

JSC DITTON PIEVADKĒŽU RŪPNĪCA

Reg. No. 40003030187

Višķu Street 17, Daugavpils, LV-5410, Latvia

FINANCIAL REPORT

FOR 3 MONTHS OF THE YEAR 2022

(01.01.2022 – 31.03.2022)

(Not subject to audit by the independent sworn auditor)

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

Daugavpils

2022

JSC DITON PIEVADĶĒŽU RŪPNĪCA
FINANCIAL REPORT FOR 3 MONTHS OF 2022

Contents

Information about the Company	3-5
Statement about management liability	6
Balance sheet	7-8
Income statement.....	9
Cash flow statement	10
Statement of changes in equity	11
<i>Appendixes</i>	
<i>Explanatory notes</i>	12
<i>Explanations and analyses on separate items of financial reports</i>	13

JSC DITTON PIEVADĶĒŽU RŪPNĪCA
FINANCIAL REPORT FOR 3 MONTHS OF 2022

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	01.01.2022 – 31.03.2022

Person in charge for drawing up of the financial report:

Jūlija Lavrecka, phone +371 65402316, e-mail: dpr@dpr.lv

Boriss Matvejevs, 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 on 14.01.2019 (elected since 15.01.2014).

Information about the shares held by the members of the Management Board

Members of the Management Board	Owned shares *	
	Number	%
Rolands Zarāns	none	none

COUNCIL

Chairman of the Council

Boriss Matvejevs, re-elected on 18.06.2020 (elected since 05.05.2005).

Members of the Council

Genādijs Zavadskis, re-elected on 18.06.2020 (elected since 05.02.2017).

Oto Dzenis, elected on 18.06.2020.

Aleksandrs Sokolovs, elected on 18.06.2020.

Information about the shares owned by the members of the Council

Members of the Council	Owned shares*	
	Number	%
Boriss Matvejevs	none	none
Genādijs Zavadskis	none	none
Oto Dzenis	none	none
Aleksandrs Sokolovs	700 000	9,46**

Information about the professional experience of the members of the Management Board and Council of the JSC Ditton pievadķēžu rūpnīca (hereafter – Company) can be found on the website www.dpr.lv.

* at 31.05.2021

**beneficiary of the Shareholder DVINSK MNG, Ltd.

JSC DITTON PIEVADĶĒŽU RŪPNĪCA
FINANCIAL REPORT FOR 3 MONTHS OF 2022

SHAREHOLDERS OWNING MORE THAN 5% OF THE COMPANY'S TOTAL SHARE CAPITAL*

Given name, surname or Name	Shareholding, %
Eduards Zavadskis	20,00
Vladislavs Driksne	19,92
MAX Invest Holding SIA	13,63
Maleks S SIA	13,56
SIA „DVINSK MNG”	9,46

**Note: (1) The Company is not keeping a share owner and/or a shareholder register. The above information is provided and updated on the basis of the shareholders list dated 31.05.2021 for the ordinary shareholders' meeting of AS Ditton pievadķēžu rūpnīca, which was received from Nasdaq CSD under the Commercial Law of the RoL and the Law on the Financial Instruments Market, taking into consideration the statements of shareholders on the acquisition or loss of their holdings submitted to the Company under Section 61 of the Law on Financial Instruments Market.*

(2) At 31.03.2022, there was no information at the disposal of the Company regarding the allocation of the shares between the heirs of E. Zavadskis (20,00 % in total) and V.Driksne (19,92% in total) and the accounting entries in their financial instruments accounts under Section 125 of the Law on the Financial Instruments Market.

SHARE PRICE DEVELOPMENT



JSC DITTON PIEVADĶĒŽU RŪPNĪCA
FINANCIAL REPORT FOR 3 MONTHS OF 2022

STATEMENT ABOUT MANAGEMENT LIABILITY

The Management declares that the interim report for 3 months of the year 2022 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 the year 2022 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 2021 has no significant changes and is up to date.

Chairman of the Management Board
of JSC Ditton pievadķēžu rūpnīca

Rolands Zarāns

JSC DITTON PIEVADĶĒŽU RŪPNĪCA
FINANCIAL REPORT FOR 3 MONTHS OF 2022

BALANCE SHEET

ASSETS	31.03.2022. EUR	31.03.2021. EUR
Long-term investments		
Intangible investments		
Concessions, patents, licenses, trademarks and similar rights	-	403
Total intangible investments	-	403
Fixed assets		
Immovable property:		
Land	2 061 350	2 061 350
Buildings and structures and permanent crop	1 791 982	1 934 423
Investment properties – land	-	-
Investment properties - buildings	-	-
Technological equipment and devices	2 004 496	2 250 775
Other fixed assets and inventory	13 556	21 705
Costs of the establishment of fixed assets and unfinished building objects	-	-
Total fixed assets	5 871 384	6 268 253
Long-term financial investments		
Other securities and investments	-	-
Total long-term financial investments	-	-
Total long-term investments	5 871 384	6 268 656
Current assets		
Inventories		
Raw materials, consumables and supplies	436 524	463 920
Work in progress	195 685	170 402
Finished products and goods for sale	277 839	263 011
Advance payments for inventories	90 443	100 304
Total inventories	1 000 491	997 637
Debtors		
Trade receivables	812 429	447 632
Other debtors	50 070	19 921
Next period costs	593	634
Total debtors	863 092	468 187
Cash	143 918	119 867
Total current assets	2 007 501	1 585 691
<u>TOTAL ASSETS</u>	<u>7 878 885</u>	<u>7 854 347</u>

JSC DITTON PIEVADKĒŽU RŪPNĪCA
FINANCIAL REPORT FOR 3 MONTHS OF 2022

BALANCE SHEET

LIABILITIES	31.03.2022. EUR	31.03.2021. 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	(9 240 236)	(9 370 970)
Profit or loss of the reporting year	106 369	135 796
Total equity	1 395 384	1 294 077
Long-term creditors		
Loans from credit institutions	3 811 577	4 135 577
Other loans	-	100 000
Next period income	1 050 031	1 133 515
Total long-term creditors	4 861 608	5 369 092
Short-term creditors:		
Loans from credit institutions	283 399	170 384
Other loans	100 000	-
Prepayments received from purchasers	12 447	8 364
Accounts payable to suppliers and contractors	620 404	398 353
Taxes and State mandatory social insurance payments	312 835	382 381
Other creditors	135 689	73 295
Deferred income	62 613	62 613
Accrued obligations	94 506	95 788
Total short-term creditors	1 621 893	1 191 178
Total creditors	6 483 501	6 560 270
<u>TOTAL LIABILITIES</u>	<u>7 878 885</u>	<u>7 854 347</u>

JSC DITTON PIEVADĶĒŽU RŪPNĪCA
FINANCIAL REPORT FOR 3 MONTHS OF 2022

INCOME STATEMENT

	31.03.2022.	31.03.2021.
	EUR	EUR
Net turnover	1 452 874	1 303 998
Production costs of goods sold, purchase costs of goods sold or services rendered	(1 116 708)	(947 344)
Gross profit or loss	336 166	356 654
Sales costs	(11)	(11)
Administrative expenses	(164 668)	(163 800)
Other income from operating activities	25 400	30 031
Other costs of operating activities	(39 188)	(38 709)
Other interest receivable and similar income	563	361
Interest payments and similar expenses	(51 893)	(48 730)
• <i>from other persons</i>	<i>(51 893)</i>	<i>(48 730)</i>
Profit or loss before enterprise income tax	106 369	135 796
Enterprise income tax	-	-
Profit or loss for the fiscal period	<u>106 369</u>	<u>135 796</u>
Profit/diluted profit or loss per share	0.014	0.018

JSC DITTON PIEVADĶĒŽU RŪPNĪCA
FINANCIAL REPORT FOR 3 MONTHS OF 2022

CASH FLOW STATEMENT

	31.03.2022. EUR	31.03.2021. EUR
I. Cash flows from operating activities		
1. Profit or loss before enterprise income tax	106 369	135 796
<i>Adjustments to:</i>		
Depreciation of fixed assets	101 498	100 931
Depreciation of intangible assets	-	1 208
EU funds income recognition	(20 870)	(20 870)
Interest payments and similar income	51 893	48 730
Income from sale of fixed assets	-	-
2. Profit or loss before adjustments to fixed assets and short-term creditors	238 890	265 795
<i>Adjustments to Current assets and Short-term creditors:</i>		
Increase or decrease in accounts receivables	(278 466)	(32 646)
Increase or decrease in inventories	30 565	(56 889)
Increase or decrease in accounts payable to suppliers, contractors and other creditors	135 840	(211 177)
Net cash flows used in operating activities	<u>126 829</u>	<u>(34 917)</u>
II. Cash flows from investing activities		
Proceeds from sale of fixed assets	-	-
Net cash flows used in investing activities	=	=
III. Cash flows from financing activities		
Proceeds from borrowings or repayment of borrowings, net	(63 987)	96 300
Subsidies, grants, gifts or donations received	(51 893)	(48 730)
Purchase of fixed assets	-	(536)
Net cash flows used in financing activities	<u>(115 880)</u>	<u>47 034</u>
Net cash flows of the reporting year	10 949	12 117
Cash and cash equivalents at the beginning of fiscal period	<u>132 969</u>	<u>107 750</u>
Cash and cash equivalents at the end of fiscal period	<u>143 918</u>	<u>119 867</u>

JSC DITTON PIEVADĶĒŽU RŪPNĪCA
FINANCIAL REPORT FOR 3 MONTHS OF 2022

STATEMENT OF CHANGES IN EQUITY
for the period from 01.01.2022 till 31.03.2022

	Equity capital	Other reserves	Retained profit of previous periods	Profit or loss of fiscal period	Total
	EUR	EUR	EUR	EUR	EUR
At 1 January 2021	10 360 000	169 251	(9 345 727)	(51 451)	1 234 975
Other reserves	-	-	-	-	169 251
Profit of 3 months period 2021	-	-	-	135 796	135 796
At 31 March 2021	10 360 000	169 251	(9 370 970)	135 796	1 294 077
At 1 January 2022	10 360 000	169 251	(9 370 970)	130 734	1 289 015
Profit of 3 months period 2022	-	-	-	106 369	106 369
At 31 March 2022	10 360 000	169 251	(9 240 236)	106 369	1 395 384

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 2022, its` operating results and cash flows for 3 months ended 31 March 2022.

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 2022 has not been audited by sworn auditor.

The interim report has been prepared in euros.

Significant events of the Company's economic activity, market trends and development of the Company as well as risks of the Company are given in the Annual report of the Company for the year 2021 and disclosed in the Company's publication of the significant information on 2 March 2022 and 23 May 2022. Taking into account the deterioration of the Company's economic situation in the second quarter of 2022, the review of the Company's future plans and perspectives is planned at the ordinary Shareholders' meeting of the Company.

JSC DITTON PIEVADĶĒŽU RŪPNĪCA
FINANCIAL REPORT FOR 3 MONTHS OF 2022

Explanations and analyses on separate items of financial reports

Production of driving chains in 3 months of 2022 (thousand meters)

The index of the produced driving chains is by 61 thousand meters lower than in 3 months of 2021.

Production of driving chains in 3 months of 2022 (thousand euros)

The value of the produced driving chains in these 3 months reached € 1 042 thousand, what is by € 16 thousand higher than the index of the same period of the previous year.

Sales (net-turnover) in 3 months of 2022 (thousand euros)

The net-turnover of the fiscal period is fulfilled by € 1 453 thousand, being by € 149 thousand or 11 per cent more than the index in the same period of the previous year.

Core product sales in 3 months of 2022 (thousand euros)

Core product sales amounting to € 1 206 thousand in the reporting period is by € 120 thousand or 11 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 2022 was 128 employees with the average salary amounted to EUR 783 what is by EUR 36 higher than in 3 months of 2021.