

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

(REGISTRATION NUMBER 40003020121)

**UNAUDITED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2020**

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

**Saldus, 2020**

## CONTENT

<b>General Information</b>	<b>3</b>
<b>Statement of Management Responsibility</b>	<b>5</b>
<b>Consolidated Statement of Comprehensive income</b>	<b>6</b>
<b>Consolidated Statement of Financial Position</b>	<b>7</b>
<b>Consolidated Statement of Financial Position (continued)</b>	<b>8</b>
<b>Consolidated Statement of Cash Flow</b>	<b>9</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>10</b>

## 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, 2020		
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, 2020		

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 2020  
(Unaudited)

---

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, 2020

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
---------------------------------	---	---

## 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 2020, 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 29, 2020

Board:

---

Gatis Zommers  
Chairman of the Board

Jānis Mierkalns  
Member of the Board

Ilze Bukulde  
Member of the Board

## Consolidated Statement of Comprehensive income

	2020.03.31 EUR	2019.03.31 EUR
Revenue	13 016 823	16 601 137
Cost of sales	(11 782 944)	(16 666 207)
<b>Gross profit</b>	<b>1 233 879</b>	<b>(65 070)</b>
Distribution costs	(173)	0
Administrative expenses	(79 757)	(89 167)
Other operating income	360 832	341 486
Other operating expense	(456 962)	(250 963)
<b>Operating profit or loss</b>	<b>1 057 819</b>	<b>(63 714)</b>
Finance income	358	0
Finance costs	(108 727)	(82 553)
<b>Profit or loss before tax</b>	<b>949 450</b>	<b>(146 267)</b>
<b>Profit or loss for the period</b>	<b>949 450</b>	<b>(146 267)</b>
<b>Profit/loss on share</b>	<b>1,15</b>	<b>(0,18)</b>
EUR per share		

May 29, 2020

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

	2020.03.31	2019.12.31
	EUR	EUR
<b>NON-CURRENT ASSETS</b>		
<b>Intangible assets</b>		
Concessions, patents, licences and similar costs	38 317	34 997
TOTAL	<b>38 317</b>	<b>34 997</b>
<b>Property, plant and equipment</b>		
Land, buildings and perennial plantations	5 928 536	6 064 783
Technological equipment and machinery	12 194 093	12 629 233
Other fixed assets	82 493	83 425
Rights of used assets	2 091 085	2 324 375
Construction in progress	340 045	373 596
TOTAL	<b>20 636 252</b>	<b>21 475 412</b>
<b>Biological assets</b>	<b>710 194</b>	<b>710 194</b>
<b>Long-term financial investments</b>		
Other securities and investments	8 540	8 540
TOTAL	<b>8 540</b>	<b>8 540</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>21 393 303</b>	<b>22 229 143</b>
<b>CURRENT ASSETS</b>		
<b>Inventories</b>		
Raw materials, basic materials and consumables	1 881 326	2 019 683
Biological assets	1 315 240	1 319 691
Unfinished production	931 045	1 184 158
Finished production and goods for sale	1 267 497	1 873 796
Advance payments for goods	6 102	18 052
TOTAL	<b>5 401 210</b>	<b>6 415 380</b>
<b>Receivables</b>		
Trade receivables	934 584	864 675
Receivables from related companies	9 294 375	9 765 356
Other receivables	154 977	108 350
Prepaid expenses	288 254	213 349
TOTAL	<b>10 672 190</b>	<b>10 951 730</b>
<b>Cash and cash equivalents</b>	192 947	3 719
<b>TOTAL CURRENT ASSETS</b>	<b>16 266 347</b>	<b>17 370 829</b>
<b>TOTAL ASSETS</b>	<b>37 659 650</b>	<b>39 599 972</b>

May 29, 2020

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

	2020.03.31	2019.12.31
Equity	EUR	EUR
Share capital	579 916	579 916
Share premium	2 828	2 828
Foreign currency exchange fluctuations	19 790	86 939
Revaluation reserve of non-current assets	1 370 057	1 370 057
Other reserves	3 741 168	3 741 168
Retained earnings of the previous years	6 468 761	8 196 860
Retained earnings of the reporting year	949 450	(1 995 298)
<b>TOTAL EQUITY</b>	<b>13 131 970</b>	<b>11 982 470</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans from credit institutions	11 608 886	11 654 743
Other loans	3 097 560	3 322 844
Deferred revenue	1 967 456	2 038 501
TOTAL	<b>16 673 902</b>	<b>17 016 088</b>
<b>Current liabilities</b>		
Loans from credit institutions	1 356 881	1 446 265
Other loans	1 082 288	1 378 847
Prepayments received from customers	37 419	37 410
Trade payables	4 223 222	5 821 236
Payable to related companies	0	789 005
Accrued liabilities	378 571	406 562
Taxes and statutory social insurance contributions	243 906	225 848
Other payables	247 311	212 061
Deferred revenue	284 180	284 180
TOTAL	<b>7 853 778</b>	<b>10 601 414</b>
<b>TOTAL LIABILITIES</b>	<b>24 527 680</b>	<b>27 617 502</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>37 659 650</b>	<b>39 599 972</b>

May 29, 2020

Board:

Gatis Zommers  
 Chairman of the Board

Jānis Mierkalns  
 Member of the Board

Iļze Bukulde  
 Member of the Board

## Consolidated Statement of Cash Flow

	3 Month of 2020	3 Month of 2019
	EUR	EUR
<b>Cash flow from operating activities</b>		
<b>Profit (+) or loss (-) before tax</b>	<b>949 450</b>	<b>(146 267)</b>
Adjustments for:		
Depreciation of property plant and equipment	738 483	519 391
Deprecation of intangible assets	3 259	5 994
Profit (-) or loss (+) from fluctuations of exchange rate	(4 446)	23 602
Non-current and current financial investment value adjustments	(71 045)	(65 470)
Interest and similar costs	120 451	82 554
<b>Operating cash flow before working capital changes</b>	<b>1 736 152</b>	<b>419 804</b>
Adjustments for:		
Increase / decrease in trade and other receivables	278 949	(137 266)
Increase / decrease in inventories	993 253	1 819 011
Increase / decrease in trade and other payables	(2 045 931)	(1 445 583)
<b>Cash generated from operations</b>	<b>962 423</b>	<b>655 966</b>
Interest paid	(108 379)	(84 990)
<b>Net cash flow generated from operating activities</b>	<b>854 044</b>	<b>570 976</b>
<b>Cash flow from investing activities</b>		
Income from sales of fixed assets, intangible assets, biological assets	55 575	585
Purchase of property, plant and equipment and intangible assets	(38 524)	(77 111)
Prepayments for fixed assets under development and construction in progress	(11 493)	(1 128 875)
<b>Net cash flow generated from investing activities</b>	<b>5 558</b>	<b>(1 205 401)</b>
<b>Cash flow from financing activities</b>		
Loans recieved	0	1 030 728
Repayment of loans	(465 716)	(363 542)
Changes in credit lines	130 702	0
Lease principal amount payments	(321 685)	(34 170)
Lease interest payments	(13 675)	0
<b>Net cash flow generated from financing activities</b>	<b>(670 374)</b>	<b>633 016</b>
<b>Net cash flow in the financial period</b>	<b>189 228</b>	<b>(1 409)</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>3 719</b>	<b>3 231</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>192 947</b>	<b>1 822</b>

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

May 29, 2020

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 2018</b>	<b>579 916</b>	<b>1 370 057</b>	<b>(108 481)</b>	<b>2 828</b>	<b>3 741 168</b>	<b>2 978 484</b>	<b>5 683 363</b>	<b>14 247 335</b>
Fluctuation of exchange rate	0	0	176 734	0	0	(105 999)	0	70 735
Distribution of profit of the year 2018	0	0	0	0	0	5 683 363	(5 683 363)	0
Profit for the period	0	0	0	0	0	0	(146 267)	(146 267)
<b>Balance as at 31 March 2019</b>	<b>579 916</b>	<b>1 370 057</b>	<b>68 253</b>	<b>2 828</b>	<b>3 741 168</b>	<b>8 555 848</b>	<b>(146 267)</b>	<b>14 171 803</b>
<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>

May 29, 2020

Board:

Gatis Zommers  
 Chairman of the Board

Jānis Mierkalns  
 Member of the Board

Ilze Bukulde  
 Member of the Board