

JOINT-STOCK COMPANY „PATA SALDUS” AND ITS SUBSIDIARIES

(REGISTRATION NUMBER 40003020121)

**UNAUDITED CONSOLIDATED FINANCIAL INFORMATION
FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

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

Saldus, 2020

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General Information

Name of the Group	Joint-stock company “PATA Saldus”		
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 – September 30, 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 – September 30, 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 30 of September 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 – September 30, 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
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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 30 September 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.

November 30, 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

	2020.09.30	2019.09.30
	EUR	EUR
Revenue	40 771 903	45 611 705
Cost of sales	(36 087 158)	(45 906 380)
Gross profit	4 684 745	(294 675)
Distribution costs	(173)	0
Administrative expenses	(217 559)	(272 298)
Other operating income	914 535	914 033
Other operating expense	(981 713)	(643 183)
Operating profit or loss	4 399 835	(296 123)
Finance income	1 086	0
Finance costs	(375 416)	(272 804)
Profit or loss before tax	4 025 505	(568 927)
Profit or loss for the period	4 025 505	(568 927)
Profit/loss on share	4,86	(0,69)
EUR per share		

November 30, 2020

Board:

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Chairman of the Board

Jānis Mierkalns
Member of the Board

Ilze Bukulde
Member of the Board

Consolidated Statement of Financial Position

ASSETS

	2020.09.30	2019.12.31
	EUR	EUR
NON-CURRENT ASSETS		
Intangible assets		
Concessions, patents, licences and similar costs	44 283	34 997
TOTAL	44 283	34 997
Property, plant and equipment		
Land, buildings and perennial plantations	5 765 358	6 064 783
Technological equipment and machinery	11 472 347	12 629 233
Other fixed assets	69 346	83 425
Rights of used assets	1 600 503	2 324 375
Construction in progress	641 164	373 596
TOTAL	19 548 718	21 475 412
Biological assets	710 194	710 194
Long-term financial investments		
Other securities and investments	8 540	8 540
TOTAL	8 540	8 540
TOTAL NON-CURRENT ASSETS	20 311 735	22 229 143
CURRENT ASSETS		
Inventories		
Raw materials, basic materials and consumables	2 096 288	2 019 683
Biological assets	1 310 607	1 319 691
Unfinished production	1 189 939	1 184 158
Finished production and goods for sale	1 043 968	1 873 796
Advance payments for goods	54 459	18 052
TOTAL	5 695 261	6 415 380
Receivables		
Trade receivables	935 282	864 675
Receivables from related companies	12 771 939	9 765 356
Other receivables	178 123	108 350
Prepaid expenses	245 292	213 349
TOTAL	14 130 636	10 951 730
Cash and cash equivalents	24 231	3 719
TOTAL CURRENT ASSETS	19 850 128	17 370 829
TOTAL ASSETS	40 161 863	39 599 972

November 30, 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

	2020.09.30	2019.12.31
Equity	EUR	EUR
Share capital	579 916	579 916
Share premium	2 828	2 828
Foreign currency exchange fluctuations	(108 766)	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	6 537 972	8 196 860
Retained earnings of the reporting year	4 025 505	(1 995 298)
TOTAL EQUITY	16 148 680	11 982 470
LIABILITIES		
Non-current liabilities		
Loans from credit institutions	11 096 506	11 654 743
Other loans	2 334 576	3 322 844
Deferred revenue	1 825 365	2 038 501
TOTAL	15 256 447	17 016 088
Current liabilities		
Loans from credit institutions	1 196 420	1 446 265
Other loans	419 635	1 378 847
Prepayments received from customers	37 347	37 410
Trade payables	5 859 841	5 821 236
Payable to related companies	0	789 005
Accrued liabilities	357 661	406 562
Taxes and statutory social insurance contributions	294 097	225 848
Other payables	307 555	212 061
Deferred revenue	284 180	284 180
TOTAL	8 756 736	10 601 414
TOTAL LIABILITIES	24 013 183	27 617 502
TOTAL EQUITY AND LIABILITIES	40 161 863	39 599 972

November 30, 2020

Board:

Gatis Zommers
 Chairman of the Board

Jānis Mierkalns
 Member of the Board

Ize Bukulde
 Member of the Board

Consolidated Statement of Cash Flow

	9 Month of 2020	9 Month of 2019
	EUR	EUR
Cash flow from operating activities		
Profit (+) or loss (-) before tax	4 025 505	(568 927)
Adjustments for:		
Depreciation of property plant and equipment	1 511 113	1 600 208
Deprecation of intangible assets	11 292	20 231
Profit (-) or loss (+) from fluctuations of exchange rate	537 843	(17 306)
Non-current and current financial investment value adjustments	(213 136)	(196 411)
Interest and similar costs	395 242	261 405
Operating cash flow before working capital changes	6 267 859	1 099 200
Adjustments for:		
Increase / decrease in trade and other receivables	(3 179 639)	(723 382)
Increase / decrease in inventories	693 391	2 866 695
Increase / decrease in trade and other payables	(645 111)	(2 085 485)
Cash generated from operations	3 136 500	1 157 028
Interest paid	(360 107)	(263 842)
Net cash flow generated from operating activities	2 776 393	893 186
Cash flow from investing activities		
Income from sales of fixed assets, intangible assets, biological assets	55 575	681
Purchase of property, plant and equipment and intangible assets	(122 242)	(296 720)
Prepayments for fixed assets under development and construction in progress	(297 399)	(1 292 955)
Net cash flow generated from investing activities	(364 066)	(1 588 994)
Cash flow from financing activities		
Loans recieved	0	1 288 000
Repayment of loans	(1 345 222)	(996 197)
Changes in credit lines	118 487	648 638
Lease principal amount payments	(1 128 335)	(126 075)
Lease interest payments	(36 745)	0
Dividends paid	0	(119 377)
Net cash flow generated from financing activities	(2 391 815)	694 989
Net cash flow in the financial period	20 512	(819)
Cash and cash equivalents at the beginning of the financial period	3 719	3 231
Cash and cash equivalents at the end of the financial period	24 231	2 412

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

November 30, 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
Balance as at 31 December 2018	579 916	1 370 057	(108 481)	2 828	3 741 168	2 978 484	5 683 363	14 247 335
Fluctuation of exchange rate	0	0	194 145	0	0	(263 478)	0	(69 333)
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	(568 927)	(568 927)
Balance as at 30 September 2019	579 916	1 370 057	85 664	2 828	3 741 168	8 398 369	(568 927)	13 609 075
Balance as at 31 December 2019	579 916	1 370 057	86 939	2 828	3 741 168	8 196 860	(1 995 298)	11 982 470
Fluctuation of exchange rate	0	0	(195 705)	0	0	336 410	0	140 705
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	4 025 505	4 025 505
Balance as at 30 September 2020	579 916	1 370 057	(108 766)	2 828	3 741 168	6 537 972	4 025 505	16 148 680

November 30, 2020

Board:

Gatis Zommers
 Chairman of the Board

Jānis Mierkalns
 Member of the Board

Ilze Bukulde
 Member of the Board