

JOINT STOCK COMPANY „PATA SALDUS”

(UNIFIED REGISTRATION NUMBER 40003020121)

FINANCIAL REPORT FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2019 (UNAUDITED)

PREPARED IN ACCORDANCE WITH

THE LAW OF THE REPUBLIC OF LATVIA ON ANNUAL REPORTS

Saldus, 2019

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General Information

Name of the Company	Joint Stock Company “PATA Saldus”
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	Andris Krastiņš - Chairman of the Board (till February 21, 2019) Gatis Zommers – Chairman of the Board (since February 21, 2019) Jānis Mierkalns – Member of the Board Ilze Bukulde - Member of the Board Gatis Zommers - Member of the Board (till February 21, 2019) Arvis Tone – Member of the Board (since February 21, 2019)
Members of the Council	Uldis Mierkalns – Chairman of the Council Jānis Bertrāns - Deputy Chairman of the Council Inga Mierkalna - Member of the Council Ieva Sniedze - Member of the Council
Subsidiary enterprises	
1. Name of the Company	<i>SIA “PAKUĻU SPORTA BĀZE” (100%)</i>
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, 2019
2. Name of the Company	<i>ООО “Деревообрабатывающий комбинат № 3” (100%)</i>
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, 2019

Associated enterprise

1. Name of the Company	SIA “SALDUS ENERĢIJA” (20%)
Legal status of the Company	Limited Liability Company
Number and date of registration in the commercial register	40103265702, December 22, 2009
Address	Cēsu iela 14, Rīga, LV-1012
The main areas of activities of the Company	Production of electricity, activities of holding companies.
Owner of the Company	JSC “PATA Saldus” – 20%
Reporting period	January 1 - March 31, 2019

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, 2019

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 Marija Jansone
LZRA Certificate No. 25

According to the Register of Enterprises of the Republic of Latvia decision Nr. 6-12/21838 from 21.02.2019 JSC PATA Saldus has recorded the following changes in the Board:

- Released Chairman of the Board: Andris Krastiņš
- Appointed member of the Board: Arvis Tone
- Changed the position “Member of the Board” to “Chairman of the Board”: Gatis Zommers

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 2019, 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, 2019

Board:

Gatis Zommers
Chairman of the Board

Jānis Mierkalns
Member of the Board

Ilze Bukulde
Member of the Board

Arvis Tone
Member of the Board

Income Statement

	2019.03.31 EUR	2018.03.31 EUR
Revenue	16 598 467	15 549 553
Costs of goods sold or services provided	-16 666 207	-14 073 154
Gross profit or losses	-67 740	1 476 399
Distribution expenses	0	-3 041
Administrative expenses	-84 304	-99 999
Other operating income	264 503	170 524
Other operating expenses	-182 510	-155 064
Interest and similar income, incl.	0	0
a) from other parties	0	0
Interest and similar expenses, incl.	-79 617	-76 396
a) for other parties	-79 617	-76 396
Profit or loss before corporate income tax	-149 668	1 312 423
Profit or loss after corporate income tax	-149 668	1 312 423
Profit or loss for the period	-149 668	1 312 423
Profit/loss on share (EUR)	-0.18	3.17

May 31, 2019

Board:

Gatis Zommers Chairman of the Board	Jānis Mierkalns Member of the Board	Ilze Bukulde Member of the Board	Arvis Tone Member of the Board
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Balance Sheet

ASSETS

	2019.03.31	2018.12.31
	EUR	EUR
NON-CURRENT ASSETS		
Intangible assets		
Concessions, patents, licences, trademarks and similar rights	17 224	17 864
Total intangible assets	17 224	17 864
Fixed assets		
Immovable properties		
a) land plots, buildings and engineering structures	5 981 354	6 063 240
Fauna and flora		
b) biological assets	767 702	767 702
Technological equipment and machinery	12 721 551	12 565 359
Other fixed assets	83 439	84 937
Fixed assets under development and construction in progress	1 219 982	590 078
Total fixed assets	20 774 028	20 071 316
Non-current financial investments		
Investments in group companies	1 009 149	1 009 149
Receivables from group companies	714 258	700 929
Participation in capital of associates	8 540	8 540
Deferred tax assets	288 424	288 424
Total non-current financial investments	2 020 371	2 007 042
TOTAL NON-CURRENT ASSETS	22 811 623	22 096 222
CURRENT ASSETS		
Inventories		
Raw materials and consumables	3 263 374	4 436 973
Work in progress	1 461 000	1 387 671
Finished goods and goods for sale	1 293 019	1 591 771
Fauna and flora		
a) biological assets	1 562 576	1 562 576
Advances for inventories	119 186	486 756
Total inventories	7 699 155	9 465 747
Account receivable		
Trade receivables	446 554	424 660
Receivables from group companies	9 373 599	8 934 184
Receivables from associates	0	451 228
Other receivables	356 027	261 891
Deferred expenses	360 640	330 383
Total receivables	10 536 820	10 402 346
Cash and cash equivalents	74	136
TOTAL CURRENT ASSETS	18 236 049	19 868 229
TOTAL ASSETS	41 047 672	41 964 451

May 31, 2019

Board:

Gatis Zommers
 Chairman of the Board

Jānis Mierkalns
 Member of the Board

Ilze Bukulde
 Member of the Board

Arvis Tone
 Member of the Board

Balance Sheet (continued)

EQUITY AND LIABILITIES

EQUITY	2019.03.31 EUR	2018.12.31 EUR
Share capital	579 916	579 916
Share premium	2 828	2 828
Revaluation reserve of non-current investments	1 370 057	1 370 057
Reserves:		
f) other reserves	3 741 168	3 741 168
Retained earnings:		
a) retained earnings from the previous year	9 962 010	4 661 144
b) current year profit or losses	-149 668	5 300 866
TOTAL EQUITY	15 506 311	15 655 979
LIABILITIES		
Non-current liabilities		
Loans from credit institutions	11 964 376	10 510 016
Other loans	2 663 633	2 656 272
Deferred income	1 928 286	1 993 756
Total non-current liabilities	16 556 295	15 160 044
Current liabilities		
Loans from credit institutions	1 448 836	2 236 011
Other loans	1 149 770	1 058 144
Prepayments received from customers	410	409
Trade payables	4 602 040	5 892 088
Payables to group companies	0	0
Payables to associates	299 996	621 352
Taxes and state social insurance payments	406 264	248 212
Other creditors	278 245	260 079
Deferred income	261 880	261 880
Accrued liabilities	537 625	570 253
Total current liabilities	8 985 066	11 148 428
TOTAL LIABILITIES	25 541 361	26 308 472
TOTAL EQUITY AND LIABILITIES	41 047 672	41 964 451

May 31, 2019

Board:

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

	3 Month of 2019	3 Month of 2018
	EUR	EUR
Cash flow from operating activities		
Profit (+) or loss (-) before corporate income tax	-149 668	1 312 423
Adjustments for:		
Depreciation and impairment of fixed assets	511 551	467 982
Depreciation and impairment of intangible assets	5 994	2 750
Profit (-) or loss (+) from fluctuations of foreign currency rates	-11 103	4 726
Impairment of non-current and current financial investments	-65 470	-55 643
Interest and similar expenses	79 618	71 671
Profit or loss prior to changes in current assets and current liabilities	370 922	1 803 909
Adjustments for:		
Increase (+) or decrease (-) of account receivable	-134 439	-740 671
Increase (+) or decrease (-) of inventory	1 766 592	-1 329 717
Increase (+) or decrease (-) of account payables and other liabilities	-1 346 438	711 221
Gross cash flow from operating activities	656 637	444 742
Interest payments	-82 054	-74 483
Net cash flow generated from operating activities	574 583	370 259
Cash flow from investing activities		
Income from selling fixed assets and intangible assets	0	0
Acquisition of fixed assets and intangible assets	-76 526	-33 196
Prepayments for fixed assets under development and construction in progress	-1 128 875	-359 152
Loans issued	-2 261	-4 929
Net cash flow generated from investing activities	-1 207 662	-397 277
Cash flow from financing activities		
Loans received	1 030 728	344 733
Repayment of loans	-363 541	-282 194
Finance lease payments	-34 170	-51 908
Net cash flow generated from financing activities	633 017	10 631
Net cash flow in the financial year	-62	-16 387
Cash and cash equivalents at the beginning of the financial period	136	114 483
Cash and cash equivalents at the end of the financial period	74	98 096

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

May 31, 2019

Board:

Gatis Zommers Chairman of the Board	Jānis Mierkalns Member of the Board	Ilze Bukulde Member of the Board	Arvis Tone Member of the Board
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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
December 31, 2017	579 9169	2 828	1 370 057	3 741 168	2 008 402	2 798 757	10 501 128
Distribution of profit of the year 2017	0	0	0	0	2 798 757	-2 798 757	0
Current year profit or losses	0	0	0	0	0	1 312 423	1 312 423
March 31, 2018	579 916	2 828	1 370 057	3 741 168	4 807 159	1 312 423	11 813 551
December 31, 2018	579 916	2 828	1 370 057	3 741 168	4 661 144	5 300 866	15 655 979
Distribution of profit of the year 2018	0	0	0	0	5 300 866	-5 300 866	0
Current year profit or losses	0	0	0	0	0	-149 668	-149 668
March 31, 2019	579 916	2 828	1 370 057	3 741 168	9 962 010	-149 668	15 506 311

May 31, 2019

Board:

Gatis Zommers
Chairman of the Board

Jānis Mierkalns
Member of the Board

Ilze Bukulde
Member of the Board

Arvis Tone
Member of the Board