

JSC DITTON PIEVADĶĒŽU RŪPNĪCA

Reg. No. 40003030187

Višķu Street 17, Daugavpils, LV-5410, Latvia

FINANCIAL REPORT

FOR 3 MONTHS OF YEAR 2020

(01.01.2020 – 31.03.2020)

(Not subject to audit by the independent sworn auditor)

Prepared in accordance with Financial Instruments Market Law and Law On the Annual Financial Statements and Consolidated Financial Statements of the Republic of Latvia

Daugavpils

2019

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INFORMATION ABOUT THE COMPANY

Company name	Ditton pievadķēžu rūpnīca
Legal status	Joint Stock Company
Registration number	40003030187
Registration in Register of Enterprises	Rīga, 03.10.1991
Registration in Commercial Register Office	Rīga, 29.08.2003
Legal address	Višķu St. 17, Daugavpils, LV-5410, Latvia
Mailing address	Višķu St. 17, Daugavpils, LV-5410, Latvia
Fixed capital	10,360,000 EUR
Number of public bearer shares	7 400 000
Nominal value of one share	1.40 EUR
Chief accountant	Jūlija Lavrecka
Reporting period	01.01.2020 – 31.03.2020

Persons in charge for drawing up of the financial report:

Mr. Boriss Matvejevs, phone +371 65402333, email: dpr@dpr.lv

Ms. Natalja Redzoba, phone +371 65402333, email: dpr@dpr.lv

INFORMATION ON MANAGEMENT BOARD AND COUNCIL MEMBERS

THE MANAGEMENT BOARD

Chairman of the Management Board

Rolands Zarāns, re-elected 14.01.2019 (elected since 15.01.2014)

Member of the Management Board

Natalja Redzoba, re-elected 10.01.2017 (elected since 29.08.2003)

Information on shares owned by Members of the Management Board

Members of the Management Board	Share ownership*	
	Quantity of shares	%
Rolands Zarāns	no shares	-
Natalja Redzoba	no shares	-

THE COUNCIL

Chairman of the Council

Boriss Matvejevs, re-elected 15.02.2017 (elected since 05.05.2005)

Deputy Chairman of the Council

Georgijs Sorokins, re-elected 15.02.2017 (elected since 06.11.2000)

Members of the Council

Anželina Titkova, re-elected 15.02.2017 (elected 14.08.2009)

Genādijs Zavadskis, elected 15.02.2017

Information on shares owned by Members of the Council

Members of the Council	Share ownership*	
	Quantity of shares	%
Boriss Matvejevs	no shares	-
Georgijs Sorokins	5 768	0,08
Anželina Titkova	no shares	-
Genādijs Zavadskis	no shares	-

For more detailed information on professional background of members of the Management Board and of the Council, please refer to our website: www.dpr.lv.

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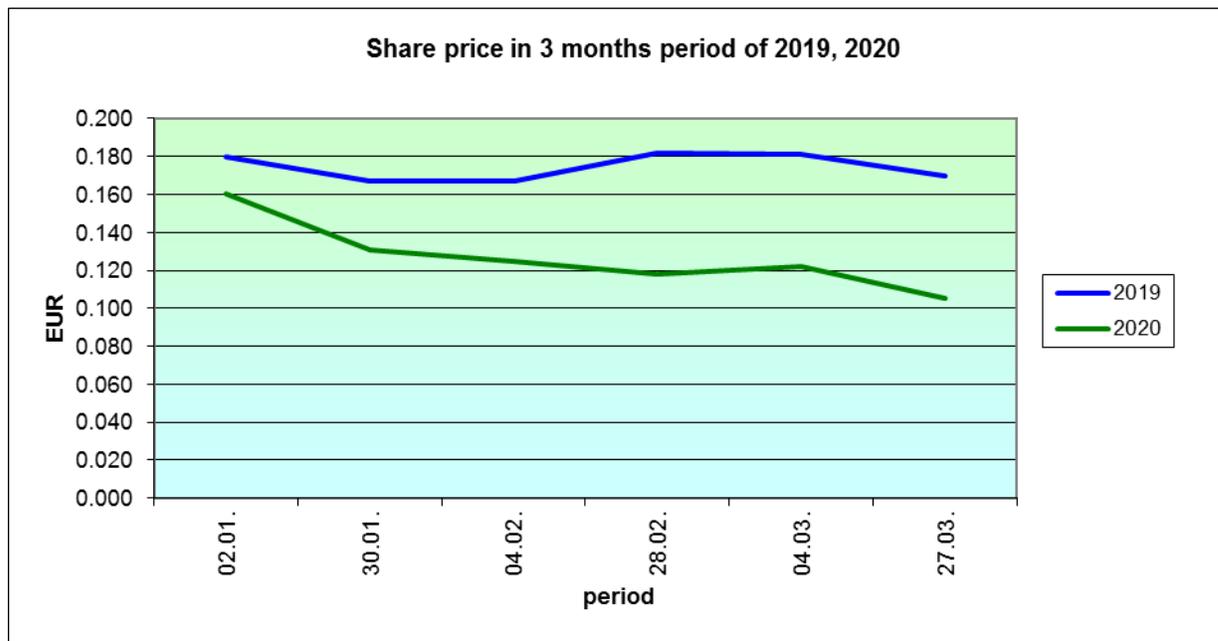
MAJOR SHAREHOLDERS (OVER 5%)*

NAME	Ownership interest %
Vladislavs Driksne	19,92
MAX Invest Holding Ltd.	13,63
Maleks S Ltd.	13,30
DVINSK MNG Ltd.	9,46

**Note: 1) The Company does not keep any Shareholder Register. Information presented is based on the lists of shareholders of the JSC Ditton pievadķēžu rūpnīca as at 10.10.2019. Nasdaq CSD has prepared this list for shareholders' meeting due to the Commercial Law of the Republic of Latvia and the Financial Instruments Market Law of the Republic of Latvia, taking into account the shareholders' notifications on acquisition and disposal significant holding in the Issuer's equity in accordance with the section 61 of the Financial Instruments Market Law.*

2) As at 31.03.2020, the Company has no information at its disposal on distribution of stocks (20%) among heirs of E. Zavadskis and their records in financial instruments accounts pursuant to the section 125 of the Financial Instruments Market Law.

SHARE PRICE DEVELOPMENT



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STATEMENT ABOUT MANAGEMENT LIABILITY

The Management declares that the interim report for 3 months of the year 2020 has been prepared in compliance with the existing legislative requirements of the Republic of Latvia and of the European Union, incl. internal procedures and regulations.

According to the information at our disposal, it gives a true and fair view of the assets, liabilities, financial standing and profits of the Company, incl. changes in equity.

The Management Board assures that this financial report for 3 months of 2020 contains truthful information and that revenue recognition principle and assessment methods applied by its preparation are consistent with those applied in the last Annual Report.

The Management states herewith that the information set out in the Management statement to the financial statements for the year 2019 has no significant changes and is up to date.

Chairman of the Management Board
of JSC Ditton pievadķēžu rūpnīca

Rolands Zarāns

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BALANCE SHEET

ASSETS	31.03.2020	31.03.2019
	EUR	EUR
Long-term investments		
Intangible investments		
Concessions, patents, licenses, trademarks and similar rights	5 236	10 069
Total intangible investments	5 236	10 069
Fixed assets		
Immovable property:		
Land	1 972 722	1 853 982
Buildings and structures and permanent crop	1 213 136	1 297 673
Investment properties – land	88 628	88 628
Investment properties - buildings	863 729	921 632
Technological equipment and devices	2 502 207	2 752 014
Other fixed assets and inventory	31 802	42 135
Costs of the establishment of fixed assets and unfinished building objects	-	12 649
Total fixed assets	6 672 224	6 968 713
Long-term financial investments		
Other securities and investments	-	-
Total long-term financial investments	-	-
Total long-term investments	6 672 224	6 978 782
Current assets		
Inventories		
Raw materials, consumables and supplies	469 331	483 419
Work in progress	169 488	164 698
Finished products and goods for sale	233 180	279 457
Advance payments for inventories	85 853	22 041
Total inventories	957 852	949 615
Debtors		
Trade receivables	598 571	692 210
Other debtors	22 649	23 225
Next period costs	478	400
Total debtors	621 698	715 835
Cash	68 820	20 216
Total current assets	1 648 370	1 685 666
<u>TOTAL ASSETS</u>	<u>8 325 830</u>	<u>8 664 448</u>

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BALANCE SHEET

LIABILITIES	31.03.2020 EUR	31.03.2019 EUR
1. Equity		
Stock or share capital (equity capital)	10 360 000	10 360 000
Reserves:		
Other reserves	169 251	169 251
Retained profits or uncovered losses brought forward from the previous years	(9 345 727)	(9 228 221)
Profit or loss of the reporting year	51 451	(128 590)
Total equity	1 234 975	1 172 440
Long-term creditors		
Loans from credit institutions	4 282 577	4 678 577
Other loans	3 700	-
Next period income	1 216 999	1 300 483
Total long-term creditors	5 979 060	5 979 060
Short-term creditors:		
Loans from credit institutions	300 255	273 509
Other loans	33 300	-
Prepayments received from purchasers	58 319	26 443
Accounts payable to suppliers and contractors	480 698	479 560
Taxes and State mandatory social insurance payments	460 102	451 822
Other creditors	121 356	130 606
Deferred income	62 613	68 354
Accrued obligations	70 936	82 654
Total short-term creditors	1 587 579	1 512 948
Total creditors	7 090 855	7 492 008
<u>TOTAL LIABILITIES</u>	<u>8 325 830</u>	<u>8 664 448</u>

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INCOME STATEMENT

	31.03.2020	31.03.2019
	EUR	EUR
Net turnover	1 266 202	1 057 414
Production costs of goods sold, purchase costs of goods sold or services rendered	(963 051)	(963 051)
Gross profit or loss	303 907	94 363
Sales costs	(11)	(70)
Administrative expenses	(184 791)	(172 991)
Other income from operating activities	33 146	25 667
Other costs of operating activities	(53 277)	(27 246)
Interest payments and similar expenses	(47 523)	(48 314)
• <i>from other persons</i>	<i>(47 523)</i>	<i>(48 314)</i>
Profit or loss before enterprise income tax	51 451	(128 590)
Enterprise income tax	-	-
Profit or loss for the fiscal period	<u>51 451</u>	<u>(128 590)</u>
Profit/diluted profit or loss per share	0.006	(0.017)

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CASH FLOW STATEMENT

	31.03.2020	31.03.2019
	EUR	EUR
I. Cash flows from operating activities		
1. Profit or loss before enterprise income tax	51 451	(128 590)
<i>Adjustments to:</i>		
Depreciation of fixed assets	114 439	104 296
Depreciation of intangible assets	1 208	1 208
EU funds income recognition	-	(15 130)
Interest payments and similar income	47 523	48 314
Income from sale of fixed assets	-	(1 400)
2. Profit or loss before adjustments to fixed assets and short-term creditors	214 621	8 698
<i>Adjustments to Current assets and Short-term creditors:</i>		
Increase or decrease in accounts receivables	38 245	(36 402)
Increase or decrease in inventories	(39 429)	44 276
Increase or decrease in accounts payable to suppliers, contractors and other creditors	(40 099)	35 020
Net cash flows used in operating activities	<u>173 338</u>	<u>51 592</u>
II. Cash flows from investing activities		
Proceeds from sale of fixed assets	-	1 400
Net cash flows used in investing activities	=	<u>1 400</u>
III. Cash flows from financing activities		
Proceeds from borrowings or repayment of borrowings, net	(65 252)	(42 937)
Subsidies, grants, gifts or donations received	(47 523)	(48 314)
Purchase of fixed assets	(2 106)	-
Net cash flows used in financing activities	<u>(114 881)</u>	<u>(91 251)</u>
Net cash flows of the reporting year	58 457	(38 259)
Cash and cash equivalents at the beginning of fiscal period	<u>10 363</u>	<u>58 475</u>
Cash and cash equivalents at the end of fiscal period	<u>68 820</u>	<u>20 216</u>

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STATEMENT OF CHANGES IN EQUITY
for the period from 01.01.2020 till 31.03.2020

	Equity capital	Other reserves	Retained profit of previous periods	Profit or loss of fiscal period	Total
	EUR	EUR	EUR	EUR	EUR
At 1 January 2019	10 360 000	169 251	(9 372 899)	144 682	1 301 034
Other reserves	-	-	-	-	169 251
Profit of 3 months period 2019	-	-	-	(128 590)	(128 590)
At 31 March 2019	10 360 000	169 251	(9 228 221)	(128 590)	1 172 440
At 1 January 2020	10 360 000	169 251	(9 228 221)	(117 506)	1 183 524
Loss of 3 months period 2020	-	-	-	51 451	51 451
At 31 March 2020	10 360 000	169 251	(9 345 727)	51 451	1 234 975

Appendix

Explanatory notes

Accounting policies and methods applied in present interim financial report are consistent with those applied in the last Annual Report.

These financial statements are prepared on the basis of source documents and present fairly the financial position of the JSC as at 31 March 2020, its` operating results and cash flows for 3 months ended 31 March 2020.

This financial report has been prepared in compliance with statutory regulations of the Republic of Latvia on a going concern basis. Appropriate accounting policies have been applied consistently to each category.

The interim financial report for 3 months of 2020 has not been audited by sworn auditor.

The interim report has been prepared in euros.

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Explanations and analyses on separate items of financial reports

Production of driving chains in 3 months of 2020 (thousand meters)

The index of the produced driving chains is by 1 thousand meters higher than in 3 months of 2019.

Production of driving chains in 3 months of 2020 (thousand euros)

The value of the produced driving chains in these 3 months reached € 953 thousand, what is by € 129 thousand higher than the index of the same period of the previous year.

Sales (net-turnover) in 3 months of 2020 (thousand euros)

The net-turnover of the fiscal period is fulfilled by € 1,266 thousand, being by € 209 thousand or 20 per cent more than the index in the same period of the previous year.

Core product sales in 3 months of 2020 (thousand euros)

Core product sales amounting to € 1,034 thousand in the reporting period are by € 200 thousand or 24 per cent more than the result of the same period in the previous year.

The average statistical number of employees in 3 months of year 2020 was 135 employees with the average salary amounted to EUR 680 what is by EUR 64 higher than in 3 months of 2019.