



Linda Nektar

ANNUAL REPORT

reporting period: 01.01.2021 – 31.12.2021

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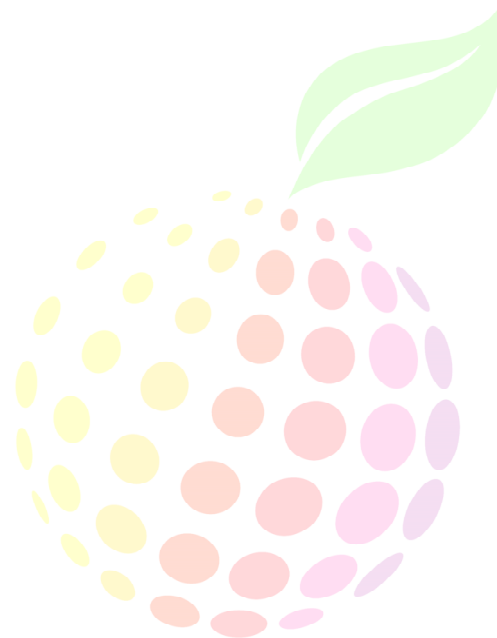
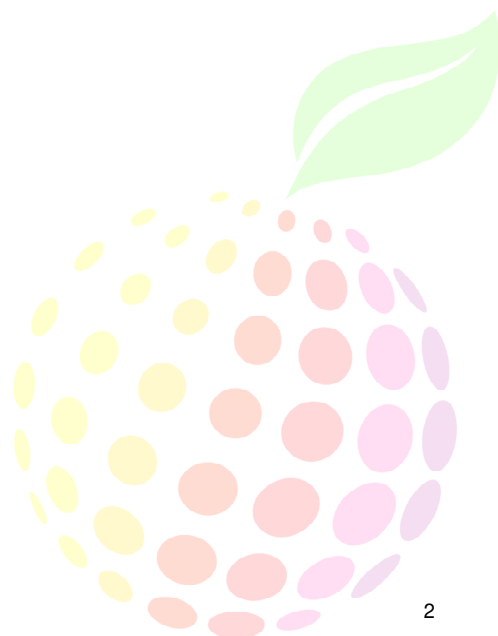


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Management report

Linda Nektar's (the 'Company') business developed favourably in 2021. The Company's sales volume, net sales and operating profit improved on the previous year. In 2021 the Company's turnover was in-line with updated management guidance and amounted to EUR 3,110,589. This marked an increase of 23.8% year-on-year (12 months 2020: 2,512,281). 12 months 2021 generated a net profit of EUR 122,715 (12 months 2020: EUR 65,523).

The fermented low alcohol category continues to offer attractive long-term volume and value growth opportunities. The Company's portfolio choices (which are then customised for clients) therefore target these. In addition, we see further attractive growth prospects for selected categories beyond cider. In 2021 we continued our innovation adding new exotic ferments to the portfolio, with sales starting in the beginning of 2022.

The major challenge of 2021 has been the dramatic rise in certain input costs. The increases in electricity and gas prices affect not only our suppliers but also other companies operating in the same and other industrial sectors. The availability and pricing of liquid sugars has been a case in point for the beverages industry, as global demand for European starch derivatives has increased faster than supply. 2022 will therefore require both flexible and attentive planning and purchase strategies to minimise such impacts. With higher raw material and energy costs in 2022, the Company is making pricing-based adjustments to compensate for the changed conditions.

As at 31 December 2021, the Company's total assets came to EUR 3,809,320 (31.12.2020: EUR 3,864,511), down 1.43% year-on-year. Current assets amounted to EUR 1,532,607 (31.12.2020: EUR 1,717,386) or 40.2% of total assets. Fixed assets amounted to EUR 2,276,713 (31.12.2020: EUR 2,147,125) or 59.8% of the balance sheet total. The liabilities of AS Linda Nektar totalled EUR 153,870 (31.12.2020: EUR 178,796). Equity capital amounted to EUR 3,655,450 (31.12.2020: EUR 3,685,715).

As of 31 December 2021, there were no loan commitments, while cash and cash equivalents came to EUR 651,135 (31.12.2020: EUR 835,166). The Company retains its conservative financial leverage policy.

Operating cash flow for the 12 months of 2021 was a positive EUR 560,581 (12 months 2020: EUR 398,018).

The planned investments were implemented successfully, supporting future development targets and improving production efficiency. A total of EUR 554,705 was invested into fixed assets (12 months 2020: EUR 398,429). Depreciation costs for the 12 months of 2021 were largely unchanged and amounted to EUR 399,020 (12 months 2020: EUR 386,952).

Linda Nektar continues to engage in activities to reduce its operational impacts on the environment. A significant part of the energy used for cooling comes from solar panels installed on the Company's premises, allowing for a high degree of self-sufficiency and green energy. In addition, we work to reduce water usage and enhance wastewater treatment processes. Further supporting the Company's environmental sustainability goals a total of EUR 138,975 were invested into an industrial wastewater pre-treatment system.

In 2021, the Company paid EUR 158,014 euros in dividends (12 months 2020: EUR 126,009). The income tax cost on dividends was EUR 28,514 (12 months 2020: EUR 24,176).

As of 31 December 2021, the Company had 13 employees, one Management Board Member, and four Supervisory Board Members. Labour costs for the 12 months of 2021 (including taxes) amounted to EUR 431,138 (12 months 2020: EUR 393,193).

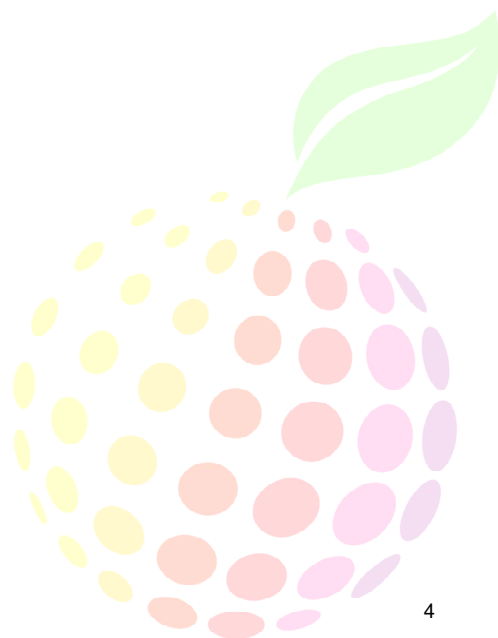
During H1 2021 the Company's first executive share option programme matured, as a result of which 5,034 shares were issued to a supervisory board member. The Company has in place the opportunity to allocate a further 3% of issued capital for another similar programme.

Linda Nektar's strategic focus remains set on products with low alcohol and premium fermented products. The alcoholic beverages market trend of including "naturalness" is bringing further noteworthy attention and perspectives towards natural ingredients and production processes. On top of this, we are looking to engage further into the high growth in fermented ready to drink (RTD) beverages, as well as the continuing movement towards healthier beverages. Further investments (including via R&D) are continuing to be made in these areas.

After carefully considering market conditions, management's guidance for revenues in 2022 is EUR 3.6m. This reflects ca. 16% year on year growth (incorporating both volume and pricing considerations).

Financial Ratios:

		2021	2020
Current Ratio = Current Assets / Current Liabilities	x	9.96	9.61
Quick ratio = (Current Assets – Inventories) / Current Liabilities	x	7.92	7.07
Working Capital = Current Assets - Current Liabilities		1 378 737	1 538 590
Equity Ratio = Total Equity / Total Assets*100	%	95.96	95.37
Net Profit Margin= Net Profit / Sales Revenue*100	%	3.95	2.61
Debt to Assets= Total Liabilities / Total Assets	x	0.04	0.05



The annual accounts

Statement of financial position

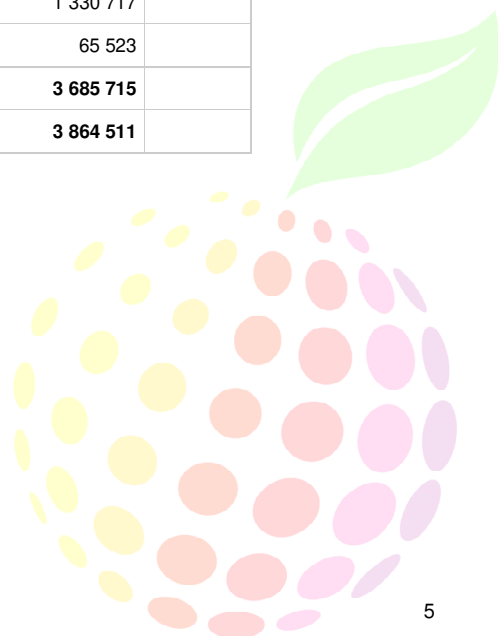
(In Euros)

	31.12.2021	31.12.2020	Note
Assets			
Current assets			
Cash and cash equivalents	651 135	835 166	2
Receivables and prepayments	568 144	429 059	3
Inventories	313 328	453 161	4
Total current assets	1 532 607	1 717 386	
Non-current assets			
Receivables and prepayments	20	12	3
Property, plant and equipment	2 269 900	2 136 844	6
Intangible assets	6 793	10 269	7
Total non-current assets	2 276 713	2 147 125	
Total assets	3 809 320	3 864 511	
Liabilities and equity			
Liabilities			
Current liabilities			
Payables and prepayments	153 870	178 796	8
Total current liabilities	153 870	178 796	
Total liabilities	153 870	178 796	
Equity			
Issued capital	1 580 143	1 575 109	10
Share premium	617 517	617 517	
Statutory reserve capital	73 948	70 672	
Other reserves	0	26 177	
Retained earnings (loss)	1 261 127	1 330 717	
Reporting period profit (loss)	122 715	65 523	
Total equity	3 655 450	3 685 715	
Total liabilities and equity	3 809 320	3 864 511	

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Income statement

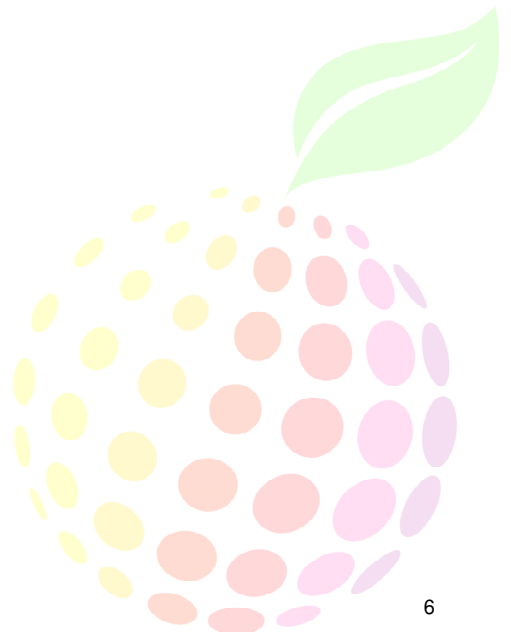
(In Euros)

	2021	2020	Note
Revenue	3 110 589	2 512 281	11
Other income	3 587	773	
Changes in inventories of finished goods and work in progress	-129 648	1 402	
Raw materials and consumables used	-1 800 469	-1 497 379	12
Other operating expenses	-177 526	-131 200	13
Employee expenses	-431 138	-393 193	14
Depreciation and impairment loss (reversal)	-399 020	-386 952	6,7
Significant impairment of current asset	-23 783	-16 046	
Other expenses	-1 431	-73	
Operating profit (loss)	151 161	89 613	
Interest income	68	86	
Profit (loss) before tax	151 229	89 699	
Income tax expense	-28 514	-24 176	15
Reporting period profit (loss)	122 715	65 523	

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Statement of cash flows

(In Euros)

	2021	2020	Note
Cash flows from operating activities			
Operating profit (loss)	151 161	89 613	
Adjustments			
Depreciation and impairment loss (reversal)	399 020	386 952	6,7
Profit (loss) from sale of non-current assets	-1 395	-58	
Other adjustments	0	14 084	
Total adjustments	397 625	400 978	
Changes in receivables and prepayments related to operating activities	-139 093	-50 854	
Changes in inventories	139 833	-6 481	
Changes in payables and prepayments related to operating activities	39 569	-11 062	
Income tax refund (paid)	-28 514	-24 176	15
Total cash flows from operating activities	560 581	398 018	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-619 200	-320 873	6,7
Proceeds from sales of property, plant and equipment and intangible assets	27 500	0	
Interest received	68	86	
Total cash flows from investing activities	-591 632	-320 787	
Cash flows from financing activities			
Proceeds from issuing shares	5 034	0	
Dividends paid	-158 014	-126 009	15
Total cash flows from financing activities	-152 980	-126 009	
Total cash flows	-184 031	-48 778	
Cash and cash equivalents at beginning of period	835 166	883 944	2
Change in cash and cash equivalents	-184 031	-48 778	
Cash and cash equivalents at end of period	651 135	835 166	2

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Statement of changes in equity

(In Euros)

	Issued capital	Share premium	Statutory reserve capital	Other reserves	Retained earnings (loss)	Total
31.12.2019	1 575 109	617 517	70 672	11 416	1 456 725	3 731 439
Reporting period profit (loss)	0	0	0	0	65 523	65 523
Declared dividends	0	0	0	0	-126 009	-126 009
Changes in reserves	0	0	0	14 761	0	14 761
Other changes in equity	0	0	0	0	1	1
31.12.2020	1 575 109	617 517	70 672	26 177	1 396 240	3 685 715
Reporting period profit (loss)	0	0	0	0	122 715	122 715
Issue of equity	5 034	0	0	-26 177	26 177	5 034
Declared dividends	0	0	0	0	-158 014	-158 014
Changes in reserves	0	0	3 276	0	-3 276	0
31.12.2021	1 580 143	617 517	73 948	0	1 383 842	3 655 450

The minimum share capital allowed by the Articles of Association of AS Linda Nektar is 1,200,000 euros, and the maximum share capital is 4,800,000 euros. The share has a nominal value of 1 euro. A total of 1,580,143 shares have been issued.

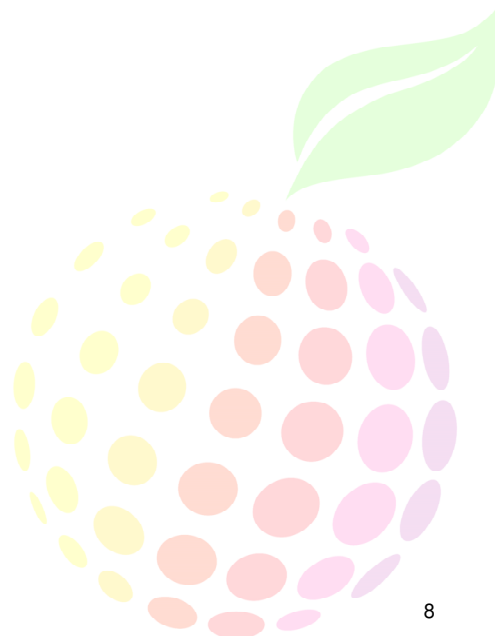
As of 31 December 2021, the Company had 164 shareholders (31.12.2020: 106 shareholders).

In 2017, an option agreement was signed with a member of the AS Linda Nektar supervisory board (Mr. Mats Arne Andersson). The share option gave the supervisory board member a right to acquire 5,034 ordinary shares of AS Linda Nektar. In April 2021 the option holder paid the share nominal value of 1 euro per share, ie 5,034 euros. The vesting period of the option agreement was three years from the date of signing the contract. The fair value of the share option is recognized in retained earnings (previously recognized in equity as a reserve).

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Notes

Note 1 Accounting policies

General information

The 2021 financial statements of AS Linda Nektar have been prepared in accordance with Estonian financial reporting standard. The main requirements of the Estonian financial reporting standards 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 Annual Report 2021 is compiled completely according to the regulations introduced for mid-sized companies.

The financial statements 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 (Raw materials) and individual cost (Work in progress and finished goods) method.

Plant, property and equipment and intangible assets

Assets with an acquisition cost of over 1,000 euros 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 1,000 euros, 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

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- 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 income based on the straight-line method.

Accounting entity as lessee

Operating lease payments are recorded during the rental period as expenses 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. Revenues from the sales of goods are recorded at 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

According to the Income Tax Act of the Republic of Estonia, legal entities are not subject to income tax on profits earned. Corporate income tax is paid on fringe benefits, gifts, donations, costs of entertaining guests, dividends and payments not related to business operations. Thus, in Estonia there are no differences between the tax bases and the carrying amounts of assets, which would give rise to a deferred income tax asset or liability.

From 1 January 2015, the tax rate on dividends payable is 20/80 of the amount paid out as net dividends. The corporate income tax arising from the payment of dividends is accounted for as an expense in the period when dividends are declared.

From 2019, a tax rate of 14/86 can be applied to dividend payments. The more beneficial tax rate can be used for dividend payments in the amount of up to the average dividend payment during the three preceding years that were taxed with the tax rate of 20/80. When calculating the average dividend payment of three preceding years, 2018 will be the first year to be taken into account.

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

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 the Nasdaq First North Alternative Market. Derivatives (such as these option contracts) are revalued at balance sheet date according to the change in fair value of the instrument.

Note 2 Cash and cash equivalents

(In Euros)

	31.12.2021	31.12.2020
Cash on hand	86	72
Bank accounts	651 049	835 094
Total cash and cash equivalents	651 135	835 166

Note 3 Receivables and prepayments

(In Euros)

	31.12.2021	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	408 962	408 962	0	
Accounts receivables	432 745	432 745	0	
Allowance for doubtful receivables	-23 783	-23 783	0	
Tax prepayments and receivables	153 891	153 891	0	5
Prepayments	5 311	5 291	20	
Deferred expenses	5 311	5 291	20	
Total receivables and prepayments	568 164	568 144	20	

	31.12.2020	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	324 818	324 818	0	
Accounts receivables	324 818	324 818	0	
Tax prepayments and receivables	99 118	99 118	0	5
Other receivables	5	5	0	
Interest receivables	5	5	0	
Prepayments	5 130	5 118	12	
Deferred expenses	5 110	5 098	12	
Other paid prepayments	20	20	0	
Total receivables and prepayments	429 071	429 059	12	

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Note 4 Inventories

(In Euros)

	31.12.2021	31.12.2020
Raw materials	165 067	168 895
Work in progress	114 403	232 279
Finished goods	33 858	51 987
Total Inventories	313 328	453 161

No write-down of inventories was made in 2021. In 2020 there was a write-down of finished goods for the consideration of EUR 16,046.

Note 5 Tax prepayments and liabilities

(In Euros)

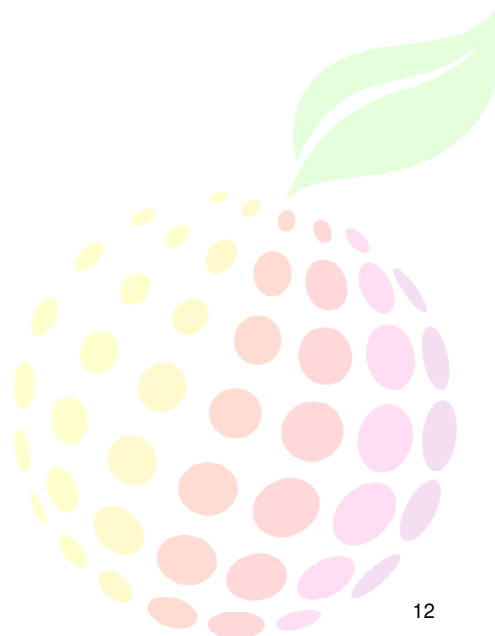
	31.12.2021		31.12.2020	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax	15 919	0	19 955	0
Personal income tax	0	5 838	0	4 292
Fringe benefit income tax	0	648	0	378
Social tax	0	11 456	0	8 764
Contributions to mandatory funded pension	0	410	0	478
Unemployment insurance tax	0	561	0	433
Excise duty tax	91 663	62	68 769	84
Other tax prepayments and liabilities	0	308	0	278
Prepayment account balance	46 309		10 394	
Total tax prepayments and liabilities	153 891	19 283	99 118	14 707

The increased excise duty tax relates to prepayment of a larger volume of raw materials.

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Note 6 Property, plant and equipment

(In Euros)

	Land	Buildings	Transportation	Computers and computer systems	Other machinery and equipment	Machinery and equipment	Other property, plant and equipment	Unfinished projects and prepayment	Total
31.12.2019									
Carried at cost	6 700	1 385 513	75 076	18 023	3 193 246	3 286 345	83 753	73 572	4 835 883
Accumulated depreciation	0	-473 680	-18 972	-13 668	-2 137 227	-2 169 867	-62 516	0	-2 706 063
Residual cost	6 700	911 833	56 104	4 355	1 056 019	1 116 478	21 237	73 572	2 129 820
Acquisitions and additions									
Acquisition of land and buildings, except new buildings and renovations	22 070	0	0	2 025	57 448	59 473	2 167	308 394	392 104
Other acquisitions and additions	0	0	0	2 025	57 448	59 473	2 167	308 394	370 034
Depreciation	0	-87 140	-15 014	-2 274	-271 619	-288 907	-8 624	0	-384 671
Disposals (in residual costs)	0	0	0	0	0	0	-409	0	-409
Reclassifications	0	0	0	0	37 606	37 606	0	-37 606	0
Reclassifications from unfinished projects	0	0	0	0	37 606	37 606	0	-37 606	0
31.12.2020									
Carried at cost	28 770	1 385 513	75 076	20 049	3 279 288	3 374 413	83 818	344 360	5 216 874
Accumulated depreciation	0	-560 820	-33 986	-15 943	-2 399 834	-2 449 763	-69 447	0	-3 080 030
Residual cost	28 770	824 693	41 090	4 106	879 454	924 650	14 371	344 360	2 136 844
31.12.2020									
Carried at cost	28 770	1 385 513	75 076	20 049	3 279 288	3 374 413	83 818	344 360	5 216 874
Accumulated depreciation	0	-560 820	-33 986	-15 943	-2 399 834	-2 449 763	-69 447	0	-3 080 030
Residual cost	28 770	824 693	41 090	4 106	879 454	924 650	14 371	344 360	2 136 844
Acquisitions and additions									
Acquisition of land and buildings, except new buildings and renovations	6 240	0	0	0	275 447	335 337	1 574	69 076	554 705
Acquisition of buildings, new building, renovations	0	142 478	0	0	0	0	0	0	142 478
Other acquisitions and additions	0	0	59 890	0	275 447	335 337	1 574	69 076	405 987
Depreciation	0	-96 328	-15 003	-2 387	-275 497	-292 887	-6 329	0	-395 544
Disposals (in residual costs)	0	0	-26 105	0	0	-26 105	0	0	-26 105
Reclassifications	0	112 925	0	0	176 231	176 231	0	-289 156	0
Reclassifications from unfinished projects	0	112 925	0	0	176 231	176 231	0	-289 156	0
31.12.2021									
Carried at cost	35 010	1 640 916	74 724	17 606	3 726 205	3 818 535	85 392	124 280	5 704 133
Accumulated depreciation	0	-657 148	-14 852	-15 887	-2 670 570	-2 701 309	-75 776	0	-3 434 233
Residual cost	35 010	983 768	59 872	1 719	1 055 635	1 117 226	9 616	124 280	2 269 900

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Disposed property, plant and equipment at selling price

	2021	2020
Machinery and equipment	27 500	0
Transportation	27 500	0
Other property, plant and equipment	0	467
Total	27 500	467

In 2021 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 3,842 and impairment loss EUR 0. In 2020 AS Linda Nektar wrote off non-current assets of acquisition cost EUR 9,012 and impairment loss EUR 0.

As at 31 December 2021, outstanding payables to suppliers of the non-current assets amounted to EUR 11,916 (31.12.2020: EUR 76,411).

Note 7 Intangible assets

(In Euros)

	Computer software	Other intangible assets	Unfinished projects and prepayments	Total
31.12.2019				
Carried at cost	10 648	7 560	0	18 208
Accumulated depreciation	-8 833	-3 150	0	-11 983
Residual cost	1 815	4 410	0	6 225
Acquisitions and additions	0	5 425	900	6 325
Depreciation	-660	-1 621	0	-2 281
31.12.2020				
Carried at cost	10 648	8 449	900	19 997
Accumulated depreciation	-9 493	-235	0	-9 728
Residual cost	1 155	8 214	900	10 269
Depreciation	-660	-2 816	0	-3 476
31.12.2021				
Carried at cost	10 649	8 449	900	19 998
Accumulated depreciation	-10 154	-3 051	0	-13 205
Residual cost	495	5 398	900	6 793

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Note 8 Payables and prepayments

(In Euros)

	31.12.2021	Within 12 months	Note
Trade payables	123 167	123 167	
Employee payables	10 404	10 404	
Related parties payables	676	676	
Tax payables	19 283	19 283	5
Other payables	340	340	
Other payables	340	340	
Total payables and prepayments	153 870	153 870	

	31.12.2020	Within 12 months	Note
Trade payables	154 014	154 014	
Employee payables	9 574	9 574	
Related parties payables	432	432	
Tax payables	14 707	14 707	5
Other payables	69	69	
Other accrued expenses	69	69	
Total payables and prepayments	178 796	178 796	

Note 9 Contingent liabilities and assets

(In Euros)

	31.12.2021	31.12.2020
Contingent liabilities		
Distributable dividends	1 116 609	1 125 783
Income tax liability on distributable dividends	267 233	270 457
Total contingent liabilities	1 383 842	1 396 240

Note 10 Share capital

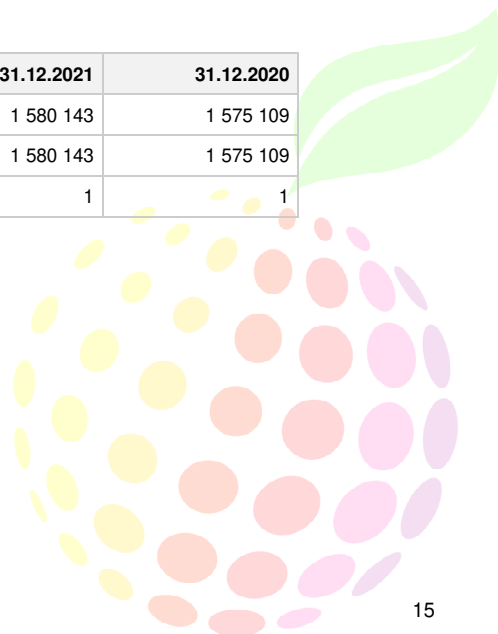
(In Euros)

	31.12.2021	31.12.2020
Share capital	1 580 143	1 575 109
Number of shares (pcs)	1 580 143	1 575 109
Nominal value of shares	1	1

See detailed information in Statement of changes in equity (summary section).

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Note 11 Net sales

(In Euros)

	2021	2020
Net sales by geographical location		
Net sales in European Union		
Estonia	1 088 446	917 324
Finland	345 895	381 260
Latvia	1 637 433	1 174 422
Lithuania	36 765	39 261
Other EU	2 050	14
Total net sales in European Union	3 110 589	2 512 281
Total net sales	3 110 589	2 512 281
Net sales by operating activities		
Manufacture of cider and other fruit wines (bulk)	3 093 146	2 485 446
Wastewater treatment	0	10 650
Sale of goods/services	14 510	11 353
Sale of aroma	2 933	4 832
Total net sales	3 110 589	2 512 281

Note 12 Goods, raw materials and services

(In Euros)

	2021	2020
Raw materials	-1 425 978	-1 184 800
Services	-374 491	-312 579
Total goods, raw materials and services	-1 800 469	-1 497 379

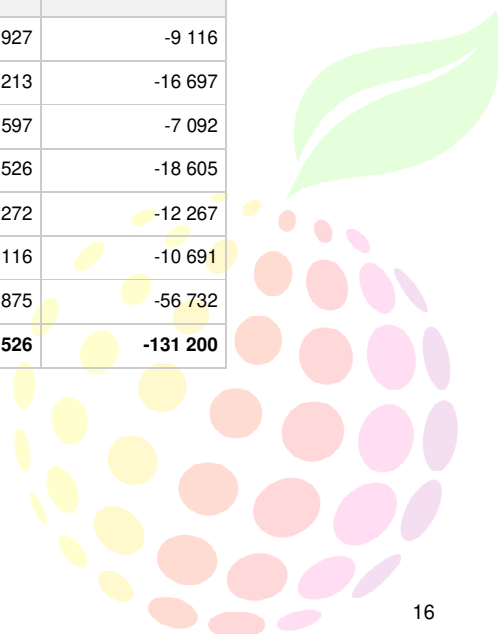
Note 13 Miscellaneous operating expenses

(In Euros)

	2021	2020
Travel expenses	-12 927	-9 116
Training expenses	-41 213	-16 697
State and local taxes	-7 597	-7 092
"First North" costs	-18 526	-18 605
Legal and audit expenses	-15 272	-12 267
Communications	-10 116	-10 691
Other	-71 875	-56 732
Total miscellaneous operating expenses	-177 526	-131 200

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Note 14 Labour expense

(In Euros)

	2021	2020
Wage and salary expense	-324 739	-299 711
Social security taxes	-106 399	-93 482
Total labour expense	-431 138	-393 193
Average number of employees in full time equivalent units	19	18
Average number of employees by types of employment:		
Person employed under employment contract	14	13
Member of management or controlling body of legal person	5	5

Note 15 Income tax

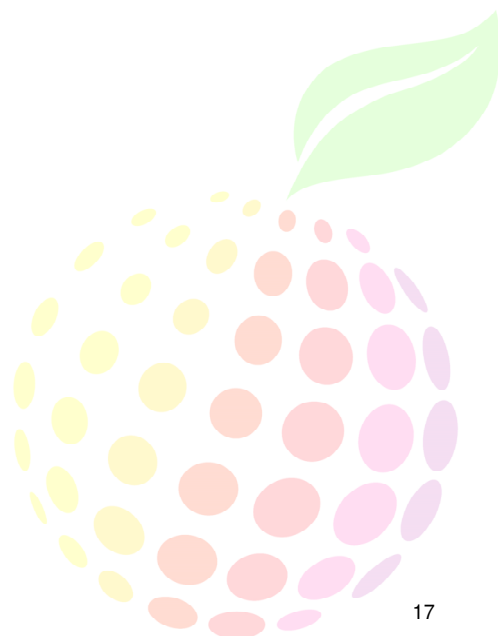
(In Euros)

Income tax expense components	2021		2020	
	Taxable amount	Income tax expense	Taxable amount	Income tax expense
Declared dividends	158 014	28 514	126 009	24 176
Estonia	152 066	27 441	121 674	23 344
Other countries	5 948	1 073	4 335	832
Total	158 014	28 514	126 009	24 176

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Note 16 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

SHORT TERM	2021	2020
Payables and prepayments		
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	676	432
Total payables and prepayments	676	432

BOUGHT	2021	2020
	Services	Services
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	6 272	3 907
Total bought	6 272	3 907

Remuneration and other significant benefits calculated for members of management and highest supervisory body	2021	2020
Remuneration	91 250	100 011

For the purposes of the financial statements of AS Linda Nektar, the following are considered related parties:

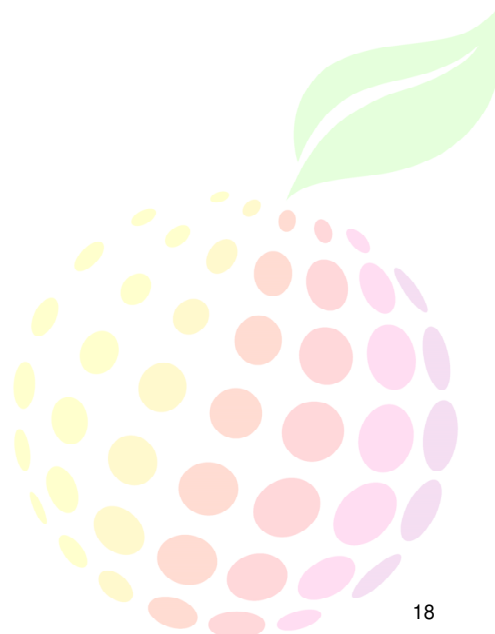
- owners (parent company and owners of the parent company);
- management board and higher management;
- close relatives of the above persons, and the companies related to them.

In 2017, an option agreement was signed with a member of the AS Linda Nektar supervisory board. The option was granted with a vesting period of 3 years. According to the Option Agreement, the option holder could exercise the option within 3 months from the end of the 3-year vesting period. See detailed information in Statement of changes in equity.

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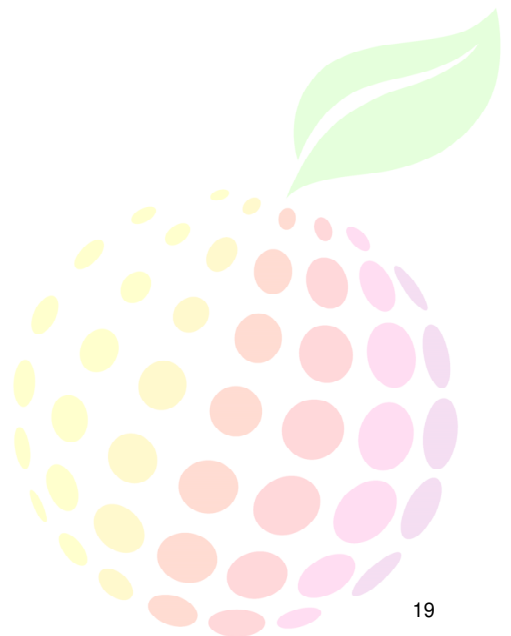
Signatures

The management has prepared the management report and financial statements of AS Linda Nektar for the financial year 01.01.2021 – 31.12.2021 and confirms that the Report provides a true and fair view of the business operations.

Report completion date: 25.02.2022



Kadri Rauba
CEO



INDEPENDENT AUDITOR'S REPORT

(Translation of the Estonian original)

To the Shareholders of AS Linda Nektar**Opinion**

We have audited the financial statements of AS Linda Nektar (the Company), which comprise the balance sheet as at December 31, 2021, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Estonian financial reporting standard.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia) (ISA (EE)s). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (Estonia) (including International Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Management report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the Management report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management report and, in doing so, consider whether the Management report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with Estonian financial reporting standard, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA (EE)s will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA (EE)s, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Janno Greenbaum
Sworn Auditor
License number 486

Grant Thornton Baltic OÜ
License number 3
Pärnu mnt 22, 10141 Tallinn
February 25, 2022