

# **JSC DITTON PIEVADĶĒŽU RŪPNĪCA**

**Reg. No. 40003030187**

**Višķu Street 17, Daugavpils, LV-5410, Latvia**

## **FINANCIAL REPORT**

**FOR 3 MONTHS OF THE YEAR 2023**

**(01.01.2023 – 31.03.2023)**

**(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**

**2023**

JSC DITON PIEVADĶĒŽU RŪPNĪCA  
FINANCIAL REPORT FOR 3 MONTHS OF 2023

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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	01.01.2023 – 31.03.2023

Person in charge for drawing up of the financial report:

Jūlija Lavrecka, phone +371 65402316, e-mail: [dpr@dpr.lv](mailto: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).

#### Member of the Management board

Raimonds Bruževičs, elected on 28.03.2023.

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

Members of the Management Board	Owned shares *	
	Number	%
Rolands Zarāns	none	none
Raimonds Bruževičs	1900	0,026%

### COUNCIL

#### Chairman of the Council

Vadims Kazačonoks, elected on 24.02.2023

#### Members of the Council

Genādijs Zavadskis, re-elected on 24.02.2023 (elected since 05.02.2017).

Aleksandrs Sokolovs, re-elected on 24.02.2023 (elected since 18.06.2020).

Natalja Ignatova, elected on 24.02.2023

Oļegs Isupovs, elected on 24.02.2023

### Information about the shares owned by the members of the Council

Members of the Council	Owned shares*	
	Number	%
Vadims Kazačonoks	none	none
Genādijs Zavadskis	none	none
Aleksandrs Sokolovs	700 000	9,46**
Natalja Ignatova	none	none
Oļegs Isupovs	966	0,013**

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](http://www.dpr.lv).

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\* at 24.02.2023

\*\*beneficiary of the Shareholder DVINSK MNG, Ltd.

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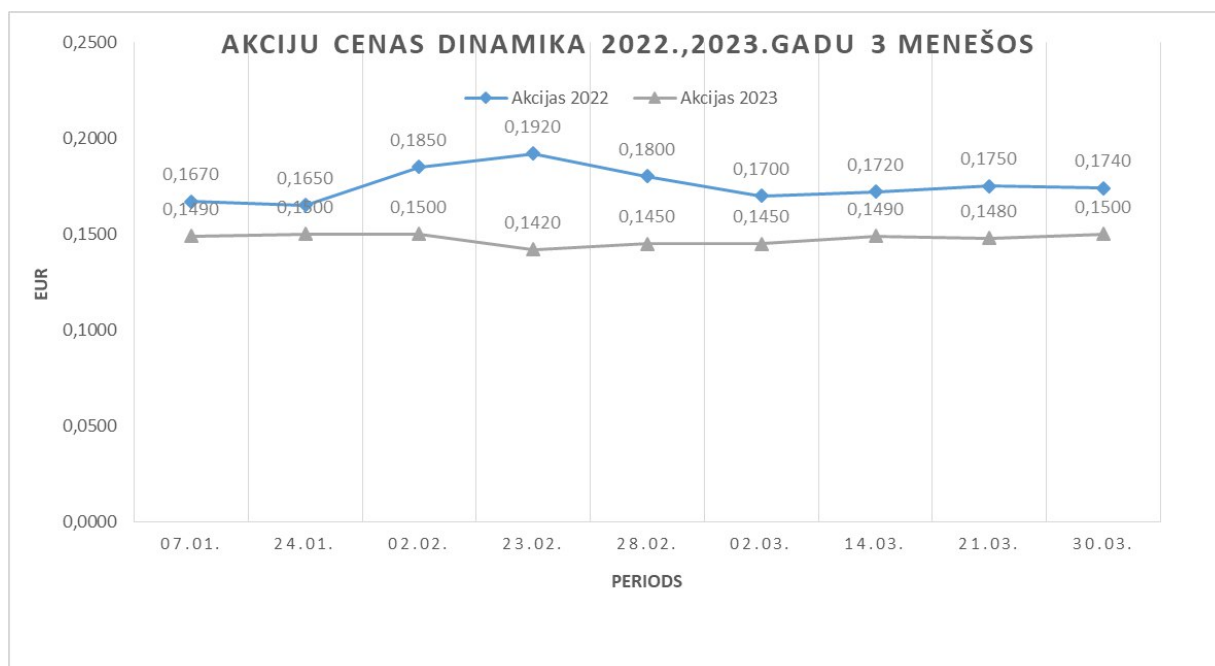
**SHAREHOLDERS OWNING MORE THAN 5% OF THE COMPANY'S TOTAL SHARE CAPITAL\***

Given name, surname or Name	Shareholding, %
Vladislavs Driksne	19,92
MAX Invest Holding SIA	13,63
Maleks S SIA	13,56
SIA „DVINSK MNG”	9,46
Eduards Zavadskis	6,67
Marina Zavadska	6,67
Karolīna Marija Zavadska	6,67

*\*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 24.02.23. 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 31.03.2023, there was no information at the disposal of the Company regarding the allocation of the shares between the heirs of E. Zavadskis (6,67 % 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**



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**STATEMENT ABOUT MANAGEMENT LIABILITY**

The Management declares that the interim report for 3 months of the year 2023 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 2023 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 2022 has no significant changes and is up to date.

Chairman of the Management Board  
of JSC Ditton pievadķēžu rūpnīca

Rolands Zarāns

JSC DITON PIEVADĶĒŽU RŪPNĪCA  
**FINANCIAL REPORT FOR 3 MONTHS OF 2023**

**BALANCE SHEET**

<b>ASSETS</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b>EUR</b>	<b>EUR</b>
<b>Long-term investments</b>		
<b>Intangible investments</b>		
Concessions, patents, licenses, trademarks and similar rights	-	-
<b>Total intangible investments</b>	-	-
<b>Fixed assets</b>		
Immovable property:		
Land	2 061 350	2 061 350
Buildings and structures and permanent crop	1 649 540	1 791 982
Investment properties – land	-	-
Investment properties - buildings	-	-
Technological equipment and devices	1 732 298	2 004 496
Other fixed assets and inventory	2 895	13 556
Costs of the establishment of fixed assets and unfinished building objects	-	-
<b>Total fixed assets</b>	<b>5 446 083</b>	<b>5 871 384</b>
<b>Long-term financial investments</b>		
Other securities and investments	-	-
<b>Total long-term financial investments</b>	-	-
<b>Total long-term investments</b>	<b>5 446 083</b>	<b>5 871 384</b>
<b>Current assets</b>		
<b>Inventories</b>		
Raw materials, consumables and supplies	324 806	436 524
Work in progress	184 901	195 685
Finished products and goods for sale	314 370	277 839
Advance payments for inventories	167 283	90 443
<b>Total inventories</b>	<b>991 360</b>	<b>1 000 491</b>
<b>Debtors</b>		
Trade receivables	332 835	812 429
Other debtors	11 511	50 070
Next period costs	-	593
<b>Total debtors</b>	<b>344 346</b>	<b>863 092</b>
<b>Cash</b>	<b>351 457</b>	<b>143 918</b>
<b>Total current assets</b>	<b>1 687 163</b>	<b>2 007 501</b>
<b><u>TOTAL ASSETS</u></b>	<b><u>7 133 246</u></b>	<b><u>7 878 885</u></b>

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**BALANCE SHEET**

<b>LIABILITIES</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b>EUR</b>	<b>EUR</b>
<b>1. Equity</b>		
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	(9 287 422)	(9 240 236)
Profit or loss of the reporting year	(120 991)	106 369
<b>Total equity</b>	<b>1 120 838</b>	<b>1 294 077</b>
 <b>Long-term creditors</b>		
Loans from credit institutions	3 437 961	3 811 577
Other loans	-	-
Next period income	966 548	1 050 031
<b>Total long-term creditors</b>	<b>4 404 509</b>	<b>5 369 092</b>
 <b>Short-term creditors:</b>		
Loans from credit institutions	300 843	283 399
Other loans	100 000	100 000
Prepayments received from purchasers	8 110	12 447
Accounts payable to suppliers and contractors	526 402	620 404
Taxes and State mandatory social insurance payments	307 338	312 835
Other creditors	181 461	135 689
Deferred income	62 613	62 613
Accrued obligations	121 132	94 506
<b>Total short-term creditors</b>	<b>1 607 899</b>	<b>1 191 178</b>
<b>Total creditors</b>	<b>6 012 408</b>	<b>6 560 270</b>
 <b><u>TOTAL LIABILITIES</u></b>	 <b><u>7 133 246</u></b>	 <b><u>7 878 885</u></b>



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**INCOME STATEMENT**

	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b>EUR</b>	<b>EUR</b>
Net turnover	948 666	1 452 874
Production costs of goods sold, purchase costs of goods sold or services rendered	(823 049)	(1 116 708)
<b>Gross profit or loss</b>	<b>125 617</b>	<b>336 166</b>
Sales costs	-	(11)
Administrative expenses	(198 005)	(164 668)
Other income from operating activities	20 921	25 400
Other costs of operating activities	(27 230)	(39 188)
Other interest receivable and similar income	-	563
Interest payments and similar expenses	(42 294)	(51 893)
• <i>from other persons</i>	<i>(42 294)</i>	<i>(51 893)</i>
<b>Profit or loss before enterprise income tax</b>	<b>(120 991)</b>	<b>106 369</b>
Enterprise income tax	-	-
<b>Profit or loss for the fiscal period</b>	<b><u>(120 991)</u></b>	<b><u>106 369</u></b>
<b>Profit/diluted profit or loss per share</b>	<b>(0.016)</b>	<b>0.014</b>

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**CASH FLOW STATEMENT**

	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b>EUR</b>	<b>EUR</b>
<b>I. Cash flows from operating activities</b>		
1. Profit or loss before enterprise income tax	(120 991)	106 369
<i>Adjustments to:</i>		
Depreciation of fixed assets	100 139	101 498
Depreciation of intangible assets	-	-
EU funds income recognition	(20 871)	(20 870)
Interest payments and similar income	42 294	51 893
Income from sale of fixed assets	-	-
2. Profit or loss before adjustments to fixed assets and short-term creditors	571	238 890
<i>Adjustments to Current assets and Short-term creditors:</i>		
Increase or decrease in accounts receivables	(73 851)	(278 466)
Increase or decrease in inventories	32 785	30 565
Increase or decrease in accounts payable to suppliers, contractors and other creditors	95 418	135 840
<b>Net cash flows used in operating activities</b>	<b><u>54 923</u></b>	<b><u>126 829</u></b>
<b>II. Cash flows from investing activities</b>		
Proceeds from sale of fixed assets	-	-
<b>Net cash flows used in investing activities</b>	<b>=</b>	<b>=</b>
<b>III. Cash flows from financing activities</b>		
Proceeds from borrowings or repayment of borrowings, net	(23 158)	(63 987)
Subsidies, grants, gifts or donations received	(42 293)	(51 893)
Purchase of fixed assets	-	-
<b>Net cash flows used in financing activities</b>	<b><u>(65 451)</u></b>	<b><u>(115 880)</u></b>
<b>Net cash flows of the reporting year</b>	<b>(10 528)</b>	<b>10 949</b>
<b>Cash and cash equivalents at the beginning of fiscal period</b>	<b><u>361 985</u></b>	<b><u>132 969</u></b>
<b>Cash and cash equivalents at the end of fiscal period</b>	<b><u>351 457</u></b>	<b><u>143 918</u></b>

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**STATEMENT OF CHANGES IN EQUITY**  
**for the period from 01.01.2023 till 31.03.2023**

	Equity capital	Other reserves	Retained profit of previous periods	Profit or loss of fiscal period	Total
	EUR	EUR	EUR	EUR	EUR
<b>At 1 January 2022</b>	<b>10 360 000</b>	<b>169 251</b>	<b>(9 370 970)</b>	<b>130 734</b>	<b>1 289 015</b>
Other reserves	-	-	-	-	-
Profit of 3 months period 2022	-	-	-	106 369	<b>106 369</b>
<b>At 31 March 2022</b>	<b>10 360 000</b>	<b>169 251</b>	<b>(9 370 970)</b>	<b>106 369</b>	<b>1 395 384</b>
<b>At 1 January 2023</b>	<b>10 360 000</b>	<b>169 251</b>	<b>(9 240 236)</b>	<b>(47 186)</b>	<b>1 241 829</b>
Loss of 3 months period 2023	-	-	-	(120 991)	<b>(120 991)</b>
<b>At 31 March 2023</b>	<b>10 360 000</b>	<b>169 251</b>	<b>(9 287 422)</b>	<b>(120 991)</b>	<b>1 120 838</b>

*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 2023, its` operating results and cash flows for 3 months ended 31 March 2023.

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 2023 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 2022.

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**Explanations and analyses on separate items of financial reports**

Production of driving chains in 3 months of 2023 (thousand meters)

The index of the produced driving chains is by 63 thousand meters lower than in 3 months of 2022.

Production of driving chains in 3 months of 2023 (thousand euros)

The value of the produced driving chains in these 3 months reached € 702 thousand, what is by € 339 thousand lower than the index of the same period of the previous year.

Sales (net-turnover) in 3 months of 2023 (thousand euros)

The net-turnover of the fiscal period is fulfilled by € 949 thousand, being by € 504 thousand or 65% per cent less than the index in the same period of the previous year.

Core product sales in 3 months of 2023 (thousand euros)

Core product sales amounting to € 791 thousand in the reporting period is by € 415 thousand or 66 per cent less than the result of the same period in the previous year.

The average statistical number of employees in 3 months of year 2022 was 145 employees with the average salary amounted to EUR 837 what is by EUR 54 higher than in 3 months of 2022.