

JOINT STOCK COMPANY „PATA SALDUS”

(UNIFIED REGISTRATION NUMBER 40003020121)

FINANCIAL REPORT FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)

PREPARED IN ACCORDANCE WITH

THE LAW OF THE REPUBLIC OF LATVIA ON ANNUAL REPORTS

Saldus, 2021

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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	Gatis Zommers – Chairman of the Board Jānis Mierkalns – Member of the Board Ilze Bukulde - Member of the Board till 26/11/2021		
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 till 17/05/2021
		27.95%	216 394 shares since 17/05/2021
	PATA SIA	22.93%	177 516 shares till 25/11/2021
		23.40%	181 194 shares since 25/11/2021
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 – September 30, 2021		
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 – September 30, 2021		

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 – September 30, 2021

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

According to the Register of Enterprises of the Republic of Latvia decision Nr.6-12/118037 from 26.11.2021 JSC PATA Saldus has recorded the following changes in the Board:

- Released Member of the Board: Ilze Bukulde

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 30 September 2021, 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.

November 30, 2021

Board:

Gatis Zommers
Chairman of the Board

Jānis Mierkalns
Member of the Board

Income Statement

	9 months of 2021 EUR	9 months of 2020 EUR
Revenue	74 846 978	40 758 771
Costs of goods sold or services provided	(68 872 298)	(36 816 014)
Gross profit or losses	5 974 680	3 942 757
Distribution expenses	(31 419)	(173)
Administrative expenses	(274 860)	(205 316)
Other operating income	802 260	758 808
Other operating expenses	(164 417)	(622 662)
Interest and similar income, incl.	841	1 073
a) from other parties	841	1 073
Interest and similar expenses, incl.	(352 404)	(369 879)
a) for other parties	(352 404)	(369 879)
Profit or loss before corporate income tax	5 954 681	3 504 608
Profit or loss after corporate income tax	5 954 681	3 504 608
Profit or loss for the period	5 954 681	3 504 608
Profit/loss on share (EUR)	7,19	4,23

November 30, 2021

Board:

Gatis Zommers
 Chairman of the Board

Jānis Mierkalns
 Member of the Board

Balance Sheet

ASSETS

	2021.09.30	2020.12.31
	EUR	EUR
NON-CURRENT ASSETS		
Intangible assets		
Concessions, patents, licences, trademarks and similar rights	35 315	42 750
Total intangible assets	35 315	42 750
Fixed assets		
Immovable properties		
a) land plots, buildings and engineering structures	5 313 676	5 523 012
Fauna and flora		
b) biological assets	707 589	707 589
Technological equipment and machinery	10 929 504	11 856 273
Other fixed assets	130 966	57 809
Fixed assets under development and construction in progress	459 765	232 960
Total fixed assets	17 541 500	18 377 643
Non-current financial investments		
Investments in group companies	956 739	956 739
Receivables from group companies	694 810	686 230
Other securities and investments	108 540	8 540
Total non-current financial investments	1 760 089	1 651 509
TOTAL NON-CURRENT ASSETS	19 336 904	20 071 902
CURRENT ASSETS		
Inventories		
Raw materials and consumables	2 732 554	1 216 814
Work in progress	1 184 488	1 709 119
Finished goods and goods for sale	1 873 021	991 933
Fauna and flora		
a) biological assets	1 019 978	1 510 937
Advances for inventories	1 238 313	170 942
Total inventories	8 048 354	5 599 745
Account receivable		
Trade receivables	499 354	594 893
Receivables from group companies	17 425 295	14 399 131
Other receivables	206 206	286 030
Deferred expenses	474 988	240 244
Total receivables	18 605 843	15 520 298
Cash and cash equivalents	10 333	4 101
TOTAL CURRENT ASSETS	26 664 530	21 124 144
TOTAL ASSETS	46 001 434	41 196 046

November 30, 2021

Board:

Gatis Zommers
 Chairman of the Board

Jānis Mierkalns
 Member of the Board

Balance Sheet (continued)

EQUITY AND LIABILITIES

EQUITY	2021.09.30	2020.12.31
	EUR	EUR
Share capital	579 916	579 916
Share premium	2 828	2 828
Revaluation reserve of non-current investments	1 477 868	1 477 868
Reserves:		
f) other reserves	3 741 168	3 741 168
Retained earnings:		
a) retained earnings from the previous year	13 014 969	7 738 621
b) current year profit or losses	5 954 681	5 400 420
TOTAL EQUITY	24 771 430	18 940 821
LIABILITIES		
Non-current liabilities		
Loans from credit institutions	9 172 743	10 046 427
Other loans	1 132 428	1 549 571
Deferred income	1 541 185	1 754 321
Total non-current liabilities	11 846 356	13 350 319
Current liabilities		
Loans from credit institutions	1 337 626	1 967 791
Other loans	348 896	420 044
Prepayments received from customers	38 209	57 000
Trade payables	4 816 141	3 838 096
Payables to group companies	1 742 550	1 206 312
Taxes and state social insurance payments	178 864	422 240
Other creditors	260 568	258 361
Deferred income	284 180	284 180
Accrued liabilities	376 614	450 882
Total current liabilities	9 383 648	8 904 906
TOTAL LIABILITIES	21 230 004	22 255 225
TOTAL EQUITY AND LIABILITIES	46 001 434	41 196 046

November 30, 2021

Board:

Gatis Zommers
Chairman of the Board

Jānis Mierkalns
Member of the Board

Cash Flow Statement

	9 Month of 2021	9 Month of 2020
	EUR	EUR
Cash flow from operating activities		
Profit (+) or loss (-) before corporate income tax	5 954 681	3 504 608
Adjustments for:		
Depreciation and impairment of fixed assets and intangible assets	1 531 812	1 510 109
Profit (-) or loss (+) from fluctuations of foreign currency rates	(8 580)	31 793
Impairment of non-current and current financial investments	(213 136)	(213 136)
Interest and similar expenses	350 795	371 744
Profit or loss prior to changes in current assets and current liabilities	7 615 572	5 205 118
Adjustments for:		
Increase (+) or decrease (-) of account receivable	(3 085 545)	(3 129 285)
Increase (+) or decrease (-) of inventory	(2 448 609)	693 391
Increase (+) or decrease (-) of account payables and other liabilities	1 005 896	(644 300)
Gross cash flow from operating activities	3 087 314	2 124 924
Interest payments	(352 938)	(373 355)
Net cash flow generated from operating activities	2 734 376	1 751 569
Cash flow from investing activities		
Acquisition of shares in affiliated companies, associates or other companies	(100 000)	-
Income from selling fixed assets and intangible assets	209 453	55 575
Acquisition of fixed assets and intangible assets	(466 473)	(122 242)
Prepayments for fixed assets under development and construction in progress	(254 913)	(317 744)
Net cash flow generated from investing activities	(611 933)	(384 411)
Cash flow from financing activities		
Repayment of loans	(1 281 007)	(1 345 222)
Changes in credit lines	(621 161)	118 487
Finance lease payments	(89 971)	(139 328)
Dividends paid	(124 072)	-
Net cash flow generated from financing activities	(2 116 211)	(1 366 063)
Net cash flow in the financial year	6 232	1 095
Cash and cash equivalents at the beginning of the financial period	4 101	1 262
Cash and cash equivalents at the end of the financial period	10 333	2 357

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

November 30, 2021

Board:

Gatis Zommers
Chairman of the Board

Jānis Mierkalns
Member of the Board

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, 2019	579 916	2 828	1 370 057	3 741 168	9 603 880	(1 865 259)	13 432 590
Distribution of profit of the year 2019	-	-	-	-	(1 865 259)	1 865 259	-
Current year profit or losses	-	-	-	-	-	3 504 608	3 504 608
September 30, 2020	579 916	2 828	1 370 057	3 741 168	7 738 621	3 504 608	16 937 198
December 31, 2020	579 916	2 828	1 477 868	3 741 168	7 738 621	5 400 420	18 940 821
Distribution of profit of the year 2020	-	-	-	-	5 276 348	(5 400 420)	(124 072)
Current year profit or losses	-	-	-	-	-	5 954 681	5 954 681
September 30, 2021	579 916	2 828	1 477 868	3 741 168	13 014 969	5 954 681	24 771 430

November 30, 2021

Board:

Gatis Zommers
 Chairman of the Board

Jānis Mierkalns
 Member of the Board