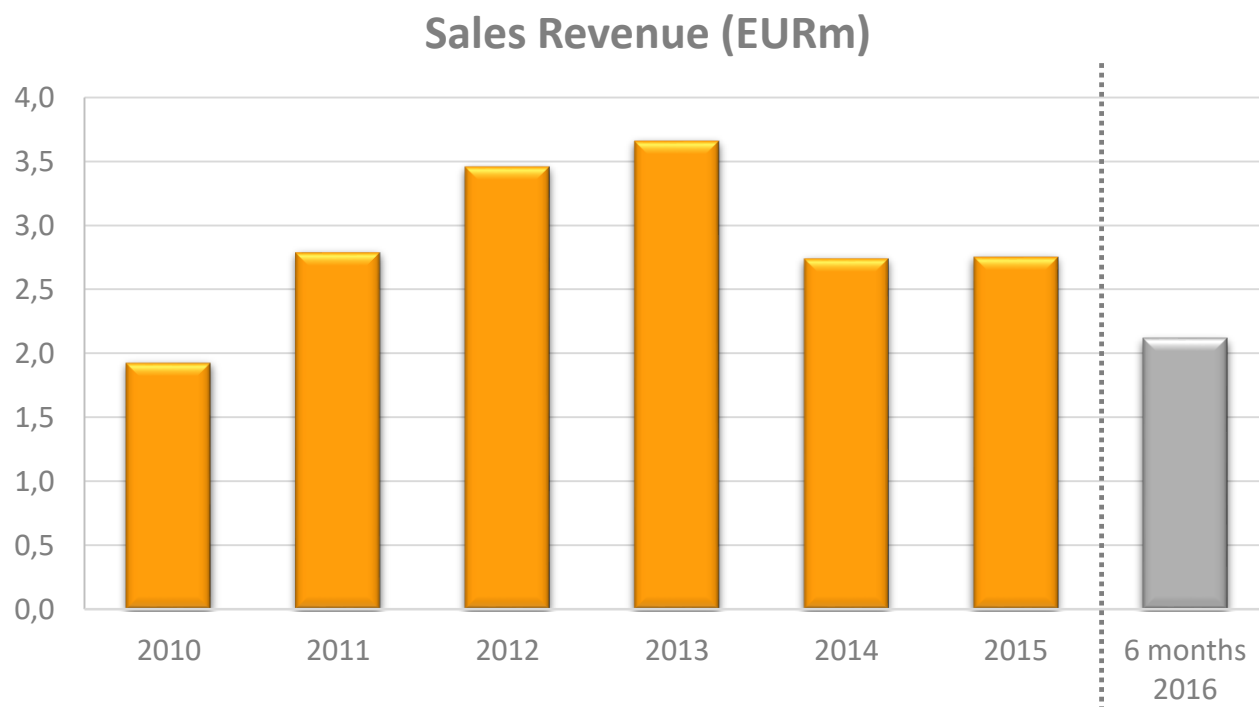


| Financial Ratios | H1 2016 | H1 2015 |
|--|-----------|-----------|
| Current Ratio = Current Assets/ Current Liabilities (x) | 3.96 | 6.61 |
| Quick ratio = (Current Assets – Inventories) / Current Liabilities (x) | 3.16 | 5.88 |
| Working Capital = Current Assets - Current Liabilities (EUR) | 1,340,468 | 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 |

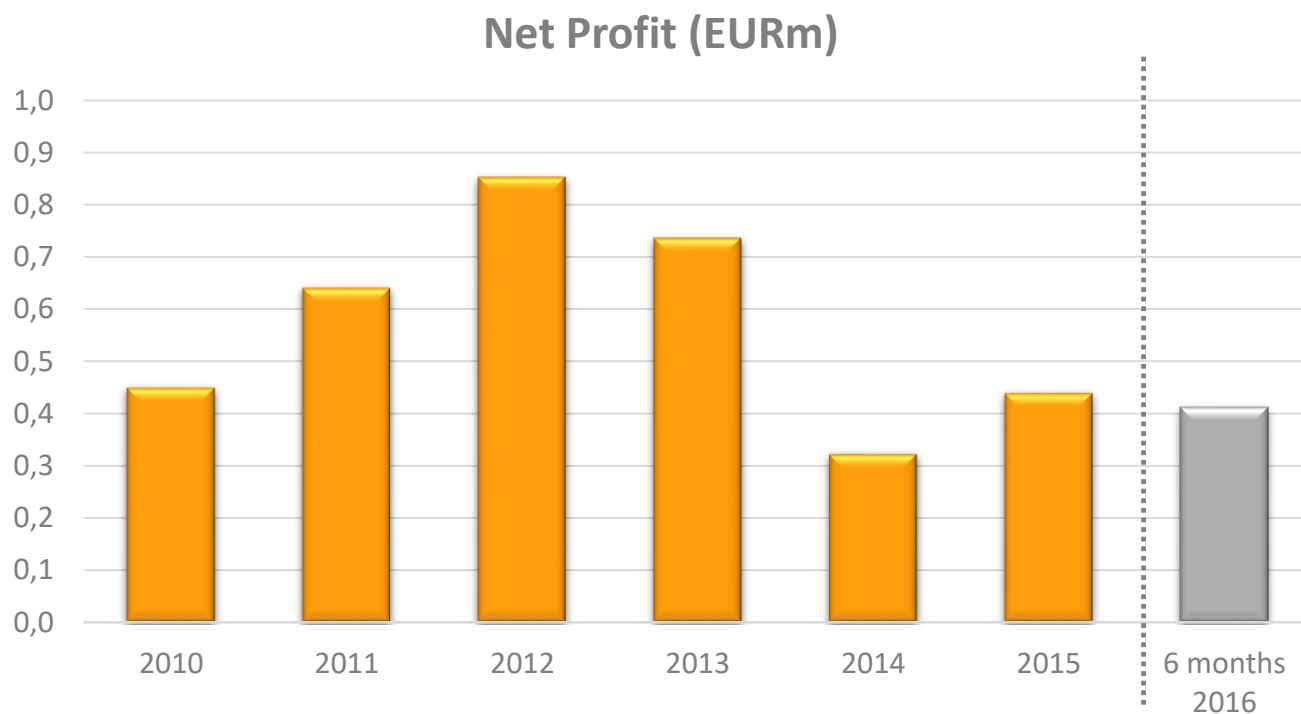
Sales revenue growth: 46% y-o-y during the first half of 2016

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



| Balance Sheet (EUR) | 30.06.2016 | 31.12.2015 | 30.06.2015 |
|-------------------------------------|------------------|------------------|------------------|
| Assets | | | |
| 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 |
| Total current assets | 1 794 091 | 1 696 078 | 2 141 392 |
| 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 |
| Total non-current assets | 2 546 466 | 2 205 879 | 1 657 852 |
| Total assets | 4 340 557 | 3 901 957 | 3 799 244 |
| Liabilities and equity | | | |
| Liabilities | | | |
| Current liabilities | | | |
| Payables and prepayments | 297 766 | 210 703 | 249 984 |
| Government grants | 155 857 | 74 112 | 74 112 |
| Total current liabilities | 453 623 | 284 815 | 324 096 |
| Total liabilities | 453 623 | 284 815 | 324 096 |
| 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 |
| Total equity | 3 886 934 | 3 617 142 | 3 475 148 |
| Total liabilities and equity | 4 340 557 | 3 901 957 | 3 799 244 |

Interim Results Overview



| Income Statement (EUR) | 01.01.2016 - 30.06.2016 | 01.01.2015 - 30.06.2015 |
|---|----------------------------|----------------------------|
| 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 |
| Operating profit (loss) | 446 946 | 274 135 |
| Other financial income and expense | 46 | 230 |
| Profit (loss) before tax | 446 992 | 274 365 |
| Income tax expense | -35 440 | -32 275 |
| Annual period profit (loss) | 411 552 | 242 090 |

Thank you

Please feel free to ask any questions