



Linda Nektar

**THE INTERIM REPORT AND
INTERIM FINANCIAL
STATEMENTS FOR SIX
MONTH PERIOD ENDED
30 JUNE 2019
(UNAUDITED)**

reporting period: 01.01.2019 – 30.06.2019

financial year: 01.01.2019 - 31.12.2019

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Management Report

In H1 2019 AS Linda Nektar's (the 'Company') turnover amounted to EUR 1,048,569 marking a decrease of 4% year-on-year (H1 2018: EUR 1,092,104). Revenue diversification on a geographical basis has continued its earlier trend, with Latvian revenues representing 45% of the total in the reporting period (previous corresponding period, p-c-p was 36%), exceeding that of Estonia. A total of 5 countries generated turnover, albeit Lithuanian and German sales were rather miniscule.

Although much media attention has recently focused on both Estonia and Latvia, who have both now reduced various alcohol-related excise taxes (expected to be somewhat supportive for the Company overall), this misses some important developments on a European Union scale which were first touched on in the 2018 unaudited accounts release. This has the potential to bring better clarity for both taxation and classification aspects for the alcohol industry and also the Company, a B2B fruit wines and ferments producer for the beverages industry.

Fortunately for the Company, it has the flexibility and technology to develop fruit wines and ferments from broad range of concentrate bases. The updated regulation may therefore create more opportunities for niche producers such as Linda Nektar, as brewers (key producers of such drinks in-house) could be expected to find it increasingly efficient to outsource such tasks.

Work to diversify the Company's client base (alcoholic and non-alcoholic beverage varieties) continues as do plans to more actively embrace aroma recovery proprietary technology. Strategic co-operation with partners such as Germany's Symrise AG is ongoing.

H1 2019 ended in a net loss of EUR 21,510 (H1 2018 came in with a loss of EUR 51,013). Management believes that this represents a stabilization of sorts in what has been a very volatile market due to reasons noted above and in other previously-published financial reports.

Operating cash flow in H1 2019 was a positive EUR 76,528 (H1 2018: EUR 97,891).

Revenue guidance provided earlier this year for 2019 remains at EUR 2.2m (flat year on year).

As of 30 June 2019, the Company's total assets came to EUR 3,966,072 (H1 2018: EUR 4,164,746) marking a decrease of 4.77 % year-on-year. Current assets amounted to EUR 1,694,119 (H1 2018: EUR 1,638,157) or 42.72 % of total assets. Fixed assets amounted to EUR 2,271,953 (H1 2018: EUR 2,526,589 euros) or 57.28 % of the balance sheet total. The liabilities of AS Linda Nektar totalled EUR 214,152 (H1 2018: EUR 246,788) and equity capital amounted to EUR 3,751,920 (H1 2018: EUR 3,917,958).

As of 30 June 2019, there were no loan commitments.

A total of EUR 125,863 was invested in fixed assets (H1 2018: EUR 149,703).

Depreciation costs in H1 2019 amounted to EUR 185,800 (H1 2018: EUR 230,538).

In H1 2019, the Company paid EUR 126,009 euros in dividends (H1 2018: EUR 126,009). The income tax cost on dividends was EUR 27,839 (H1 2018: EUR 31,502).

Development costs in H1 2019 amounted to EUR 12,505 (H1 2018: EUR 8,854).

As of 30 June 2019, the Company had 12 employees, one Management Board Member, and four Supervisory Board Members. Labor costs in H1 2019 (including taxes) amounted to EUR 163,346 (H1 2018: EUR 156,373).

Financial Ratios:

		January - June 2019	January - June 2018
Current Ratio = Current Assets/ Current Liabilities	x	7.91	6.64
Quick ratio = (Current Assets – Inventories) / Current Liabilities	x	6.20	5.08
Working Capital = Current Assets - Current Liabilities		1 479 967	1 391 369
Equity Ratio = Total Equity / Total Assets	%	94.60	94.07
Net Profit Margin= Net Profit / Sales Revenue	%	-2.05	-4.67
Debt to Assets= Total Liabilities / Total Assets	x	0.05	0.06

Kadri Rauba
 CEO

The Interim accounts

Statement of financial position

(In Euros)

	30.06.2019	31.12.2018	30.06.2018	Note
Assets				
Current assets				
Cash and cash equivalents	859 878	1 012 339	848 124	2
Receivables and prepayments	466 949	296 462	404 787	3
Inventories	367 292	325 728	385 246	4
Total current assets	1 694 119	1 634 529	1 638 157	
Non-current assets				
Receivables and prepayments	48	25	25	3
Property, plant and equipment	2 264 271	2 343 123	2 481 242	6
Intangible assets	7 634	9 108	45 322	7
Total non-current assets	2 271 953	2 352 256	2 526 589	
Total assets	3 966 072	3 986 785	4 164 746	
Liabilities and equity				
Liabilities				
Current liabilities				
Payables and prepayments	214 152	87 346	246 788	9
Total current liabilities	214 152	87 346	246 788	
Total liabilities	214 152	87 346	246 788	
Equity				
Issued capital	1 575 109	1 575 109	1 575 109	12
Share premium	617 517	617 517	617 517	
Statutory reserve capital	70 672	70 672	70 672	
Other reserves	8 809	8 809	1 804	
Retained earnings (loss)	1 501 323	1 703 869	1 703 869	
Reporting period profit (loss)	-21 510	-76 537	-51 013	
Total equity	3 751 920	3 899 439	3 917 958	
Total liabilities and equity	3 966 072	3 986 785	4 164 746	

Income statement

(In Euros)

	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018	Note
Revenue	1 048 569	1 092 104	13
Other income	7 609	5 963	14
Changes in inventories of finished goods and work in progress	9 344	43 321	
Raw materials and consumables used	-624 706	-674 560	15
Other operating expense	-85 323	-99 430	16
Employee expense	-163 346	-156 373	17
Depreciation and impairment loss (reversal)	-185 800	-230 538	6,7
Other expense	-66	-43	
Operating profit (loss)	6 281	-19 556	
Interest income	48	45	
Profit (loss) before tax	6 329	-19 511	
Income tax expense	-27 839	-31 502	18
Reporting period profit (loss)	-21 510	-51 013	

Statement of cash flows

(In Euros)

	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018	Note
Cash flows from operating activities			
Operating profit (loss)	6 281	-19 556	
Adjustments			
Depreciation and impairment loss (reversal)	185 800	230 538	6,7
Profit (loss) from sale of non-current assets	-861	0	
Total adjustments	184 939	230 538	
Changes in receivables and prepayments related to operating activities	-170 510	-202 357	
Changes in inventories	-41 564	-37 982	
Changes in payables and prepayments related to operating activities	125 221	158 750	
Income tax refund (paid)	-27 839	-31 502	18
Total cash flows from operating activities	76 528	97 891	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-124 278	-157 877	6,7
Proceeds from sales of property, plant and equipment and intangible assets	21 250	0	6
Proceeds from government grants	0	313 580	11
Interest received	48	45	
Total cash flows from investing activities	-102 980	155 748	
Cash flows from financing activities			
Dividends paid	-126 009	-126 009	18
Total cash flows from financing activities	-126 009	-126 009	
Total cash flows	-152 461	127 630	
Cash and cash equivalents at beginning of period	1 012 339	720 494	2
Change in cash and cash equivalents	-152 461	127 630	
Cash and cash equivalents at end of period	859 878	848 124	2

Statement of changes in equity

(In Euros)

	Issued capital	Share premium	Statutory reserve capital	Other reserves	Retained earnings (loss)	Total
31.12.2017	1 575 109	617 517	66 402	1 804	1 834 147	4 094 979
Reporting period profit (loss)	0	0	0	0	-51 013	-51 013
Declared dividends	0	0	0	0	-126 009	-126 009
Changes in reserves	0	0	4 270	0	-4 269	1
30.06.2018	1 575 109	617 517	70 672	1 804	1 652 856	3 917 958
Reporting period profit (loss)	0	0	0	0	-25 524	-25 524
Declared dividends	0	0	0	0	0	0
Changes in reserves	0	0	0	7 005	0	7 005
31.12.2018	1 575 109	617 517	70 672	8 809	1 627 332	3 899 439
Reporting period profit (loss)	0	0	0	0	-21 510	-21 510
Declared dividends	0	0	0	0	-126 009	-126 009
Changes in reserves	0	0	0	0	0	0
30.06.2019	1 575 109	617 517	70 672	8 809	1 479 813	3 751 920

The minimum share capital allowed by the Articles of Association of AS Linda Nektar is EUR 1,200,000, and the maximum share capital is EUR 4,800,000. The share has a nominal value of 1 euro. A total of 1,575,109 shares have been issued.

As of 30 June 2019 the Company had 68 shareholders (30.06.2018: 64 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 EUR 1 per share, ie EUR 5,034. 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 last day of the financial year in Nasdaq First North Alternative Market. The proportional part of the share option for 2017 (2 months out of 36 months) and for 2018 (12 months out of 36 months) is recognised as an employee expense in the income statement and as a reserve in equity.

Notes

Note 1 Accounting policies

General information

The Reporting period statements H1 2019 of AS Linda Nektar have been prepared in accordance with the 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 Interim report is compiled completely according to the regulations introduced for middle-sized companies.

The Reporting period statements of AS Linda Nektar for H1 2019 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 method.

Plant, property and equipment and intangible assets

Assets with an acquisition cost of over EUR 1,000 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 EUR 1,000, 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
- 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 expenses based on the straight-line method.

Accounting entity as lessee.

Operating lease payments are recorded during the rental period as income 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. Revenue from sales of goods is recorded on 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

Pursuant to the applicable laws, Estonian companies are not subjected to pay income tax on the profit. Therefore, all temporary differences between the tax bases and carrying values of assets and liabilities cease to exist. Rather than being subjected to income tax on the profit, Estonian companies are subjected to 20/80 income tax on the net dividends paid from retained earnings in 2019. From year 2019, a lower tax rate (14/86) applies to part of dividends paid by the Estonian resident company regularly (The profit distributed in a calendar year, which is smaller than or equal to the average distributed profit of the previous three calendar years (starting from 2018) on which a resident company has paid income tax). The natural person receiving such dividends taxed at a lower rate (14/86) in the hands of the Estonian company, has to pay income tax at a rate of 7% in addition. It has to be withheld by the payer. Corporate income tax on the payment of dividends is recorded under income tax expense in the income statement at the moment of announcing the dividends, irrespective of the period for which the dividends were announced or when the dividends are actually paid.

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

Derivatives (e.g. forward, future, swap and 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)

	30.06.2019	30.06.2018
Cash on hand	205	322
Bank accounts	859 673	847 802
Total cash and cash equivalents	859 878	848 124

Note 3 Receivables and prepayments

(In Euros)

	30.06.2019	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	422 632	422 632	0	
Accounts receivables	422 632	422 632	0	
Tax prepayments and receivables	30 440	30 440	0	5
Prepayments	13 925	13 877	48	
Deferred expenses	13 925	13 877	48	
Total receivables and prepayments	466 997	466 949	48	
	30.06.2018	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	370 111	370 111	0	
Accounts receivables	370 111	370 111	0	
Tax prepayments and receivables	30 440	30 440	0	5
Prepayments	4 261	4 236	25	
Deferred expenses	4 261	4 236	25	
Total receivables and prepayments	404 812	404 787	25	

Note 4 Inventories

(In Euros)

	30.06.2019	30.06.2018
Raw materials	113 073	106 460
Work in progress	224 222	232 235
Finished goods	28 048	43 856
Merchandise	680	196
Inventory prepayments	1 269	2 499
Inventory prepayments	1 269	2 499
Total Inventories	367 292	385 246

Note 5 Tax prepayments and liabilities

(In Euros)

	30.06.2019		30.06.2018	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax	0	750	0	13 416
Personal income tax	0	4 322	0	3 640
Fringe benefit income tax	0	171	0	323
Social tax	0	8 563	0	7 828
Contributions to mandatory funded pension	0	457	0	405
Unemployment insurance tax	0	435	0	362
Excise duty tax	30 440	0	30 440	0
Other tax prepayments and liabilities	0	701	0	910
Prepayment account balance	0		0	
Total tax prepayments and liabilities	30 440	15 399	30 440	26 884

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	
31.12.2017											
Carried at cost	6 700	872 432	68 022	14 520	3 221 930	3 304 472	79 688	571 972	0	571 972	4 835 264
Accumulated depreciation	0	-308 448	-22 264	-12 137	-1 610 574	-1 644 975	-41 607	0	0	0	-1 995 030
Residual cost	6 700	563 984	45 758	2 383	1 611 356	1 659 497	38 081	571 972	0	571 972	2 840 234
Acquisitions and additions	0	119 508	0	0	13 508	13 508	2 102	14 585	0	14 585	149 703
Acquisition of buildings, new building, renovations		119 508						0	0	0	119 508
Other acquisitions and additions	0		0	0	13 508	13 508	2 102	14 585	0	14 585	30 195
Depreciation	0		-6 803	-940	-143 497	-151 240	-5 418	0	0	0	-195 115
Impairment loss	0		0	0	0	0	0	0	0	0	0
Sales	0	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	525 237	0	0	8 458	8 458	0	-533 695	0	-533 695	0
Reclassifications from unfinished projects	0	525 237	0	0	8 458	8 458	0	-533 695	0	-533 695	0
Other changes	0	-184 598	0	0	-128 982	-128 982	0	0	0	0	-313 580
30.06.2018											
Carried at cost	6 700	1 332 579	68 022	14 520	3 114 914	3 197 456	81 791	52 862	0	52 862	4 671 388
Accumulated depreciation	0	-346 905	-29 067	-13 077	-1 754 071	-1 796 215	-47 026	0	0	0	-2 190 146
Residual cost	6 700	985 674	38 955	1 443	1 360 843	1 401 241	34 765	52 862	0	52 862	2 481 242
31.12.2018											
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
Residual cost	6 700	943 191	32 153	774	1 240 547	1 273 474	29 346	88 412	2 000	90 412	2 343 123
Acquisitions and additions	0	0	58 242	2345	11 555	72 142	1 962	51 759	0	51 759	125 863
Acquisition of buildings, new building, renovations		0									0
Other acquisitions and additions	0		58 242	0	11 555	69 797	1 962	51 759	0	51 759	123 518
Depreciation	0	-41 780	-8 394	-864	-127 797	-137 055	-5 366	0	0	0	-184 201
Impairment loss	0	0	0	0	-125	-125	0	0	0	0	-125
Sales	0	0	-20 389	0	0	-20 389	0	0	0	0	-20 389
Reclassifications	0	0	2 000	0	0	2 000	0	0	-2 000	-2 000	0
Reclassifications from unfinished projects	0	0	2 000	0	0	2 000	0	0	-2 000	-2 000	0
Other changes	0	0	0	0	0	0	0	0	0	0	0
30.06.2019											
Carried at cost	6 700	1 332 579	75 075	16 865	3 135 874	3 227 814	83 753	140 171	0	140 171	4 791 017
Accumulated depreciation	0	-431 168	-11 463	-14 610	-2 011 694	-2 037 767	-57 811	0	0	0	-2 526 746
Residual cost	6 700	901 411	63 612	2 255	1 124 180	1 190 047	25 942	140 171	0	140 171	2 264 271

Disposed property, plant and equipment at selling price

	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018
Machinery and equipment	21 250	0
Transportation	21 250	0
Total	21 250	0

In H1 2019 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 1,132 and impairment loss EUR 125. In H1 2018 AS Linda Nektar did not dispose of any non-current assets.

As at 30 June 2019, outstanding payables to suppliers of the non-current assets amounted to EUR 3,178 (H1 2018: EUR 4,575).

In the first half of the year 2018 the Company has received grants from Estonian Agricultural Registers and Information Board in the amount of EUR 158,234 for machinery and equipment and EUR 155,346 for the extension of production building. Assets that are acquired using grants are recognised at net cost - i.e. at cost of assets less grants received.

Note 7 Intangible assets

(In Euros)

	Computer software	Other intangible assets	Unfinished projects and prepayments	Total
	31.12.2017			
Carried at cost	10 649	222 560	4 600	237 809
Accumulated depreciation	-6 029	-147 236	0	-153 265
Residual cost	4 620	75 324	4 600	84 544
Acquisitions and additions	0	0	0	0
Depreciation	-718	-34 705	0	-35 423
Other changes	1	0	-3 800	-3 799
30.06.2018				
Carried at cost	10 649	222 560	800	234 009
Accumulated depreciation	-6 746	-181 941	0	-188 687
Residual cost	3 903	40 619	800	45 322
31.12.2018				
Carried at cost	10 648	222 560	0	233 208
Accumulated depreciation	-7 462	-216 638	0	-224 100
Residual cost	3 186	5 922	0	9 108
Acquisitions and additions	0	0	0	0
Depreciation	-718	-756	0	-1 474
Other changes	0	0	0	0
30.06.2019				
Carried at cost	10 648	222 560	0	233 208
Accumulated depreciation	-8 180	-217 394	0	-225 574
Residual cost	2 468	5 166	0	7 634

Note 8 Operating lease

(In Euros)

Accounting entity as lessor

	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018	Note
Operating lease income	6 105	60 972	13
Residual cost of leased assets			
Machinery and equipment	0	4 950	
Total	0	4 950	

AS Linda Nektar has leased out certain equipment under operating lease terms until November 2019.

Accounting entity as lessee

	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018	Note
Operating lease expenses	2 508	2 151	
Future lease expense under non-cancellable lease contracts			
	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018	Note
Within 12 months	0	0	
1 - 5 years	0	0	

Note 9 Payables and prepayments

(In Euros)

	30.06.2019	Within 12 months	Note
Trade payables	187 821	187 821	
Employee payables	8 003	8 003	
Tax payables	15 399	15 399	5
Other payables	2 929	2 929	
Other accrued expenses	2 929	2 929	
Total payables and prepayments	214 152	214 152	
	30.06.2018	Within 12 months	Note
Trade payables	210 519	210 519	
Employee payables	7 364	7 364	
Tax payables	26 884	26 884	5
Other payables	2 021	2 021	
Other accrued expenses	2 021	2 021	
Total payables and prepayments	246 788	246 788	

Note 10 Contingent liabilities and assets

(In Euros)

	30.06.2019	30.06.2018
Contingent liabilities		
Distributable dividends	1 183 850	1 322 285
Income tax liability on distributable dividends	295 963	330 571
Total contingent liabilities	1 479 813	1 652 856

Note 11 Grants

(In Euros)

Assets at net cost

	01.01.2019 - 30.06.2019		01.01.2018 - 30.06.2018	
	Received	Repaid	Received	Repaid
Grants for acquisition of non-current assets				
ARIB	0	0	313 580	0
Total grants for acquisition of non-current assets	0	0	313 580	0
Total grants	0	0	313 580	0

Management estimates that all conditions related to the grant that have been described in the decree no 58 of the Minister of Rural Affairs from 8th of May 2015 are being fulfilled.

Note 12 Share capital

(In Euros)

	30.06.2019	30.06.2018
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 13 Net sales

(In Euros)

	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018
Net sales by geographical location		
Net sales in European Union		
Estonia	379 831	482 234
Finland	173 867	219 209
Latvia	472 997	390 081
Germany	120	580
Lithuania	21 754	0
Total net sales in European Union	1 048 569	1 092 104
Total net sales	1 048 569	1 092 104
Net sales by operating activities		
Manufacture of cider and other fruit wines	1 033 252	1 022 725
Equipment rent	6 105	60 972
Wastewater treatment	7 315	6 877
Sale of material	830	556
Sale of goods	1 067	394
Sale of aroma	0	580
Total net sales	1 048 569	1 092 104

Note 14 Other operating income

(In Euros)

	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018
Profit from sale of plant, property and equipment	861	0
Sale of metal scrap	2 167	5963
Fines, penalties and compensations	4 581	0
Total other operating income	7 609	5 963

Note 15 Goods, raw materials and services

(In Euros)

	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018
Raw materials	-476 057	-506 093
Services	-148 649	-168 467
Total goods, raw materials and services	-624 706	-674 560

Note 16 Miscellaneous operating expenses

(In Euros)

	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018
Exploration and development expense	-12 505	-8 854
Travel expense	-18 777	-22 201
State and local taxes	-3 083	-4 430
"First North" costs	-10 776	-10 983
Legal and audit expenses	-9 325	-7 832
Training expense	-1 803	-4 483
Communications	-6 037	-6 411
Other	-23 017	-34 236
Total miscellaneous operating expenses	-85 323	-99 430

Note 17 Labor expense

(In Euros)

	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018
Wage and salary expense	-123 162	-117 863
Social security taxes	-40 184	-38 510
Total labor expense	-163 346	-156 373
Average number of employees in full time equivalent units	16	12
Average number of employees by types of employment:		
Person employed under employment contract	11	12
Member of management or controlling body of legal person	5	5

Note 18 Income tax

(In Euros)

Income tax expense components	01.01.2019 - 30.06.2019		01.01.2018 - 30.06.2018	
	Taxable amount	Income tax expense	Taxable amount	Income tax expense
Declared dividends	126 009	27 839	126 009	31 502
Estonia	121 622	21 001	121 818	30 454
Other countries	4 387	6 838	4 191	1 048
Total	126 009	27 839	126 009	31 502

Note 19 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

	30.06.2019		30.06.2018	
	Receivables	Liabilities	Receivables	Liabilities
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	0	5 790	0	273

Purchases and sales

	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018
	Purchases	Purchases
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	2 113	1 579

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	01.01.2019 - 30.06.2019	01.01.2019 - 30.06.2019
Remuneration	41 250	41 250

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.

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 the option holder must pay the share nominal value of EUR 1 per share, ie EUR 5,034. 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.

Signatures

The management has prepared the Interim Report (unaudited) of AS Linda Nektar (Reg. code: 10211034) for the reporting period 01.01.2019 – 30.06.2019 and confirms that the Interim Report provides a true and fair view of the business operations.

Report completion date: 15.08.2019



Kadri Rauba

CEO