

AS VALMIERAS STIKLA ŠĶIEDRA CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

for the 3-month period ended 31 March, 2021
Unaudited



**VALMIERA[®]
GLASS**

PREPARED IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS

**CRAFTING
THE IMPOSSIBLE**

AS VALMIERAS STIKLA ŠĶIEDRA
TABLE OF CONTENTS

	PAGE
GENERAL INFORMATION	4
MANAGEMENT REPORT	5
STATEMENT OF MANAGEMENT RESPONSIBILITIES	11
FINANCIAL STATEMENTS:	
STATEMENT OF FINANCIAL POSITION	12
STATEMENT OF PROFIT AND LOSS	15
STATEMENT OF CHANGES IN EQUITY	18
STATEMENT OF CASH FLOWS	19
NOTES TO THE FINANCIAL STATEMENTS	20

AS VALMIERAS STIKLA ŠĶIEDRA
GENERAL INFORMATION

NAME OF THE PARENT COMPANY	VALMIERAS STIKLA ŠĶIEDRA
LEGAL STATUS	Joint stock company
REGISTRATION NUMBER. PLACE AND DATE	No. 40003031676 Riga, 30 September 1991
TYPE OF BUSINESS	Production of glass fibre products
ADDRESS	13 Cempu Street, Valmiera, LV- 4201, Latvia
SUBSIDIARIES	VALMIERA GLASS UK Ltd Reg. No 2189095 (100%) Sherborne, Dorset DT9 3RB United Kingdom P-D VALMIERA GLASS USA Corporation Reg. No 14036662 (52.21%) 168 Willie Paul Parkway, Dublin, GA 31021, United States of America (dissolved on 15.02.2021) VALMIERA GLASS USA Trading Corporation Reg. No 14036664 (100%) 168 Willie Paulk Parkway, Dublin, GA 31021, United States of America (dissolved on 11.02.2021)
THE BOARD	Chairman of the Board: Stefan Jugel Members of the Board: Ģirts Vēveris Ingo Bleier Mārtiņš Blaus (from 30.05.2021)
THE COUNCIL	Chairman of the Council: Peter John Bentley (from 29.03.2021) Stefan Alexander Preiss-Daimler (until 29.03.2021) Members of the Council: Stefan Alexander Preiss-Daimler (from 29.03.2021) Ian Jeffrey Burgess (from 29.03.2021) Alvaro Luis Esteban Belzuz (from 29.03.2021) Andris Oskars Brutāns Ainārs Ozols (until 29.03.2021) Theis Klauberg (until 29.03.2021)
REPORTING PERIOD	1 January 2021 - 31 March 2021
REPORTING YEAR	1 January 2021 - 31 December 2021

PROFILE OF GROUP'S COMPANIES

AS VALMIERAS STIKLA ŠĶIEDRA and its subsidiary (hereinafter –the GROUP) is one of the leading glass fibre manufacturers in Europe with more than 55 years of experience in the production of glass fibre. The GROUP's core business areas are glass fibre research, glass fibre product development, production and trade.

During the reporting period the GROUP consisted of its parent company AS VALMIERAS STIKLA ŠĶIEDRA (hereinafter –the Company) and its subsidiary VALMIERA GLASS UK Ltd. (hereinafter – the UK Subsidiary) in the United Kingdom. As at 1 January 2021, the Company's both former subsidiaries in the United States of America were in liquidation process and could be considered dormant. P-D VALMIERA GLASS USA Corp. and VALMIERA GLASS USA Trading Corp. were officially dissolved on 15 February 2021 and 11 February 2021, respectively.

The GROUP is the only group in the world with a vertically integrated structure and a wide range of glass fibre products for the thermal insulation market, with a temperature resistance up to 1250°C.

The Company specializes in manufacturing glass fibre and glass fibre products using three different types of glass: E-glass with a temperature resistance of 600+°C, HR-glass with a temperature resistance of 800+°C and SiO₂-glass with a temperature resistance of 1000+°C. The glass fibre production of the Company is used for further processing in technical (electrical, thermal and acoustic) insulation materials and as finished materials in mechanical engineering, construction and elsewhere. The UK Subsidiary produces glass fibre products for the aviation industry, thermal insulation applications and architecture.

On 28 October 2020 the Company's controlling shareholders and Duke I S.à r.l. signed a share sale and purchase agreement on sale and purchase of 83.14% of the Company's shares. On 18 February 2021 the agreement was executed, and Duke I S.à r.l. acquired 19 872 715 shares of the Company. In addition, as part of the share sale and purchase agreement, a number of other agreements between the Company, Duke I, the Company's Lenders SEB Banka and Danske Bank, and various entities related to P-D Group, the former majority shareholders of the Company, were concluded to improve the Company's financing structure, as well as to secure additional working capital financing and fund a number of planned investment projects. These agreements took effect and entered into legal force upon the share sales and purchase agreement completion date on 18 February 2021.

EMPLOYEES

In the first three months of 2021 the GROUP employed on average 1,260 employees, of which 1,142 were employed by the Company and 118 were employed by the UK subsidiary.

QUALITY MANAGEMENT

All the companies of the GROUP operate in accordance with the Quality Management System Standard ISO 9001:2015. The Company additionally is certified in accordance with the requirements of Energy Management Standard ISO 50001:2012 and Environment Management Standard ISO 14001:2015.

MARKETS AND PRODUCTS

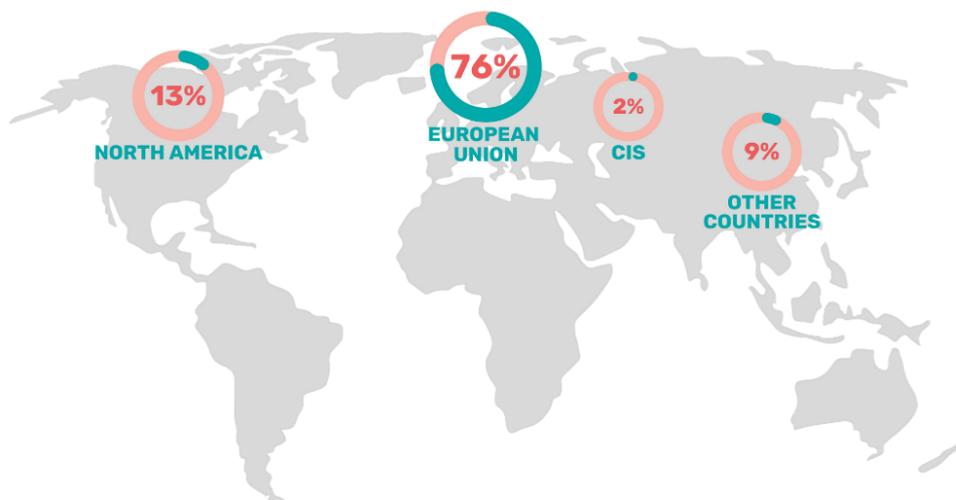
In the first three months of 2021, products manufactured by VALMIERAS STIKLA ŠĶIEDRA AS, the parent company of the GROUP, were exported to 43 countries across the world with the export share of 97%. The key sales markets of the GROUP in the reporting period were as follows: 76% of the total output was sold in the European Union & UK, 13% in North America, 2% in CIS countries and 9% in other countries such as Japan, South Korea, UAE, Australia, India, and etc.

Across product segments sales volumes slightly increased for the high-content SiO₂ glass fibre fabrics, non-woven materials and raw materials with a thermal resistance of 1000+°C. During the reporting period, the Company exceeded its budgeted sales targets. However, compared to 2020, sales of E-glass products significantly decreased mainly due to temporarily insufficient production capacity.

As of the 2nd quarter of 2020, COVID-19 pandemic negatively affected glass fibre industry leading to temporary market price reduction across most product segments of the GROUP. In the second half of 2020, gradual glass fibre market recovery could be observed. In the beginning of 2021, the GROUP revised its pricing and discount policy in order to raise the price level to the level customary in the market and to take account of the increasing purchase prices for purchased materials and chemicals.

COVID-19 led to substantial changes in the road and sea freight forwarding capacities, and related structural changes in the global glass fibre product markets. These trends benefit the European glass fibre manufacturers, and lead to positive outlook on short-and medium-term GROUP's sales forecasts.

KEY SALES MARKETS OF VALMIERA GLASS GROUP:



MAIN FINANCIAL INDICATORS

TEUR	1Q 2019	1Q 2020	1Q 2021
<u>MAIN FINANCIAL INDICATORS OF VALMIERA GLASS GROUP</u>			
Net sales	35 836	32 851	28 445
EBITDA	168	5 874	2 958
EBIT	-2 491	3 534	961
Net profit/ (loss)	-2 572	2 090	3 236
Net profit/ (loss) attributable to the owners of the Parent	-107	2 937	3 236
Sales growth, %	14.7%	-8.3%	-13.4%
EBITDA margin, %	0.5%	17.9%	10.4%
EBIT margin, %	-7.0%	10.8%	3.4%
Net profit margin, %	-7.2%	6.4%	11.4%
ROE,%	6.3%	-3.5%	-8.5%
ROA,%	-2.3%	2.0%	3.5%
ROCE,%	-5.7%	14.0%	3.9%
Current ratio	0.75	0.55	2.49
Earnings per share (EUR)	-0.0045	0.1229	0.1354
<u>MAIN FINANCIAL INDICATORS OF AS VALMIERAS STIKLA ŠĶIEDRA</u>			
Net sales	26 482	26 392	24 829
EBITDA	5 161	5 986	2 781
EBIT	2 631	3 723	852
Net profit/ (loss)	1 912	2 141	3 385
Sales growth, %	5.9%	-0.3%	-5.9%
EBITDA margin, %	19.5%	22.7%	11.2%
EBIT margin, %	9.9%	14.1%	3.4%
Net profit margin, %	7.2%	8.1%	13.6%
ROE,%	-6.4%	-5.7%	-8.7%
ROA,%	1.9%	2.1%	3.7%
ROCE,%	5.5%	9.8%	3.7%
Current ratio	0.66	0.57	2.05
Earnings per share (EUR)	0.0800	0.0896	0.1416

Definitions of Alternative Performance Measures

Formulas of APM

EBITDA: Earnings before interest, tax, depreciation and amortisation. EBITDA shows company's profitability with existing assets and activities in production and sales.

*Operating profit +
depreciation and
amortisation*

EBIT: Earnings before interest and taxes. Earnings before and taxes measures the profit a company generates from its operations, making it synonymous with operating profit.

Operating profit

Net profit / (loss): The difference between the company's total revenue and expenses in a given period of time.

*Earnings after interest and
taxes (Profit for the year)*

ROA. %: Indicator of how profitable a company is relative to its total assets. The indicator reflects how effectively company is profiting from the use of its assets

*Net profit / Average Total
assets for the period*

ROE %: Measure of financial performance calculated by dividing net income by shareholders' equity. The indicator reflects the effective use of equity capital by the company.

*Net profit / Average Total
equity for the period*

ROCE. %: Measures a company's profitability and the efficiency with which its capital is used.

*EBIT/Total assets-current
liabilities*

EBITDA margin. %: Assessment of a firm's operating profitability as a percentage of its total revenue.

EBITDA / Net sales

EBIT margin/operating profit margin. %: operating earnings over operating sales.

EBIT / Net sales

Net profit margin. %: The net profit margin is equal to how much net income or profit is generated as a percentage of revenue.

Net profit / Net sales

Earnings per share (EUR): The portion of a company's profit allocated to each share of common stock.

*Net profit/ weighted average
common shares outstanding*

Current ratio: The ability of a party to use current assets to settle current liabilities.

*Current assets / Current
liabilities*

The above - described alternative performance measures ('APM') are used by GROUP's management to evaluate GROUP's performance for a particular financial period. These APM are also used to make decisions.

STOCK MARKET

AS VALMIERAS STIKLA ŠĶIEDRA shares are quoted on the secondary list of Nasdaq Riga stock exchange since 24 February 1997 (ISIN LV0000100485; ID: VSS1R). The number of shares in public circulation amounts to 23,903,205.

The share price decreased by 45.51% during the course of the first three months of 2021 and fluctuated within the range of EUR 0.81 (the lowest share price) to EUR 1.69 (the highest share price). During this period, the weighted average share price amounted to EUR 1.05. The share price of the first transaction at the beginning of the period was EUR 1.56, whereas the share price of the last transaction at the end of the period was EUR 0.85.

In the three months of 2021, the number of shares traded by the GROUP's Parent Company reached 205 346 and the turnover of shares amounted to EUR 219.7 thousand. During this period, 1 788 transactions were executed on the Exchange.

Price dynamics of AS VALMIERAS STIKLA ŠĶIEDRA shares during the last five years before the end of the reporting period (Nasdaq Riga data):

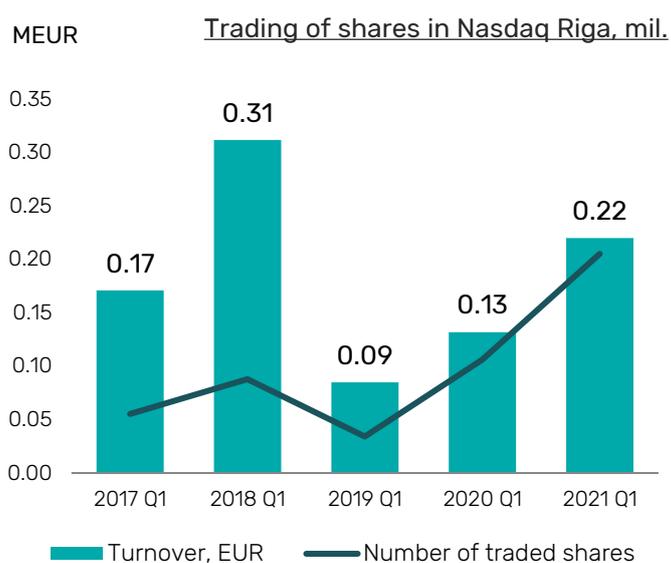


In the three months of 2021, the price of AS VALMIERAS STIKLA ŠĶIEDRA shares decreased by 45.51%, while the OMX Riga index value corrected by 8.34% while that of the OMX Baltic Benchmark GI by -2.25%.

The price of AS VALMIERAS STIKLA ŠĶIEDRA shares in the 3 months of 2021 compared to OMX Baltic Benchmark GI and OMX Riga indexes (Nasdaq Riga data):



Trading of AS VALMIERAS STIKLA ŠĶIEDRA shares in the 3 months 2021 (Nasdaq Riga data):



EVENTS AFTER THE END OF THE REPORTING PERIOD

On March 29, 2021 the extraordinary shareholders' meeting of the Company decided to exclude all bearer shares of joint stock company "VALMIERAS STIKLA ŠĶIEDRA" from JSC "Nasdaq Riga" Baltic Second list.

By the decision of the Financial and Capital Market Commission of 13 April 2021, Duke I S.à r.l. was authorized to make a mandatory buyout offer to the shareholders of the Company pursuant to the article 66 section 4 subsections 1) and 2) of the Financial Instruments Market Law. The mandatory buyout offer was effective from the 17 April 2021 until 17 May 2021 (16:00 GMT + 2).

As a result of the mandatory buyout, the Duke I S.à r.l. owns 20,095,064 (twenty million ninety-five thousand and sixty-four) shares of the Company, representing 84.07% of the company's share capital and voting shares.

AS VALMIERAS STIKLA ŠĶIEDRA
STATEMENT OF MANAGEMENT RESPONSIBILITIES

The management of the Company is responsible for the preparation of the financial statements of the Company and the GROUP.

The financial statements are prepared in accordance with the source documents and present fairly the financial position of the Company and the GROUP as at 31 March 2021 and the results of their operations and cash flows for the period then ended. The management confirms that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements. The management also confirms that the requirements of International Financial Reporting Standards as adopted by the EU have been complied with and that the financial statements have been prepared on a going concern basis.

The management of the GROUP is also responsible for maintaining proper accounting records, for taking reasonable steps to safeguard the assets of the Company and the GROUP and to prevent fraud and fraudulent activities, and other irregularities.

On behalf of the management

Stefan Jugel
Chairman of the Board

**STATEMENT OF FINANCIAL POSITION
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2021**

VALMIERA GLASS GROUP

	31.03.2021	31.03.2020	31.12.2020
	EUR	EUR	EUR
ASSETS			
NON-CURRENT ASSETS			
Other intangible assets	1 787 418	1 159 097	1 528 614
Goodwill	3 844 980	4 494 092	3 644 227
Property, plant and equipment	47 224 471	52 168 691	48 239 586
Other assets	-	211 815	-
Deferred tax asset, net	203 300	1 416 899	192 686
	53 060 169	59 450 594	53 605 113
CURRENT ASSETS			
Inventories	15 611 254	23 852 483	20 190 794
Current tax assets	-	-	389 278
Trade receivables	12 032 729	11 866 713	5 512 208
Amounts due from related parties	-	-	1 018 501
Other assets	1 914 225	5 576 871	1 507 203
Cash and cash equivalents	18 763 597	2 085 196	3 038 076
	48 322 225	43 381 263	31 656 060
TOTAL ASSETS	101 382 393	102 831 857	85 261 173
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	33 464 487	33 464 487	33 464 487
Foreign currency translation reserve	727 983	(5 306 096)	(884 694)
Other reserves	(2 804 357)	(3 157 882)	(2 804 357)
Retained earnings	(67 133 493)	(30 347 905)	(70 369 497)
Equity attributable to owners of the Parent	(35 745 380)	(5 347 396)	(40 594 061)
Non-controlling interests	-	(54 036 225)	-
Total equity	(35 745 380)	(59 383 621)	(40 594 061)
LIABILITIES			
Non-current liabilities			
Loans and borrowings	46 038 301	57 188 254	-
Loans and borrowings from related parties	61 425 809	7 432 371	871 640
Trade payables	-	1 295 531	-
Payables to related parties	4 111 456	8 852 825	-
Taxes and social security contributions	676 743	-	879 047
Other payables	1 060 614	1 683 398	1 178 379
Defined benefit obligation	2 951 117	3 162 735	2 974 848
Deferred income	1 461 598	4 427 466	1 556 794
	117 725 638	84 042 580	7 460 708
Current liabilities			
Loans and borrowings	765 416	43 915 210	84 091 313
Loans and borrowings from related parties	63 951	-	11 374 970
Contract liabilities	1 182 122	334 745	1 140 374
Trade payables	7 792 703	19 718 763	7 932 763
Payables to related parties	-	2 585 326	4 159 502
Taxes and social security contributions	2 170 044	3 255 066	2 422 801
Accrued liabilities	2 555 207	4 257 305	2 282 172
Other payables	2 063 481	1 871 687	2 290 949
Defined benefit obligation	784 474	997 559	772 524
Deferred income	380 785	-	380 785
Provisions	1 643 952	1 237 237	1 546 373
	19 402 135	78 172 898	118 394 526
Total liabilities	137 127 773	162 215 478	125 855 234
TOTAL EQUITY AND LIABILITIES	101 382 393	102 831 857	85 261 173

**STATEMENT OF FINANCIAL POSITION
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2021**

AS VALMIERAS STIKLA ŠĶIEDRA

31.03.2021 31.03.2020 31.12.2020
EUR EUR EUR

ASSETS

NON-CURRENT ASSETS

Other intangible assets	1 787 417	1 159 097	1 528 614
Property, plant and equipment	44 969 250	50 150 833	46 163 382
Investments in subsidiaries	13 000 000	13 000 000	13 000 000
Loans to subsidiaries	-	585 072	-
	59 756 667	64 895 002	60 691 996

CURRENT ASSETS

Inventories	11 124 963	13 503 554	15 443 487
Trade receivables	9 241 933	7 254 868	3 810 235
Amounts due from related parties	523 858	13 064 745	2 351 952
Other assets	1 626 410	1 549 497	1 377 008
Cash and cash equivalents	17 401 272	616 190	1 316 810
	39 918 436	35 988 854	24 099 492

TOTAL ASSETS

99 675 103 100 883 856 84 791 488

EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY

Share capital	33 464 487	33 464 487	33 464 487
Other reserves	546 709	546 709	546 709
Retained earnings	(71 208 934)	(70 682 113)	(74 593 693)
Total equity	(37 197 738)	(36 670 917)	(40 582 497)

LIABILITIES

Non-current liabilities

Loans and borrowings	46 038 301	50 273 022	-
Loans and borrowings from related parties	64 098 398	12 780 719	3 323 839
Trade payables	-	1 295 531	-
Payables to related parties	4 111 456	6 372 362	-
Taxes and social security contributions	676 743	-	879 047
Other payables	1 060 614	1 683 399	1 178 379
Deferred income	1 461 598	2 223 167	1 556 794
	117 447 110	74 628 200	6 938 059

Current liabilities

Loans and borrowings	400 639	42 668 577	83 998 502
Loans and borrowings from related parties	1 769 145	-	13 074 970
Contract liabilities	1 182 122	442 666	1 140 372
Trade payables	7 397 543	10 821 821	7 723 067
Payables to related parties	471 513	859 570	4 480 308
Taxes and social security contributions	2 170 044	2 345 364	2 368 823
Accrued liabilities	2 540 172	2 696 334	2 276 937
Other payables	1 967 323	1 855 004	1 879 281
Deferred income	380 785	-	380 785
Provisions	1 146 444	1 237 237	1 112 881
	19 425 730	62 926 573	118 435 926

Total liabilities

136 872 841 137 554 773 125 373 985

TOTAL EQUITY AND LIABILITIES

99 675 103 100 883 856 84 791 488

**STATEMENT OF FINANCIAL POSITION
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2021**

VALMIERA GLASS UK Ltd.

	31.03.2021	31.03.2020	31.12.2020
	EUR	EUR	EUR
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2 255 222	1 958 207	2 076 205
Loans and borrowings to related parties	-	4 371 646	-
Deferred tax asset, net	203 300	324 604	192 685
	2 458 522	6 654 457	2 268 890
CURRENT ASSETS			
Loans and borrowings to related parties	4 371 646	-	4 371 646
Inventories	4 486 291	8 393 518	4 977 324
Current tax assets	-	-	-
Trade receivables	2 790 796	3 426 396	1 661 761
Amounts due from related parties	483 698	3 463 289	318 527
Other assets	288 234	456 174	241 118
Cash and cash equivalents	1 362 325	480 407	1 666 091
	13 782 990	16 219 784	13 236 467
TOTAL ASSETS	16 241 512	22 874 241	15 505 357
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	5 358 820	5 136 330	5 079 026
Share premium	3 037 543	2 911 429	2 878 947
Foreign currency translation reserve	(3 813)	(29 150)	(5 091)
Other reserves	340 199	(1 671 303)	322 436
Retained earnings	1 874 628	8 653 447	1 922 830
Total equity	10 607 377	15 000 753	10 198 148
LIABILITIES			
Non-current liabilities			
Loans and borrowings	-	103 710	220 390
Defined benefit obligation	2 951 117	3 162 734	2 974 848
	2 951 117	3 266 444	3 195 238
Current liabilities			
Loans and borrowings	359 582	1 096 712	92 811
Trade payables	395 160	241 695	209 696
Payables to related parties	538 472	848 083	509 440
Accrued liabilities	-	1 422 995	-
Other payables	107 823	-	94 008
Defined benefit obligation	784 474	997 559	772 523
Provisions	497 508	-	433 493
	2 683 019	4 607 044	2 111 971
Total liabilities	5 634 136	7 873 488	5 307 209
TOTAL EQUITY AND LIABILITIES	16 241 513	22 874 241	15 505 357

**STATEMENT OF PROFIT AND LOSS
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2021**

VALMIERA GLASS GROUP

	3M 2021	3M 2020	2020
	EUR	EUR	EUR
Sales	28 445 296	31 090 165	95 839 730
Change in inventories	(4 727 610)	(1 013 040)	(2 206 400)
Other operating income	195 569	147 896	901 515
Raw materials and consumables	(9 616 044)	(12 090 470)	(38 013 821)
Personnel expenses	(7 234 436)	(7 635 913)	(27 954 338)
Depreciation and amortization	(1 967 436)	(2 329 460)	(8 492 521)
Impairment (loss)/ reversal on loans, trade and other receivables and contract assets, net	(29 997)	-	(214)
Other operating expenses	(4 104 723)	(2 964 225)	(14 881 980)
Profit from operations	960 619	5 204 953	5 191 971
Interest and similar income	3 612 472	366 180	257 555
Interest and similar expenses	(1 422 993)	(1 518 189)	(7 615 523)
Profit/ (loss) before tax	3 150 098	4 052 944	(2 165 997)
Corporate income tax	85 906	(190 183)	(94 279)
Profit/ (loss) for the period from continuing operations	3 236 004	3 862 761	(2 260 276)
Discontinued operations	-	(1 772 435)	9 160 154
Profit / (loss) for the period	3 236 004	(2 090 326)	6 899 878
<i>Attributable to:</i>			
Non-controlling interest	-	(847 131)	47 847 225
Owners of the Parent	3 236 004	2 937 457	(40 947 347)
Earnings per share	0.1354	0.1229	(1.7130)

**STATEMENT OF PROFIT AND LOSS
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2021**

	AS VALMIERAS STIKLA ŠĶIEDRA		
	3M 2021	3M 2020	2020
	EUR	EUR	EUR
Sales	24 828 567	26 392 206	83 206 544
Change in inventories	(4 349 105)	(1 013 255)	(1 038 213)
Other operating income	255 569	231 542	1 127 275
Raw materials and consumables	(8 215 663)	(10 070 445)	(32 965 124)
Personnel expenses	(6 300 212)	(6 396 290)	(23 906 756)
Depreciation and amortization	(1 898 896)	(2 263 220)	(8 122 552)
Impairment (loss)/ reversal on loans, trade and other receivables and contract assets, net	(29 997)	-	(958 226)
Other operating expenses	(3 438 525)	(3 157 376)	(13 056 208)
Profit from operations	851 738	3 723 162	4 286 740
Interest and similar income	3 612 472	696 815	11 785
Interest and similar expenses	(1 076 427)	(2 275 102)	(7 687 750)
Profit/ (Loss) before tax	3 387 783	2 144 875	(3 389 225)
Corporate income tax	(3 023)	(4 135)	(85 928)
Profit/ (Loss) for the period	3 384 760	2 140 740	(3 475 153)

**STATEMENT OF PROFIT AND LOSS
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2021**

VALMIERA GLASS UK Ltd.

	3M 2021	3M 2020	2020
	EUR	EUR	EUR
Sales	4 804 067	6 067 624	16 310 550
Change in inventories	(378 505)	(18 755)	(1 168 185)
Other operating income	-	8 239	381 366
Raw materials and consumables	(2 587 719)	(3 367 050)	(8 812 624)
Personnel expenses	(934 225)	(1 239 624)	(4 047 582)
Depreciation and amortization	(68 541)	(66 240)	(369 538)
Other operating expenses	(726 196)	(651 453)	(2 062 761)
Profit from operations	108 881	732 741	231 226
Interest and similar income	32 856	443 910	386 010
Interest and similar expenses	(379 422)	(35 559)	(118 299)
Profit / (loss) before tax	(237 685)	1 141 092	498 937
Corporate income tax	88 929	(186 048)	(8 351)
Profit / (loss) for the period	(148 755)	955 044	490 586

**STATEMENT OF CHANGES IN EQUITY
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2021**

VALMIERA GLASS GROUP

	Share capital	Revaluation reserve	Other reserve	Retained earnings	Total	Non-controlling interest	Total equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
31.12.2019	33 464 487	(3 856 861)	(3 130 175)	(29 422 150)	(2 944 699)	(48 874 171)	(51 818 870)
Current period (loss)	-	-	-	(40 947 347)	(40 947 347)	47 847 225	6 899 878
<i>Other comprehensive income:</i>	-	-	-	-	-	-	-
<i>Remeasurement of defined benefit obligation</i>	-	-	485 557	-	485 557	-	485 557
<i>Deferred tax relating to defined benefit obligation</i>	-	-	(159 739)	-	(159 739)	-	(159 739)
Exchange differences on translating foreign operations	-	2 972 167	-	-	2 972 167	1 206 946	3 999 113
31.12.2020	33 464 487	(884 694)	(2 804 357)	(70 369 497)	(40 594 061)	-	(40 594 061)
Current period profit	-	-	-	3 236 004	3 236 004	-	3 236 004
Exchange differences on translating foreign operations	-	1 612 677	-	-	1 612 677	-	1 612 677
31.03.2021	33 464 487	727 983	(2 804 357)	(67 133 493)	(35 745 380)	-	(35 745 380)

**STATEMENT OF CASH FLOWS OF THE GROUP
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2021**

VALMIERA GLASS GROUP

	3M 2021	3M 2020	2020
	EUR	EUR	EUR
Cash flows from operating activities			
Profit/ (loss) before tax	3 151 894	2 280 510	(2 165 997)
<i>Adjustments:</i>			
Depreciation and amortization	1 967 436	2 339 490	8 492 521
Change in impairment allowances	71 664	-	2 256 171
Loss from disposal of property, plant and equipment, net	106 236	-	(7 306)
Cash paid to pension scheme not recognized in profit or loss	(212 763)	(82 479)	(438 350)
Government grants	(95 196)	(95 452)	(380 785)
Interest expense, net	492 011	592 178	4 582 335
Changes in working capital:			
Change in inventory	4 398 094	3 765 498	1 122 220
Change in receivables	(4 085 511)	(6 107 909)	(1 530 459)
Change in payables	(1 255 706)	(2 801 443)	(4 882 463)
Change in provisions and employee benefits	131 799	-	(553 632)
Interest paid	(1 014 260)	(1 100 502)	(4 238 936)
Income tax paid	(1 170)	(185 644)	(26 658)
Change in provisions for restructuring fees	(3 046 299)	508 324	2 596 644
	608 229	(887 429)	4 825 305
Cash flows from investing activities			
Purchase of fixed and intangible assets	(1 125 647)	-	(2 339 971)
Income from sale of property, plant and equipment	-	-	7 306
	(1 125 647)	-	(2 332 665)
Cash flows from financing activities			
Loans and borrowings received/ (repaid), net	16 344 991	408 516	(396 454)
Payments of lease liabilities	(128 775)	-	(588 859)
	16 216 216	408 516	(985 313)
Foreign exchange differences	81 898	-	(35 617)
Net cash flows (to) / from discontinued operations	(55 175)	-	(1 108 174)
Net change in cash and cash equivalents	15 725 521	(478 913)	363 536
Cash and cash equivalents at the beginning of the reporting period	3 038 076	2 564 109	2 674 540
Cash and cash equivalents at the end of the reporting period	18 763 597	2 085 196	3 038 076

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 3 MONTH PERIOD ENDED 30 MARCH 2021**

1. GENERAL INFORMATION

AS VALMIERAS STIKLA ŠĶIEDRA is registered as a joint stock company in the Commercial Register of the Republic of Latvia. The principal activity of the Company is production and trade of fibreglass and fibreglass products.

The GROUP consists of parent company AS VALMIERAS STIKLA ŠĶIEDRA and its subsidiaries VALMIERA GLASS UK, P-D VALMIERA GLASS USA Corporation and VALMIERA GLASS Trading USA Corporation. The principal activity of the GROUP is production and trade of fibreglass and fibreglass products.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENT

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (the EU) and their interpretations. The standards are issued by the International Accounting Standards Board (IASB) and their interpretations by the International Financial Reporting Interpretations Committee (IFRIC).

3. SHARE CAPITAL

The share capital as of 31 March 2021 consists of 23,903,205 publicly listed bearer shares, all with equal rights. The shareholders as at 31 March 2021 and 2020, and 31 December 2020 were as follows (according to Nasdaq CSD data):

	Percentage of investment (%) 31.03.2021	Percentage of investment (%) 31.03.2020	Percentage of investment (%) 31.12.2020
Duke I S.à r.l.	83.14	-	-
P-D Management Industries-Technologies GmbH	10.5	23.93	23.93
P-D Glasseiden GmbH Oschatz	-	26.07	26.07
P-D Aircraft Composites GmbH	-	22.82	22.82
Preiss-Daimler Beatrix	-	17.47	17.47
Other shareholders (less 5% ownership interest)	6.36	9.71	9.71
Total	100.00	100.00	100.00