

**JOINT STOCK COMPANY „PATA SALDUS”**

(UNIFIED REGISTRATION NUMBER 40003020121)

**FINANCIAL REPORT FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2021 (UNAUDITED)**

PREPARED IN ACCORDANCE WITH

THE LAW OF THE REPUBLIC OF LATVIA ON ANNUAL REPORTS

**Saldus, 2021**

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## General Information

Name of the Company	<b>Joint Stock Company “PATA Saldus”</b>		
Legal status of the Company	Joint Stock Company		
Number, place and date of registration	40003020121, August 26, 1991, Riga		
Address	Kuldīgas iela 86C, Saldus, Saldus novads, LV-3801		
Type of operations	Forestry, commercial timber preparation and related services; production of board lumber, etc. NACE 2.red. 1610 – sawmilling and planing 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
Subsidiary enterprises			
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 rajons LV 3801		
The main areas of activities of the Company	Other sports activities		
Owner of the 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 and place	1066027046337 October 9, 2006		
Address	Russia: 180005, Россия, г. Псков, Зональное шоссе, д. 44-А		
The main areas of activities of the Company	Woodworking, production of board lumber		
Owner of the Company	JSC “PATA Saldus” – 100%		
Reporting period	January 1 – March 31, 2021		

Parent Company

Name of the Company	SIA “PATA” (67%)
Legal status of the Company	Limited Liability Company
Number and date of registration in the commercial register	40003448619, June 10, 1999
Address	Miera iela 2, Incukalns, Inčukalna nov., LV-2141
The main areas of activities of the Company	Wholesale of wood, silviculture and other forestry activities
Owner of the Company	Uldis Mierkalns – 100%
Reporting period	January 1 – March 31, 2021

Name and address of the Auditor

SIA “Nexia Audit Advice”  
Certified Auditor's Licence No. 134  
Number of registration No. 40003858822  
Grēcinieku iela 9-3, Rīga,  
LV-1004, Latvia

Certified Auditor Svetlana Šemele-Baikova  
LZRA Certificate No. 212

## 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 company'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 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 company'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

## Income Statement

	2021.03.31 EUR	2020.03.31 EUR
Revenue	19 235 503	13 012 082
Costs of goods sold or services provided	(17 145 543)	(12 025 088)
<b>Gross profit or losses</b>	<b>2 089 960</b>	<b>986 994</b>
Distribution expenses	(9 985)	(173)
Administrative expenses	(102 215)	(75 366)
Other operating income	332 378	319 574
Other operating expenses	(188 267)	(253 579)
Interest and similar income, incl.	375	358
a) from other parties	375	358
Interest and similar expenses, incl.	(121 553)	(107 012)
a) for other parties	(121 553)	(107 012)
<b>Profit or loss before corporate income tax</b>	<b>2 000 693</b>	<b>870 796</b>
<b>Profit or loss after corporate income tax</b>	<b>2 000 693</b>	<b>870 796</b>
<b>Profit or loss for the period</b>	<b>2 000 693</b>	<b>870 796</b>
<b>Profit/loss on share (EUR)</b>	<b>2,41</b>	<b>1,05</b>

May 31, 2021

Board:

Gatis Zommers  
 Chairman of the Board

Jānis Mierkalns  
 Member of the Board

Ilze Bukulde  
 Member of the Board

## Balance Sheet

### ASSETS

	2021.03.31	2020.12.31
	EUR	EUR
<b>NON-CURRENT ASSETS</b>		
<b>Intangible assets</b>		
Concessions, patents, licences, trademarks and similar rights	44 472	42 750
<b>Total intangible assets</b>	<b>44 472</b>	<b>42 750</b>
<b>Fixed assets</b>		
Immovable properties		
a) land plots, buildings and engineering structures	5 454 326	5 523 012
Fauna and flora		
b) biological assets	707 589	707 589
Technological equipment and machinery	11 634 421	11 856 273
Other fixed assets	87 873	57 809
Fixed assets under development and construction in progress	260 062	232 960
<b>Total fixed assets</b>	<b>18 144 271</b>	<b>18 377 643</b>
<b>Non-current financial investments</b>		
Investments in group companies	956 739	956 739
Receivables from group companies	689 851	686 230
Other securities and investments	8 540	8 540
<b>Total non-current financial investments</b>	<b>1 655 130</b>	<b>1 651 509</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>19 843 873</b>	<b>20 071 902</b>
<b>CURRENT ASSETS</b>		
<b>Inventories</b>		
Raw materials and consumables	1 289 569	1 216 814
Work in progress	2 339 374	1 709 119
Finished goods and goods for sale	931 319	991 933
Fauna and flora		
a) biological assets	1 346 510	1 510 937
Advances for inventories	596 225	170 942
<b>Total inventories</b>	<b>6 502 997</b>	<b>5 599 745</b>
<b>Account receivable</b>		
Trade receivables	736 489	594 893
Receivables from group companies	13 711 433	14 399 131
Other receivables	208 880	286 030
Deferred expenses	331 424	240 244
<b>Total receivables</b>	<b>14 988 226</b>	<b>15 520 298</b>
<b>Cash and cash equivalents</b>	9 538	4 101
<b>TOTAL CURRENT ASSETS</b>	<b>21 500 761</b>	<b>21 124 144</b>
<b>TOTAL ASSETS</b>	<b>41 344 634</b>	<b>41 196 046</b>

May 31, 2021

Board:

Gatis Zommers Chairman of the Board	Jānis Mierkalns Member of the Board	Ilze Bukulde Member of the Board
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## Balance Sheet (continued)

### EQUITY AND LIABILITIES

EQUITY	2021.03.31 EUR	2020.12.31 EUR
Share capital	579 916	579 916
Share premium	2 828	2 828
Revaluation reserve of non-current investments	1 477 868	1 477 868
Reserves:		
f) other reserves	3 741 168	3 741 168
Retained earnings:		
a) retained earnings from the previous year	13 139 041	7 738 621
b) current year profit or losses	2 000 693	5 400 420
<b>TOTAL EQUITY</b>	<b>20 941 514</b>	<b>18 940 821</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans from credit institutions	10 038 776	10 046 427
Other loans	1 403 900	1 549 571
Deferred income	1 683 275	1 754 321
<b>Total non-current liabilities</b>	<b>13 125 951</b>	<b>13 350 319</b>
<b>Current liabilities</b>		
Loans from credit institutions	1 061 586	1 967 791
Other loans	383 848	420 044
Prepayments received from customers	57 000	57 000
Trade payables	4 472 424	3 838 096
Payables to group companies	0	1 206 312
Taxes and state social insurance payments	237 961	422 240
Other creditors	297 644	258 361
Deferred income	284 180	284 180
Accrued liabilities	482 526	450 882
<b>Total current liabilities</b>	<b>7 277 169</b>	<b>8 904 906</b>
<b>TOTAL LIABILITIES</b>	<b>20 403 120</b>	<b>22 255 225</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>41 344 634</b>	<b>41 196 046</b>

May 31, 2021

Board:

Gatis Zommers Chairman of the Board	Jānis Mierkalns Member of the Board	Ilze Bukulde Member of the Board
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## Cash Flow Statement

	3 Month of 2021	3 Month of 2020
	EUR	EUR
<b>Cash flow from operating activities</b>		
<b>Profit (+) or loss (-) before corporate income tax</b>	<b>2 000 693</b>	<b>870 796</b>
Adjustments for:		
Depreciation and impairment of fixed assets and intangible assets	512 647	511 707
Profit (-) or loss (+) from fluctuations of foreign currency rates	(3 651)	24 881
Impairment of non-current and current financial investments	(71 046)	(71 045)
Interest and similar expenses	121 460	106 776
<b>Profit or loss prior to changes in current assets and current liabilities</b>	<b>2 560 103</b>	<b>1 443 115</b>
Adjustments for:		
Increase (+) or decrease (-) of account receivable	532 102	313 877
Increase (+) or decrease (-) of inventory	(903 252)	993 253
Increase (+) or decrease (-) of account payables and other liabilities	(649 606)	(2 045 121)
<b>Gross cash flow from operating activities</b>	<b>1 539 347</b>	<b>705 124</b>
Interest payments	(122 143)	(108 379)
<b>Net cash flow generated from operating activities</b>	<b>1 417 204</b>	<b>596 745</b>
<b>Cash flow from investing activities</b>		
Income from selling fixed assets and intangible assets	0	55 575
Acquisition of fixed assets 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
Finance lease payments	(42 427)	(77 611)
<b>Net cash flow generated from financing activities</b>	<b>(1 096 649)</b>	<b>(412 625)</b>
<b>Net cash flow in the financial year</b>	<b>5 437</b>	<b>189 678</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>4 101</b>	<b>1 262</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>9 538</b>	<b>190 940</b>

Cash flow statement is prepared using the indirect method in accordance with Rules of The Cabinet of Ministers No. 775

May 31, 2021

Board:

Gatis Zommers  
Chairman of the Board

Jānis Mierkalns  
Member of the Board

Ilze Bukulde  
Member of the Board

## Statement of Changes in Equity

	Share capital	Share premium	Revaluation reserves of non-current investments	Other reserves	Retained earnings from the previous year	Current year profit or losses	Total equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>December 31, 2019</b>	<b>579 916</b>	<b>2 828</b>	<b>1 370 057</b>	<b>3 741 168</b>	<b>9 603 880</b>	<b>(1 865 259)</b>	<b>11 432 590</b>
Distribution of profit of the year 2019	0	0	0	0	(1 865 259)	1 865 259	0
Current year profit or losses	0	0	0	0	0	870 796	870 796
<b>March 31, 2020</b>	<b>579 916</b>	<b>2 828</b>	<b>1 370 057</b>	<b>3 741 168</b>	<b>7 738 621</b>	<b>870 796</b>	<b>14 303 386</b>
<b>December 31, 2020</b>	<b>579 916</b>	<b>2 828</b>	<b>1 477 868</b>	<b>3 741 168</b>	<b>7 738 621</b>	<b>5 400 420</b>	<b>18 940 821</b>
Distribution of profit of the year 2020	0	0	0	0	5 400 420	(5 400 420)	0
Current year profit or losses	0	0	0	0	0	2 000 693	2 000 693
<b>March 31, 2021</b>	<b>579 916</b>	<b>2 828</b>	<b>1 477 868</b>	<b>3 741 168</b>	<b>13 139 041</b>	<b>2 000 693</b>	<b>20 941 514</b>

May 31, 2021

Board:

Gatis Zommers  
Chairman of the Board

Jānis Mierkalns  
Member of the Board

Ilze Bukulde  
Member of the Board