

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

(REGISTRATION NUMBER 40003020121)

**UNAUDITED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2021**

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

**Saldus, 2021**

## 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 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
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, 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, 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, 2021		

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 2021  
(Unaudited)

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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, 2021

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

November 30, 2021

Board:

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Gatis Zommers  
Chairman of the Board

Jānis Mierkalns  
Member of the Board

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## Consolidated Statement of Comprehensive income

	9 months of 2021	9 months of 2020
	EUR	EUR
Revenue	74 851 129	40 771 903
Cost of sales	(68 806 546)	(36 087 158)
<b>Gross profit</b>	<b>6 044 583</b>	<b>4 684 745</b>
Distribution costs	(31 419)	(173)
Administrative expenses	(278 542)	(217 559)
Other operating income	837 782	914 535
Other operating expense	(189 957)	(981 713)
<b>Operating profit or loss</b>	<b>6 382 447</b>	<b>4 399 835</b>
Finance income	841	1 086
Finance costs	(375 611)	(375 416)
<b>Profit or loss before tax</b>	<b>6 007 677</b>	<b>4 025 505</b>
<b>Profit or loss for the period</b>	<b>6 007 677</b>	<b>4 025 505</b>
<b>Profit/loss on share</b>	<b>7,25</b>	<b>4,86</b>
EUR per share		

November 30, 2021

Board:

Gatis Zommers  
Chairman of the Board

Jānis Mierkalns  
Member of the Board

## Consolidated Statement of Financial Position

### ASSETS

	2021.09.30	2020.12.31
	EUR	EUR
<b>NON-CURRENT ASSETS</b>		
<b>Intangible assets</b>		
Concessions, patents, licences and similar costs	35 315	42 750
TOTAL	<b>35 315</b>	<b>42 750</b>
<b>Property, plant and equipment</b>		
Land, buildings and perennial plantations	5 550 195	5 743 807
Technological equipment and machinery	10 777 996	11 736 405
Other fixed assets	105 063	22 670
Rights of used assets	888 193	1 539 622
Construction in progress	567 135	341 052
TOTAL	<b>17 888 582</b>	<b>19 383 556</b>
<b>Biological assets</b>		
	<b>707 589</b>	<b>707 589</b>
<b>Long-term financial investments</b>		
Other securities and investments	108 540	8 540
Deferred income tax asset	-	10 734
TOTAL	<b>108 540</b>	<b>19 274</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>18 740 026</b>	<b>20 153 169</b>
<b>CURRENT ASSETS</b>		
<b>Inventories</b>		
Raw materials, basic materials and consumables	2 732 554	1 216 814
Biological assets	1 019 978	1 510 937
Unfinished production	1 184 488	1 709 119
Finished production and goods for sale	1 884 074	1 002 125
Advance payments for goods	1 238 313	170 942
TOTAL	<b>8 059 407</b>	<b>5 609 937</b>
<b>Receivables</b>		
Trade receivables	500 257	593 784
Receivables from related companies	17 425 295	14 382 659
Other receivables	220 157	287 453
Prepaid expenses	474 988	240 244
TOTAL	<b>18 620 697</b>	<b>15 504 140</b>
<b>Cash and cash equivalents</b>		
	70 300	64 090
<b>TOTAL CURRENT ASSETS</b>	<b>26 750 404</b>	<b>21 178 167</b>
<b>TOTAL ASSETS</b>	<b>45 490 430</b>	<b>41 331 336</b>

November 30, 2021

Board:

Gatis Zommers  
 Chairman of the Board

Jānis Mierkalns  
 Member of the Board

## Consolidated Statement of Financial Position (continued)

### EQUITY AND LIABILITIES

	2021.09.30	2020.12.31
Equity	EUR	EUR
Share capital	579 916	579 916
Share premium	2 828	2 828
Foreign currency exchange fluctuations	(151 656)	(7 430)
Revaluation reserve of non-current assets	1 477 868	1 477 868
Other reserves	3 741 168	3 741 168
Retained earnings of the previous years	11 585 104	6 534 507
Retained earnings of the reporting year	6 007 677	5 050 597
<b>TOTAL EQUITY</b>	<b>23 242 905</b>	<b>17 379 454</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans from credit institutions	9 172 743	10 046 427
Other loans	1 300 941	2 089 088
Deferred revenue	1 541 185	1 754 321
TOTAL	<b>12 014 869</b>	<b>13 889 836</b>
<b>Current liabilities</b>		
Loans from credit institutions	1 337 626	1 967 791
Other loans	904 535	1 267 001
Prepayments received from customers	38 209	57 000
Trade payables	5 105 576	4 144 415
Payable to related companies	1 742 550	1 206 312
Taxes and statutory social insurance contributions	182 664	425 870
Other payables	260 702	258 595
Deferred revenue	284 180	284 180
Accrued liabilities	376 614	450 882
TOTAL	<b>10 232 656</b>	<b>10 062 046</b>
<b>TOTAL LIABILITIES</b>	<b>22 247 525</b>	<b>23 951 882</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>45 490 430</b>	<b>41 331 336</b>

November 30, 2021

Board:

Gatis Zommers  
 Chairman of the Board

Jānis Mierkalns  
 Member of the Board

## Consolidated Statement of Cash Flow

	9 Month of 2021	9 Month of 2020
	EUR	EUR
<b>Cash flow from operating activities</b>		
<b>Profit (+) or loss (-) before tax</b>	<b>6 007 677</b>	<b>4 025 505</b>
Adjustments for:		
Depreciation of property plant and equipment and intangible assets	1 545 096	1 522 405
Profit (-) or loss (+) from fluctuations of exchange rate	(46 769)	537 843
Non-current and current financial investment value adjustments	(213 136)	(213 136)
Interest and similar costs	373 586	395 242
<b>Operating cash flow before working capital changes</b>	<b>7 666 454</b>	<b>6 267 859</b>
Adjustments for:		
Increase / decrease in trade and other receivables	(3 097 496)	(3 179 639)
Increase / decrease in inventories	(2 448 609)	693 391
Increase / decrease in trade and other payables	1 674 981	(645 111)
<b>Cash generated from operations</b>	<b>3 795 330</b>	<b>3 136 500</b>
Interest paid	(352 937)	(360 107)
<b>Net cash flow generated from operating activities</b>	<b>3 442 393</b>	<b>2 776 393</b>
<b>Cash flow from investing activities</b>		
Acquisition of shares in affiliated companies, associates or other companies	(100 000)	-
Income from sales of fixed assets, intangible assets, biological assets	209 453	55 575
Purchase of property, plant and equipment and intangible assets	(466 473)	(122 242)
Prepayments for fixed assets under development and construction in progress	(254 913)	(297 399)
<b>Net cash flow generated from investing activities</b>	<b>(611 933)</b>	<b>(364 066)</b>
<b>Cash flow from financing activities</b>		
Repayment of loans	(1 281 007)	(1 345 222)
Changes in credit lines	(621 161)	118 487
Lease principal amount payments	(775 219)	(1 128 335)
Lease interest payments	(22 791)	(36 745)
Dividends paid	(124 072)	-
<b>Net cash flow generated from financing activities</b>	<b>(2 824 250)</b>	<b>(2 391 815)</b>
<b>Net cash flow in the financial period</b>	<b>6 210</b>	<b>20 512</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>64 090</b>	<b>3 719</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>70 300</b>	<b>24 231</b>

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

November 30, 2021

Board:

Gatis Zommers  
 Chairman of the Board

Jānis Mierkalns  
 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 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	-	-	(195 705)	-	-	336 410	-	140 705
Distribution of profit of the year 2019	-	-	-	-	-	(1 995 298)	1 995 298	-
Profit for the period	-	-	-	-	-	-	4 025 505	4 025 505
<b>Balance as at 30 September 2020</b>	<b>579 916</b>	<b>1 370 057</b>	<b>(108 766)</b>	<b>2 828</b>	<b>3 741 168</b>	<b>6 537 972</b>	<b>4 025 505</b>	<b>16 148 680</b>
<b>Balance as at 31 December 2020</b>	<b>579 916</b>	<b>1 477 868</b>	<b>(7 430)</b>	<b>2 828</b>	<b>3 741 168</b>	<b>6 534 507</b>	<b>5 050 597</b>	<b>17 379 454</b>
Fluctuation of exchange rate	-	-	(144 226)	-	-	124 072	-	(20 154)
Distribution of profit of the year 2020	-	-	-	-	-	4 926 525	(5 050 597)	(124 072)
Profit for the period	-	-	-	-	-	-	6 007 677	6 007 677
<b>Balance as at 30 September 2021</b>	<b>579 916</b>	<b>1 477 868</b>	<b>(151 656)</b>	<b>2 828</b>	<b>3 741 168</b>	<b>11 585 104</b>	<b>6 007 677</b>	<b>23 242 905</b>

November 30, 2021

Board:

Gatis Zommers  
 Chairman of the Board

Jānis Mierkalns  
 Member of the Board