

**JOINT-STOCK COMPANY „PATA SALDUS” AND ITS SUBSIDIARIES**

(REGISTRATION NUMBER 40003020121)

**UNAUDITED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2021**

PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS AS  
ADOPTED BY THE EUROPEAN UNION

**Saldus, 2021**

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## General Information

Name of the Group	<b>Joint-stock company “PATA Saldus”</b>		
Legal status of the Group	Joint-stock Company		
Registration number, place, and date	40003020121, August 26, 1991, Riga		
Address	Kuldīgas iela 86C, Saldus, Saldus novads, LV-3801		
The main areas of activities of the Group	Forestry, commercial timber preparation and related services; production of board lumber, etc. NACE 2.red. 1610 – Sawmilling and planning of wood		
Members of the Board	Gatis Zommers – Chairman of the Board Jānis Mierkalns – member of the Board Ilze Bukulde - member of the Board		
Members of the Council	Uldis Mierkalns – Chairman of the Council Jānis Bertrāns - Deputy Chairman of the Council Inga Mierkalna - member of the Council Inga Jākobsone - member of the Council		
Shareholders who owns 5% and more of total shares with voting rights	Saldus MRU SIA	44.38%	343 666 shares
	Kubit SIA	27.82%	215 394 shares
	PATA SIA	22.93%	177 516 shares
Subsidiaries			
1. Name of the company	SIA “PAKUĻU SPORTA BĀZE” (100%)		
Legal status of the company	Limited Liability Company		
Number and date of registration in the commercial register	48503009010, November 21, 2002		
Address	“Mežvidi”, Novadnieku pag., Saldus novads, LV-3801		
Core business activities of the company	Other sports activities		
Interest of the Parent company	JSC “PATA Saldus” – 100%		
Reporting period	January 1 – March 31, 2021		
2. Name of the company	ООО “Деревообрабатывающий комбинат № 3” (100%)		
Legal status of the company	Limited Liability Company (ООО - Общество с ограниченной ответственностью)		
Registration number, date, place	1066027046337, October 9, 2006		
Address	Russia: 180005, Россия, г. Псков, Зональное шоссе, д. 44-А		
Core business activities of the company	Woodworking, production of board lumber		
Interest of the Parent company	JSC “PATA Saldus” – 100%		
Reporting period	January 1 – March 31, 2021		

Joint-stock company „PATA Saldus” and its subsidiaries  
Address: Kuldīgas street 86c, Saldus, Saldus District,  
LV-3801, Republic of Latvia  
Registration number: 40003020121

Financial information for the period  
for the period ended 31 of March 2021  
(Unaudited)

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Ultimate Parent company that controls JSC  
“PATA Saldus”

Name of the ultimate Parent company	SIA “PATA” (67%)
Legal status of the ultimate Parent company	Limited Liability Company
Number and date of registration in the commercial register	40003448619, June 10, 1999
Address	Miera iela 2, Inčukalns, Inčukalna nov., LV-2141
Core business activities of the ultimate Parent company	Wholesale of wood, silviculture and other forestry activities
Interest of the ultimate Parent company	SIA “PATA” – direct holding – 23%, indirect holding – 44%
Owner of the ultimate Parent company	Uldis Mierkalns – 100%
Reporting period	January 1 – March 31, 2021

Name and address of the Auditor	Svetlana Šemele-Baikova Certified Auditor of the Republic of Latvia Certificate No. 212	SIA “Nexia Audit Advice” Registration No. 40003858822 Grēcinieku iela 9-3, Rīga, LV-1050, Latvia Licence No. 134
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## Statement of Management Responsibility

Management is responsible for preparing financial statements based on the initial accounting records of each year of account, which truly reflects the Group's financial position at the end of the year of account, as well as results of operations and cash flows for the period. The Management Report contains truthful information on Group's development and results of its operations.

Financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the European Union.

The Management confirms that, in preparing this report for the period ending on 31 March 2021, proper accounting methods were used, their application was consistent, reasonable and prudent decisions were taken. The Management confirms that the relevant International Accounting Standards have been observed and the financial statements have been prepared in accordance with the principle of continuation. The Management is responsible for keeping proper accounting records, the Group's resources conservation as well as fraud prevention and prevention of other irregularities.

May 31, 2021

Board:

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Gatis Zommers  
Chairman of the Board

Jānis Mierkalns  
Member of the Board

Ilze Bukulde  
Member of the Board

## Consolidated Statement of Comprehensive income

	2021.03.31	2020.03.31
	EUR	EUR
Revenue	19 239 601	13 016 823
Cost of sales	(17 120 426)	(11 782 944)
<b>Gross profit</b>	<b>2 119 175</b>	<b>1 233 879</b>
Distribution costs	(9 985)	(173)
Administrative expenses	(105 811)	(79 757)
Other operating income	366 389	360 832
Other operating expense	(213 483)	(456 962)
<b>Operating profit or loss</b>	<b>2 156 285</b>	<b>1 057 819</b>
Finance income	375	358
Finance costs	(132 426)	(108 727)
<b>Profit or loss before tax</b>	<b>2 024 234</b>	<b>949 450</b>
<b>Profit or loss for the period</b>	<b>2 024 234</b>	<b>949 450</b>
<b>Profit/loss on share</b>	<b>2,44</b>	<b>1,15</b>
EUR per share		

May 31, 2021

Board:

Gatis Zommers  
Chairman of the Board

Jānis Mierkalns  
Member of the Board

Iļze Bukulde  
Member of the Board

## Consolidated Statement of Financial Position

### ASSETS

	2021.03.31	2020.12.31
	EUR	EUR
<b>NON-CURRENT ASSETS</b>		
<b>Intangible assets</b>		
Concessions, patents, licences and similar costs	44 472	42 750
TOTAL	<b>44 472</b>	<b>42 750</b>
<b>Property, plant and equipment</b>		
Land, buildings and perennial plantations	5 680 193	5 743 807
Technological equipment and machinery	11 543 339	11 736 405
Other fixed assets	55 165	22 670
Rights of used assets	1 275 003	1 539 622
Construction in progress	362 596	341 052
TOTAL	<b>18 916 296</b>	<b>19 383 556</b>
<b>Biological assets</b>		
	<b>707 589</b>	<b>707 589</b>
<b>Long-term financial investments</b>		
Other securities and investments	8 540	8 540
Deferred income tax asset	0	10 734
TOTAL	<b>8 540</b>	<b>19 274</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>19 676 897</b>	<b>20 153 169</b>
<b>CURRENT ASSETS</b>		
<b>Inventories</b>		
Raw materials, basic materials and consumables	1 289 569	1 216 814
Biological assets	1 346 510	1 510 937
Unfinished production	2 339 374	1 709 119
Finished production and goods for sale	941 874	1 002 125
Advance payments for goods	596 225	170 942
TOTAL	<b>6 513 552</b>	<b>5 609 937</b>
<b>Receivables</b>		
Trade receivables	737 351	593 784
Receivables from related companies	13 706 264	14 382 659
Other receivables	222 205	287 453
Prepaid expenses	331 424	240 244
TOTAL	<b>14 997 244</b>	<b>15 504 140</b>
<b>Cash and cash equivalents</b>		
	69 590	64 090
<b>TOTAL CURRENT ASSETS</b>	<b>21 580 386</b>	<b>21 178 167</b>
<b>TOTAL ASSETS</b>	<b>41 257 283</b>	<b>41 331 336</b>

May 31, 2021

Board:

Gatis Zommers  
 Chairman of the Board

Jānis Mierkalns  
 Member of the Board

Ilze Bukulde  
 Member of the Board

## Consolidated Statement of Financial Position (continued)

### EQUITY AND LIABILITIES

	2021.03.31	2020.12.31
Equity	EUR	EUR
Share capital	579 916	579 916
Share premium	2 828	2 828
Foreign currency exchange fluctuations	(499)	(7 430)
Revaluation reserve of non-current assets	1 477 868	1 477 868
Other reserves	3 741 168	3 741 168
Retained earnings of the previous years	11 620 743	6 534 507
Retained earnings of the reporting year	2 024 234	5 050 597
<b>TOTAL EQUITY</b>	<b>19 446 258</b>	<b>17 379 454</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans from credit institutions	10 038 776	10 046 427
Other loans	1 572 336	2 089 088
Deferred revenue	1 683 275	1 754 321
TOTAL	<b>13 294 387</b>	<b>13 889 836</b>
<b>Current liabilities</b>		
Loans from credit institutions	1 061 586	1 967 791
Other loans	1 278 667	1 267 001
Prepayments received from customers	57 000	57 000
Trade payables	4 713 267	4 144 415
Payable to related companies	0	1 206 312
Taxes and statutory social insurance contributions	341 640	425 870
Other payables	297 772	258 595
Deferred revenue	284 180	284 180
Accrued liabilities	482 526	450 882
TOTAL	<b>8 516 638</b>	<b>10 062 046</b>
<b>TOTAL LIABILITIES</b>	<b>21 811 025</b>	<b>23 951 882</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>41 257 283</b>	<b>41 331 336</b>

May 31, 2021

Board:

Gatis Zommers  
 Chairman of the Board

Jānis Mierkalns  
 Member of the Board

Ize Bukulde  
 Member of the Board

## Consolidated Statement of Cash Flow

	3 Month of 2021	3 Month of 2020
	EUR	EUR
<b>Cash flow from operating activities</b>		
<b>Profit (+) or loss (-) before tax</b>	<b>2 024 234</b>	<b>949 450</b>
Adjustments for:		
Depreciation of property plant and equipment and intangible assets	525 931	741 742
Profit (-) or loss (+) from fluctuations of exchange rate	(2 085)	(4 446)
Non-current and current financial investment value adjustments	(71 046)	(71 045)
Interest and similar costs	130 596	120 451
<b>Operating cash flow before working capital changes</b>	<b>2 607 630</b>	<b>1 736 152</b>
Adjustments for:		
Increase / decrease in trade and other receivables	508 818	278 949
Increase / decrease in inventories	(903 252)	993 253
Increase / decrease in trade and other payables	(422 237)	(2 045 931)
<b>Cash generated from operations</b>	<b>1 790 959</b>	<b>962 423</b>
Interest paid	(122 143)	(108 379)
<b>Net cash flow generated from operating activities</b>	<b>1 668 816</b>	<b>854 044</b>
<b>Cash flow from investing activities</b>		
Income from sales of fixed assets, intangible assets, biological assets	0	55 575
Purchase of property, plant and equipment and intangible assets	(256 387)	(38 524)
Prepayments for fixed assets under development and construction in progress	(58 731)	(11 493)
<b>Net cash flow generated from investing activities</b>	<b>(315 118)</b>	<b>5 558</b>
<b>Cash flow from financing activities</b>		
Repayment of loans	(433 669)	(465 716)
Changes in credit lines	(620 553)	130 702
Lease principal amount payments	(284 840)	(321 685)
Lease interest payments	(9 136)	(13 675)
<b>Net cash flow generated from financing activities</b>	<b>(1 348 198)</b>	<b>(670 374)</b>
<b>Net cash flow in the financial period</b>	<b>5 500</b>	<b>189 228</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>64 090</b>	<b>3 719</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>69 590</b>	<b>192 947</b>

Cash flow statement is prepared using the indirect method in accordance with IAS 7.

May 31, 2021

Board:

Gatis Zommers  
 Chairman of the Board

Jānis Mierkalns  
 Member of the Board

Ilze Bukulde  
 Member of the Board

## Consolidated Statement of Changes in Equity

	Share capital	Revaluation reserve of non-current assets	Foreign currency exchange fluctuations	Share premium	Other reserves	Retained earnings of the previous years	Retained earnings of the reporting year	Total equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Balance as at 31 December 2019</b>	<b>579 916</b>	<b>1 370 057</b>	<b>86 939</b>	<b>2 828</b>	<b>3 741 168</b>	<b>8 196 860</b>	<b>(1 995 298)</b>	<b>11 982 470</b>
Fluctuation of exchange rate	0	0	(67 149)	0	0	267 199	0	200 050
Distribution of profit of the year 2019	0	0	0	0	0	(1 995 298)	1 995 298	0
Profit for the period	0	0	0	0	0	0	949 450	949 450
<b>Balance as at 31 March 2020</b>	<b>579 916</b>	<b>1 370 057</b>	<b>19 790</b>	<b>2 828</b>	<b>3 741 168</b>	<b>6 468 761</b>	<b>949 450</b>	<b>13 131 970</b>
<b>Balance as at 31 December 2020</b>	<b>579 916</b>	<b>1 477 868</b>	<b>(7 430)</b>	<b>2 828</b>	<b>3 741 168</b>	<b>6 534 507</b>	<b>5 050 597</b>	<b>17 379 454</b>
Fluctuation of exchange rate	0	0	6 931	0	0	35 639	0	42 570
Distribution of profit of the year 2020	0	0	0	0	0	5 050 597	(5 050 597)	0
Profit for the period	0	0	0	0	0	0	2 024 234	2 024 234
<b>Balance as at 31 March 2021</b>	<b>579 916</b>	<b>1 477 868</b>	<b>(499)</b>	<b>2 828</b>	<b>3 741 168</b>	<b>11 620 743</b>	<b>2 024 234</b>	<b>19 446 258</b>

May 31, 2021

Board:

Gatis Zommers  
 Chairman of the Board

Jānis Mierkalns  
 Member of the Board

Ilze Bukulde  
 Member of the Board