

**JOINT STOCK COMPANY**

**‘KURZEMES ATSLEGA 1’  
LV40003044007**

**FINANCIAL REPORT FOR FIRST 3 MONTHS  
OF THE YEAR 2020  
(NON-AUDITED)**

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## Information on the Company

Name of the Company	AS "KURZEMES ATSLĒGA 1"
Legal status of the Company	Joint stock Company
Number, place and date of registration	40003044007 Riga, 29 November 1991 Reregistered in Commercial Register with common registration No 40003044007 on 11 June 2004
Address	Kalvenes iela 27, Aizpute, Aizputes novads, LV-3456 Latvija
Names of major shareholders	AS "Kurzemes atslēga" (48.36%) Wiederhold Oliver Kai (17.22%) SIA "Aizputes atslēgas" (15.26%) Others (19.16%)
Names and positions of Board members	Pēteris Frīdenbergs – Chairman of the Board Aiga Ozola – Member of the Board Voldemārs Magone – Member of the Board
Names and positions of the Supervisory Council members	Guntars Stekjānis – Chairman of the Supervisory Council Irēna Burve – Deputy Chairman of the Supervisory Council Rolands Līvmanis – Member of the Supervisory Council Ilgvars Jurjāns – Member of the Supervisory Council Daiga Lankovska – Member of the Supervisory Council
Reporting period	01.01.2020-31.03.2020
Previous reporting period	01.01.2019-31.03.2019
Name and address of the certified audit company and certified auditor in charge	Revidentu birojs Gatis Sviklis Lāsma Svikle SIA Certified audit company Licence No. 181 Kr. Valdemāra iela 123-15 Rīga, LV-1013 Latvija  Certified auditor in charge: Gatis Sviklis Certificate No. 202

## Statement of Management Responsibility

The Board of AS „KURZEMES ATSLĒGA 1” is responsible for the preparation of the financial statements of the Company.

On the basis of information available to the Board of AS „KURZEMES ATSLĒGA 1”, the financial statements are prepared in accordance with the applicable legal framework of the Republic of Latvia and give a true and fair view of the assets, liabilities, financial position, financial result and cash flows of AS “KURZEMES ATSLĒGA 1”.

The control procedures on internal risks, risk management and risk control have been managed according to the internal control procedure instructions.

The management of AS “KURZEMES ATSLĒGA 1” is responsible for obeying the laws of the Republic of Latvia.

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Pēteris Frīdenbergs  
Chairman of the Board

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Aiga Ozola  
Member of the Board

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Voldemārs Magone  
Member of the Board

29 May 2020

**Profit and loss account**

	<b>31.03.2020</b> <b>EUR</b>	<b>31.03.2019</b> <b>EUR</b>
Net sales	310291	459400
Cost of sales	(376928)	(488374)
<b>Gross (loss) / profit</b>	<b>(66637)</b>	<b>(28974)</b>
Selling expenses	(12458)	(10196)
Administrative expenses	(22829)	(21335)
Other operating income	7964	7934
Other operating expenses	(5185)	(4968)
Interest expenses and similar expenses	(210)	(332)
<b>Loss before corporate income tax</b>	<b>(99355)</b>	<b>(57871)</b>
Corporate income tax for the reporting year	(35)	(107)
<b>Current year's loss</b>	<b>(99390)</b>	<b>(57978)</b>
<b>Loss per share</b>	<b>(011)</b>	<b>(0.06)</b>

Balance sheet as at 31 March 2020

	31.03.2020 EUR	31.03.2019 EUR
<b>Assets</b>		
<b>Long-term investments</b>		
<b>Intangible assets:</b>		
Concessions, patents, licenses, trademarks and similar rights	568	712
<b>Total intangible assets:</b>	<b>568</b>	<b>712</b>
<b>Fixed assets:</b>		
Real estate:		
a) Land, buildings and engineering structures	476582	491609
Equipment and machinery	39868	54818
Other fixed assets	6528	7507
Fixed assets under construction	5822	5822
<b>Total fixed assets:</b>	<b>528800</b>	<b>559756</b>
<b>Total long-term investments:</b>	<b>529368</b>	<b>560468</b>
<b>Current assets</b>		
<b>Inventories:</b>		
Raw materials and consumables	335892	370069
Work-in-progress	251417	250433
Finished goods and goods for sale	89230	77252
Advances for goods receivable	10758	42497
<b>Total inventories:</b>	<b>687297</b>	<b>740251</b>
<b>Debtors:</b>		
Trade debtors	134248	173510
Other debtors	9768	14409
<b>Total debtors:</b>	<b>144016</b>	<b>187919</b>
<b>Cash and bank:</b>	<b>24365</b>	<b>38085</b>
<b>Total current assets:</b>	<b>855678</b>	<b>966255</b>
<b>Total assets</b>	<b>1385046</b>	<b>1526723</b>

Balance sheet as at 31 March 2020

(2)

	31.03.2020. EUR	31.03.2019 EUR
<b><u>Liabilities and shareholders' funds</u></b>		
<b>Shareholders' funds:</b>		
Share capital	1 285 401	1 285 401
Reserves:		
other reserves	21 000	21 000
Previous years' retained earnings	(191981)	20240
Current year's loss	(99390)	(57978)
<b>Total shareholders' funds:</b>	<b>1015030</b>	<b>1268663</b>
<b>Short-term creditors:</b>		
Loans from credit institutions	22558	34241
Loans from other	50000	0
Advances from customers	25054	19474
Trade creditors	138700	96976
Accounts payable to affiliated companies	21588	22019
Taxes and the state compulsory social insurance contributions	43130	24205
Other creditors	28315	25148
Accrued liabilities	40671	35997
<b>Total short-term creditors:</b>	<b>370016</b>	<b>258060</b>
<b>Total creditors:</b>	<b>370016</b>	<b>258060</b>
<b><u>Total liabilities and shareholders' funds</u></b>	<b><u>1385046</u></b>	<b><u>1526723</u></b>

## STATEMENT OF CHANGES IN EQUITY

	Share capital EUR	Reserves EUR	Retained earnings EUR	Total EUR
<b>Balance as at 31 December 2018</b>	<b>1 285 401</b>	<b>21 000</b>	<b>20240</b>	<b>1 326 641</b>
Profit for the year	-	-	(212 221)	<b>(212 221)</b>
<b>Balance as at 31 December 2019</b>	<b>1 285 401</b>	<b>21 000</b>	<b>(191 981)</b>	<b>1 114 420</b>
Profit for the year	-	-	(99 390)	<b>(99 390)</b>
<b>Balance as at 31 March 2020</b>	<b>1 285 401</b>	<b>21 000</b>	<b>(291371)</b>	<b>1015030</b>

## Cash flow statement

	31.03.2020	2018
	EUR	EUR
<b>Cash flows from operating activities</b>		
Profit or loss before taxation	(99355)	(57871)
<u>Adjustments for:</u>		
a) Fixed asset depreciation	7611	8349
b) Amortization of intangible assets	40	
c) Foreign exchange loss	(1189)	(2)
d) Interest expense	210	332
	<u>(92683)</u>	<u>(49192)</u>
<b>Adjustments for:</b>		
a) Debtors decrease	1278	17848
b) Inventories decrease / (increase)	(7361)	65519
c) Trade and other creditors' (decrease) / increase	68292	(15962)
<b>Cash (used in) / generated from operations</b>	<u>(30474)</u>	<u>18213</u>
Interest paid	(210)	(332)
Corporate income tax paid	(35)	(107)
<b>Net cash (used in) / generated from operations</b>	<u>(30719)</u>	<u>17774</u>
<b>Cash flows from investing activities</b>		
Acquisition of intangible assets	(830)	0
<b>Net cash used in investing activities</b>	<u>(830)</u>	<u>0</u>
<b>Cash flows from financing activities</b>		
Borrowings received	49556	18365
<b>Net cash generated from / (used in) financing activities</b>	<u>49556</u>	<u>18365</u>
<b>Result of foreign exchange rate fluctuations</b>	<b>1189</b>	<b>2</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>19196</u>	<u>36141</u>
Cash and cash equivalents at the beginning of the reporting year	5169	1944
<b>Cash and cash equivalents at the end of the reporting year</b>	<u>24365</u>	<u>38085</u>

