

**JOINT STOCK COMPANY „PATA SALDUS”**

(UNIFIED REGISTRATION NUMBER 40003020121)

**FINANCIAL REPORT FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2020 (UNAUDITED)**

PREPARED IN ACCORDANCE WITH

THE LAW OF THE REPUBLIC OF LATVIA ON ANNUAL REPORTS

**Saldus, 2020**

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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, 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 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, 2020		

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, 2020

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 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 company's resources conservation as well as fraud prevention and prevention of other irregularities.

May 29, 2020

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

	2020.03.31 EUR	2019.03.31 EUR
Revenue	13 012 082	16 598 467
Costs of goods sold or services provided	(12 025 088)	(16 666 207)
<b>Gross profit or losses</b>	<b>986 994</b>	<b>(67 740)</b>
Distribution expenses	(173)	0
Administrative expenses	(75 366)	(84 304)
Other operating income	319 574	264 503
Other operating expenses	(253 579)	(182 510)
Interest and similar income, incl.	358	0
a) from other parties	358	0
Interest and similar expenses, incl.	(107 012)	(79 617)
a) for other parties	(107 012)	(79 617)
<b>Profit or loss before corporate income tax</b>	<b>870 796</b>	<b>(149 668)</b>
<b>Profit or loss after corporate income tax</b>	<b>870 796</b>	<b>(149 668)</b>
<b>Profit or loss for the period</b>	<b>870 796</b>	<b>(149 668)</b>
<b>Profit/loss on share (EUR)</b>	<b>1,05</b>	<b>(0,18)</b>

May 29, 2020

Board:

Gatis Zommers  
 Chairman of the Board

Jānis Mierkalns  
 Member of the Board

Ilze Bukulde  
 Member of the Board

## Balance Sheet

### ASSETS

	2020.03.31	2019.12.31
	EUR	EUR
<b>NON-CURRENT ASSETS</b>		
<b>Intangible assets</b>		
Concessions, patents, licences, trademarks and similar rights	38 317	34 997
<b>Total intangible assets</b>	<b>38 317</b>	<b>34 997</b>
<b>Fixed assets</b>		
Immovable properties		
a) land plots, buildings and engineering structures	5 622 133	5 698 660
Fauna and flora		
b) biological assets	710 194	710 194
Technological equipment and machinery	12 436 126	12 872 087
Other fixed assets	72 223	83 425
Fixed assets under development and construction in progress	232 204	232 204
<b>Total fixed assets</b>	<b>19 072 880</b>	<b>19 596 570</b>
<b>Non-current financial investments</b>		
Investments in group companies	956 739	956 739
Receivables from group companies	692 749	717 448
Other securities and investments	8 540	8 540
<b>Total non-current financial investments</b>	<b>1 658 028</b>	<b>1 682 727</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>20 769 225</b>	<b>21 314 294</b>
<b>CURRENT ASSETS</b>		
<b>Inventories</b>		
Raw materials and consumables	1 825 905	1 951 591
Work in progress	931 045	1 184 158
Finished goods and goods for sale	1 231 426	1 829 479
Fauna and flora		
a) biological assets	1 315 240	1 319 691
Advances for inventories	6 102	18 052
<b>Total inventories</b>	<b>5 309 718</b>	<b>6 302 971</b>
<b>Account receivable</b>		
Trade receivables	933 948	863 344
Receivables from group companies	9 296 983	9 768 146
Other receivables	118 105	106 510
Deferred expenses	288 254	213 349
<b>Total receivables</b>	<b>10 637 290</b>	<b>10 951 349</b>
<b>Cash and cash equivalents</b>	190 940	1 262
<b>TOTAL CURRENT ASSETS</b>	<b>16 137 948</b>	<b>17 255 582</b>
<b>TOTAL ASSETS</b>	<b>36 907 173</b>	<b>38 569 876</b>

May 29, 2020

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	2020.03.31 EUR	2019.12.31 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	7 738 621	9 603 880
b) current year profit or losses	870 796	(1 865 259)
<b>TOTAL EQUITY</b>	<b>14 303 386</b>	<b>13 432 590</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans from credit institutions	11 608 886	11 654 743
Other loans	1 866 381	2 091 280
Deferred income	1 967 456	2 038 501
<b>Total non-current liabilities</b>	<b>15 442 723</b>	<b>15 784 524</b>
<b>Current liabilities</b>		
Loans from credit institutions	1 356 881	1 446 265
Other loans	431 559	484 044
Prepayments received from customers	37 419	37 410
Trade payables	4 185 469	5 473 385
Payables to group companies	0	789 005
Taxes and state social insurance payments	239 923	220 000
Other creditors	247 062	211 911
Deferred income	284 180	284 180
Accrued liabilities	378 571	406 562
<b>Total current liabilities</b>	<b>7 161 064</b>	<b>9 352 762</b>
<b>TOTAL LIABILITIES</b>	<b>22 603 787</b>	<b>25 137 286</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>36 907 173</b>	<b>38 569 876</b>

May 29, 2020

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 2020	3 Month of 2019
	EUR	EUR
<b>Cash flow from operating activities</b>		
<b>Profit (+) or loss (-) before corporate income tax</b>	<b>870 796</b>	<b>(149 668)</b>
Adjustments for:		
Depreciation and impairment of fixed assets	508 448	511 551
Depreciation and impairment of intangible assets	3 259	5 994
Profit (-) or loss (+) from fluctuations of foreign currency rates	24 881	(11 103)
Impairment of non-current and current financial investments	(71 045)	(65 470)
Interest and similar expenses	106 776	79 618
<b>Profit or loss prior to changes in current assets and current liabilities</b>	<b>1 443 115</b>	<b>370 922</b>
Adjustments for:		
Increase (+) or decrease (-) of account receivable	313 877	(134 439)
Increase (+) or decrease (-) of inventory	993 253	1 766 592
Increase (+) or decrease (-) of account payables and other liabilities	(2 045 121)	(1 346 438)
<b>Gross cash flow from operating activities</b>	<b>705 124</b>	<b>656 637</b>
Interest payments	(108 379)	(82 054)
<b>Net cash flow generated from operating activities</b>	<b>596 745</b>	<b>574 583</b>
<b>Cash flow from investing activities</b>		
Income from selling fixed assets and intangible assets	55 575	0
Acquisition of fixed assets and intangible assets	(38 524)	(76 526)
Prepayments for fixed assets under development and construction in progress	(11 493)	(1 128 875)
Loans issued	0	(2 261)
<b>Net cash flow generated from investing activities</b>	<b>5 558</b>	<b>(1 207 662)</b>
<b>Cash flow from financing activities</b>		
Loans received	0	1 030 728
Repayment of loans	(465 716)	(363 541)
Changes in credit lines	130 702	0
Finance lease payments	(77 611)	(34 170)
<b>Net cash flow generated from financing activities</b>	<b>(412 625)</b>	<b>633 017</b>
<b>Net cash flow in the financial year</b>	<b>189 678</b>	<b>(62)</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>1 262</b>	<b>136</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>190 940</b>	<b>74</b>

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

May 29, 2020

Board:

Gatis Zommers Chairman of the Board	Jānis Mierkalns Member of the Board	Ilze Bukulde 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
<b>December 31, 2018</b>	<b>579 916</b>	<b>2 828</b>	<b>1 370 057</b>	<b>3 741 168</b>	<b>4 661 144</b>	<b>5 300 866</b>	<b>15 655 979</b>
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)
<b>March 31, 2019</b>	<b>579 916</b>	<b>2 828</b>	<b>1 370 057</b>	<b>3 741 168</b>	<b>9 962 010</b>	<b>(149 668)</b>	<b>15 506 311</b>
<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>13 432 590</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>

May 29, 2020

Board:

Gatis Zommers  
 Chairman of the Board

Jānis Mierkalns  
 Member of the Board

Iļze Bukulde  
 Member of the Board