

AS VALMIERAS STIKLA ŠĶIEDRA CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

for the 3-month period ended 31 March, 2020
Unaudited



**VALMIERA[®]
GLASS**

PREPARED IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS

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AS VALMIERAS STIKLA ŠĶIEDRA
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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 VALMIERA GLASS USA Trading Corporation Reg. No 14036664 (100%) 168 Willie Paulk Parkway, Dublin, GA 31021, United States of America
THE BOARD	Chairman of the Board: Stefan Jugel Members of the Board: Ģirts Vēveris Ingo Bleier
THE COUNCIL	Chairman of the Council: Stefan Alexander Preiss-Daimler (from 06.03.2020) Heinz-Jürgen Preiss-Daimler (until 04.02.2020) Members of the Council: Stefan Alexander Preiss-Daimler (until 06.03.2020) Andris Oskars Brutāns Ainārs Ozols Theis Klauberg
REPORTING PERIOD	1 January 2020 - 31 March 2020
REPORTING YEAR	1 January 2020 - 31 December 2020

PROFILE OF GROUP'S COMPANIES

AS VALMIERAS STIKLA ŠĶIEDRA and its subsidiaries (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 the parent company AS VALMIERAS STIKLA ŠĶIEDRA (hereinafter – the Company) and its subsidiaries VALMIERA GLASS UK Ltd. (hereinafter – the UK Subsidiary) in the United Kingdom, P-D VALMIERA GLASS USA Corp. (hereinafter – the US Subsidiary) and VALMIERA GLASS USA Trading Corp. (hereinafter – the US trading subsidiary) in the United States of America.

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 of 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 a broad range of business segments such as mechanical engineering, construction and others.

The UK Subsidiary produces glass fibre products for the aviation industry, thermal insulation applications and architecture, and the US Subsidiary manufactures glass fibre non-woven materials.

EMPLOYEES

In the first quarter of 2020 the GROUP employed on average 1,368 employees, of which 1,187 were employed by the Company. The UK subsidiary employed on average 130 employees and the US subsidiary employed on average 51 employees.

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 50001:2011 and Environment Management Standard ISO 14001:2015.

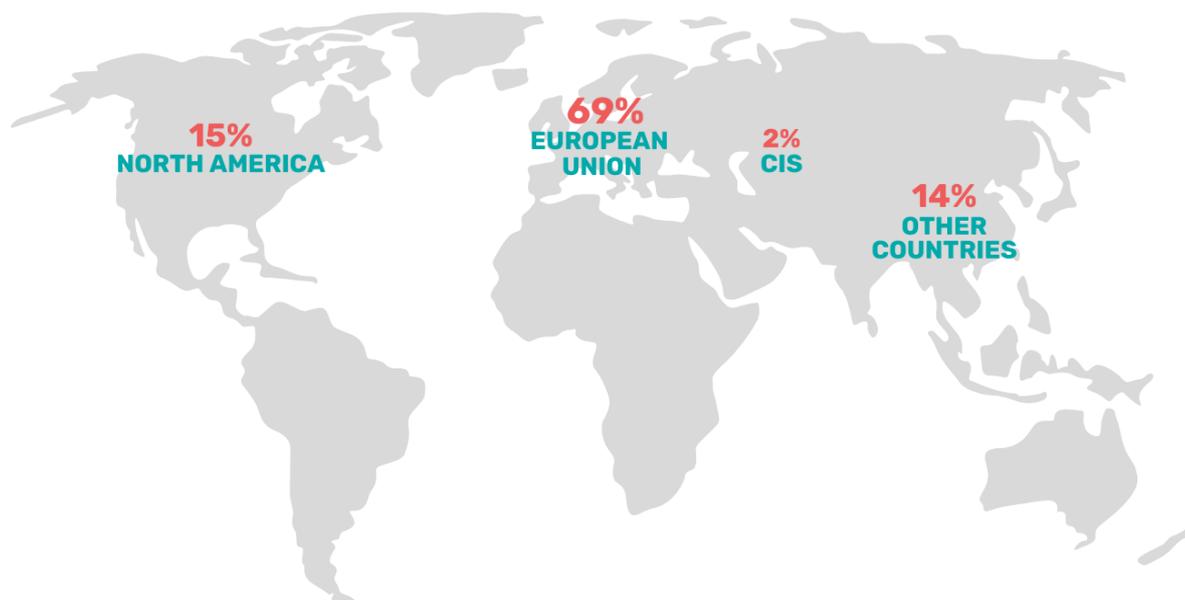
MARKETS AND PRODUCTS

In the first three months of 2020, products manufactured by VALMIERAS STIKLA ŠĶIEDRA AS, the parent company of the GROUP, were exported to 37 countries across the world, with an export share of 97%. The key sales markets of the VALMIERA GLASS GROUP in the reporting period was as follows: 69% of the total output was sold in the European Union & UK, 15% in North America, 2% in CIS countries and 14% in other export countries (incl. Switzerland, Japan, South Korea, UAE, Australia etc.).

Across product segments, sales volumes increased for high value-added products, such as E-glass fibre textured fabrics and construction mesh and non-woven materials with a thermal resistance of 600+°C, as well as for the high-content SiO₂ glass fibre fabrics and non-woven materials with a thermal resistance of 1000+°C. In other product segments, the sales volumes are considered as stable or with a slight decrease. Within the GROUP, the largest increase in turnover in comparison with same period last year was observed in the building materials and composites product segments.

Due to coronavirus (COVID-19) related shifts in the market the Company has revised its budget and estimates sales to decrease overall by 20% in 2020, reaching the most significant decrease in the months of May and June. The Company expects declining sales in automotive and composite segments across Asia and Europe, as well as a significant but temporary decrease in the demand in the construction segment in Italy, Spain, France and Eastern Europe, and a more moderate decrease in other European countries. A moderate decrease is also observed and further estimated for the thermal insulation segment. It is also expected that sales in other regions – North America and CIS – will be negatively affected as an outcome of the implemented measures to restrict the spread of the virus.

KEY SALES MARKETS OF VALMIERA GLASS GROUP:



MAIN FINANCIAL INDICATORS

TEUR	1Q 2018	1Q 2019	1Q 2020
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MAIN FINANCIAL INDICATORS OF VALMIERA GLASS GROUP

Net sales	31 247	35 836	32 851
EBITDA	5 124	168	5 874
EBIT	1 942	-2 491	3 534
Net profit/ (loss)	1 053	-2 572	2 090
Net profit/ (loss) attributable to the owners of the Parent	1 657	-107	2 937
Sales growth, %	-12.4%	14.7%	-8.3%
EBITDA margin, %	16.4%	0.5%	17.9%
EBIT margin, %	6.2%	-7.0%	10.8%
Net profit margin, %	3.4%	-7.2%	6.4%
ROE,%	1.5%	6.3%	-3.5%
ROA,%	0.5%	-2.3%	2.0%
ROCE,%	1.3%	-5.7%	14.0%
Current ratio	0.85	0.75	0.55
Earnings per share (EUR)	0.0693	-0.0045	0.1229

MAIN FINANCIAL INDICATORS OF AS VALMIERAS STIKLA ŠĶIEDRA

Sales	25 016	26 482	26 392
EBITDA	5 367	5 161	5 986
EBIT	2 828	2 631	3 723
Net profit	3 367	1 912	2 141
Sales growth	-17.3%	5.9%	-0.3%
EBITDA margin	21.5%	19.5%	22.7%
EBIT margin/operating profit margin	11.3%	9.9%	14.1%
Net profit margin	13.5%	7.2%	8.1%
ROE	5.5%	-6.4%	-5.7%
ROA	1.9%	1.9%	2.1%
ROCE	2.1%	5.5%	9.8%
Current ratio	1.23	0.66	0.57
Earnings per share (EUR)	0.1409	0.0800	0.0896

Definitions of Alternative Performance Measures

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

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.

Net profit (loss): The actual profit after working expenses not included in the calculation of gross profit have been paid.

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

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.

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

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

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

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

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

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

Formulas of APM

*Operating profit +
depreciation and
amortisation*

Operating profit

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

*Net profit / Average Total
assets for the period*

*Net profit / Average Total
equity for the period*

*EBIT/Total assets-current
liabilities*

EBITDA / Net sales

EBIT / Net sales

Net profit / Net sales

*Net profit/ weighted average
common shares outstanding*

*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 6.78% during the course of the first 3 months of 2020 and fluctuated within the range of EUR 1.00 (the lowest share price) to EUR 1.45 (the highest share price). During this period, the weighted average share price amounted to EUR 1.23. The share price of the first transaction at the beginning of the period was EUR 1.10, whereas the share price of the last transaction at the end of the period was EUR 1.18.

In the 3 months of 2020, the number of shares traded by the joint stock company reached 106,238 and the turnover of shares amounted to EUR 131.6 thousand. During this period, 476 transaction 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):

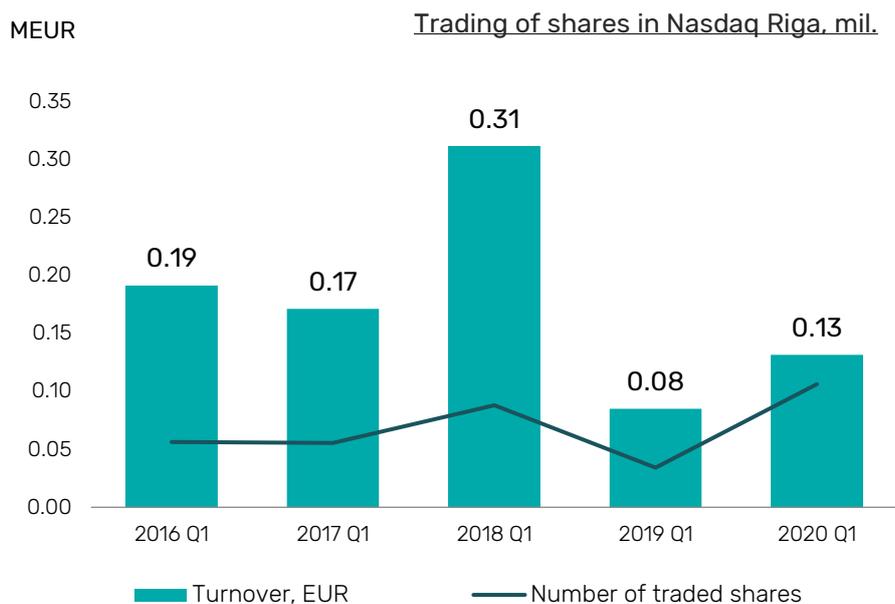


In the 3 months of 2020, the price of AS VALMIERAS STIKLA ŠĶIEDRA shares decreased by 6.78%, while the OMX Riga index value corrected by -12.71% while that of the OMX Baltic Benchmark GI by -21.65%.

The price of AS VALMIERAS STIKLA ŠĶIEDRA shares in the 3 months of 2020 compared to OMX Baltic Benchmark GI and OMX Riga indexes (Nasdaq Riga data):



Trading of AS VALMIERAS STIKLA ŠĶIEDRA shares in the first 3 months 2020 (Nasdaq Riga data):



LEGAL PROTECTION PROCEEDINGS

On April 3, 2020 the Company announced amendments to the legal protection process plan (hereinafter – the Plan). The amendments were introduced with the aim to ensure the sustainable economic activities of the Company and to promote a stable cash flow, which is a precondition to enable the Company to settle its liabilities in full with all the creditors of the Plan. On the same day the Company distributed the amendments to the Plan to the creditors of the Plan and requested their consent by April 24, 2020.

On April 30, 2020 the Company filed for the court approval of the legal protection plan amendments. The Company had received consent from 100% of the secured creditors and 78.5% of the unsecured creditors for the amendments to the LPP.

On May 19, 2020 the court approved the amendments to the legal protection process plan of AS VALMIERAS STIKLA ŠĶIEDRA. The decision of the court is not subject to an appeal.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On May 22, 2020, an extraordinary general meeting of the shareholders took place. The following Audit Committee members were elected for the term of three years: Mr Aivars Lošmanis, Mr Philipp Kögel and Mr Andris Oskars Brutāns.

On April 28, 2020, the Company adjusted its sales forecast due to coronavirus (COVID-19) related market volatility. The Company has revised its budget and estimates an overall sales decrease by 20% in 2020, reaching the most significant decrease in the months of May and June. Meanwhile, the manufacturing processes continue according to the newly revised production plan, raw material supplies are unaffected, and delivery delays for customers are not anticipated.

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 a fair view of the financial position of the Company and the GROUP as of 31 March 2020, and the results of their operations and cash flows in the reporting period. 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 2020**

VALMIERA GLASS GROUP

	31.03.2020	31.03.2019	31.12.2019
	EUR	EUR	EUR
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Software, licenses, patents, trademarks, similar rights	1 056 967	834 226	1 028 650
Software in acquisition process	102 130	13 736	84 888
Goodwill	4 494 092	3 817 161	4 125 537
Total intangible assets	5 653 189	4 665 123	5 239 075
Property, plant and equipment			
Land and buildings	9 327 097	10 635 445	9 725 174
Equipment and machinery	41 568 372	43 530 617	41 667 840
Other fixed assets	683 860	726 293	668 212
Construction in progress	93 730	664 788	2 726 393
Advance payments for fixed assets	495 632	592 808	502 914
Total property, plant and equipment	52 168 691	56 149 951	55 290 533
Non-current financial investments			
Deferred expenses	211 815	208 025	208 881
Total non-current financial investments	211 815	208 025	208 881
Deferred tax asset	2 002 722	1 611 264	1 995 187
Total non-current assets	60 036 417	62 634 363	62 733 676
CURRENT ASSETS			
Inventories			
Raw materials	7 603 330	11 508 621	10 070 866
Work in progress	6 927 852	6 101 575	3 969 815
Finished goods	8 614 643	13 815 547	12 813 494
Advance payments for inventories	706 658	1 547 316	763 806
Total inventories	23 852 483	32 973 059	27 617 981
Debtors			
Trade receivables	11 866 713	13 273 426	4 953 248
Amounts due from related parties	-	366 275	830 638
Other receivables	3 683 808	582 527	3 467 013
Deferred expenses	1 893 063	8 961 826	1 349 276
Total debtors	17 443 584	23 184 054	10 600 175
Cash and cash equivalents	2 085 196	518 128	2 564 109
Total current assets	43 381 263	56 675 241	40 782 265
TOTAL ASSETS	103 417 680	119 309 604	103 515 941

**STATEMENT OF FINANCIAL POSITION
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2020**

VALMIERA GLASS GROUP

	VALMIERA GLASS GROUP		
	31.03.2020	31.03.2019	31.12.2019
	EUR	EUR	EUR
LIABILITIES AND EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	33 464 487	33 464 487	33 464 487
Foreign currency translation reserve	(5 306 096)	(1 873 458)	(3 920 170)
Other reserves	(3 157 882)	(1 153 450)	(3 157 882)
Retained earnings			
Profit/ (loss) brought forward	(33 285 362)	(24 440 266)	(27 286 353)
Profit/ (loss) for the current reporting period	2 937 457	(107 456)	(5 999 008)
Total equity attributable to owners of the parent company	(5 347 396)	5 889 857	(6 898 926)
Non-controlling interest	(54 036 225)	(47 429 472)	(52 414 683)
Total equity	(59 383 621)	(41 539 615)	(59 313 609)
LIABILITIES			
Non-current liabilities			
Borrowings from credit institutions	49 500 000	55 718 073	50 000 000
Other borrowings	7 688 254	7 826 884	5 760 230
Trade payables	1 295 531	-	1 943 297
Payables to related parties	16 285 196	12 162 363	14 802 386
Other accounts payables	1 683 398	-	-
Deferred tax liabilities	585 823	606 777	633 557
Defined benefit obligation	3 162 735	4 309 099	3 834 147
Deferred income	4 427 466	4 398 666	4 492 125
Derivative financial instruments	-	359 904	-
Total non-current liabilities	84 628 403	85 381 766	81 465 742
Current liabilities			
Borrowings from credit institutions	42 561 627	30 953 903	41 512 166
Other borrowings	376 881	754 835	4 297 342
Contract liabilities	334 745	3 327 225	566 631
Trade payables	19 718 763	21 108 743	21 648 926
Payables to related parties	2 585 326	4 989 634	4 439 239
Taxes and social security contributions	3 255 066	(450 635)	2 531 650
Other accounts payable	1 871 687	1 671 998	1 247 495
Accrued liabilities	6 471 244	11 751 271	4 122 800
Defined benefit obligation	997 559	990 330	997 559
Deferred income	-	370 149	-
Total current liabilities	78 172 898	75 467 453	81 363 808
Total liabilities	162 801 301	160 849 219	162 829 550
TOTAL EQUITY AND LIABILITIES	103 417 680	119 309 604	103 515 941

**STATEMENT OF FINANCIAL POSITION
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2020**

	AS VALMIERAS STIKLA ŠĶIEDRA		
	31.03.2020	31.03.2019	31.12.2019
	EUR	EUR	EUR
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Software, licenses, patents, trademarks, similar rights	1 056 967	834 226	1 028 650
Software in acquisition process	102 130	13 736	84 888
Total intangible assets	1 159 097	847 962	1 113 538
Property, plant and equipment			
Land and buildings	8 790 847	9 788 616	8 953 075
Equipment and machinery	40 201 509	41 706 231	40 235 867
Other fixed assets	579 402	610 235	544 962
Construction in progress	83 444	664 788	2 716 249
Advance payments for fixed assets	495 631	509 812	502 914
Total property, plant and equipment	50 150 833	53 279 682	52 953 067
Non-current financial investments			
Investments in subsidiaries	13 000 000	13 000 000	13 000 000
Loans to subsidiaries	585 072	230 550	569 794
Total non-current financial investments	13 585 072	13 230 550	13 569 794
Total non-current assets	64 895 002	67 358 194	67 636 399
CURRENT ASSETS			
Inventories			
Raw materials	4 925 909	7 225 132	5 685 191
Work in progress	3 941 968	5 177 313	3 295 047
Finished goods	4 215 537	4 137 715	5 613 675
Advance payments for inventories	420 140	1 232 030	459 698
Total inventories	13 503 554	17 772 190	15 053 611
Debtors			
Trade receivables	7 254 868	5 641 770	1 916 137
Amounts due from related parties	13 064 745	5 984 268	11 681 971
Other receivables	487 142	559 564	21 661
Deferred expenses	1 062 355	7 741 883	1 047 836
Total debtors	21 869 110	19 927 485	14 667 605
Cash and cash equivalents	616 190	127 739	1 096 247
Total current assets	35 988 854	37 827 414	30 817 463
TOTAL ASSETS	100 883 856	105 185 608	98 453 862

**STATEMENT OF FINANCIAL POSITION
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2020**

	AS VALMIERAS STIKLA ŠĶIEDRA		
	31.03.2020	31.03.2019	31.12.2019
LIABILITIES AND EQUITY	EUR	EUR	EUR
SHAREHOLDERS' EQUITY			
Share capital	33 464 487	33 464 487	33 464 487
Other reserves	546 709	546 709	546 709
Total shareholders capital	34 011 196	34 011 196	34 011 196
Retained earnings			
Profit/ (loss) brought forward	(72 822 853)	(61 966 761)	(72 386 522)
Profit/ (loss) for the current reporting period	2 140 740	1 911 819	(436 331)
Total equity	(36 670 917)	(26 043 746)	(38 811 657)
LIABILITIES			
Non-current liabilities			
Borrowings from credit institutions	49 500 000	55 718 073	50 000 000
Other borrowings	773 022	768 585	702 456
Trade payables	1 295 531	-	1 943 297
Payables to related parties	19 153 081	14 772 604	18 886 219
Other accounts payables	1 683 399	-	-
Deferred income	2 223 167	2 318 364	2 318 364
Derivative financial instruments	-	359 904	-
Total non-current liabilities	74 628 200	73 937 530	73 850 336
Current liabilities			
Borrowings from credit institutions	41 550 665	27 219 904	41 000 000
Other borrowings	141 210	297 167	337 919
Contract liabilities	442 666	489 013	545 236
Trade payables	10 821 821	12 066 568	12 297 981
Payables to other related parties	859 570	4 727 557	3 076 067
Taxes and social security contributions	2 345 364	1 106 979	1 427 601
Other accounts payable	1 855 004	914 936	1 186 470
Accrued liabilities	4 910 273	10 184 112	3 543 909
Deferred income	-	285 588	-
Total current liabilities	62 926 573	57 291 824	63 415 183
Total liabilities	137 554 773	131 229 354	137 265 519
TOTAL EQUITY AND LIABILITIES	100 883 856	105 185 608	98 453 862

**STATEMENT OF FINANCIAL POSITION
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2020**

VALMIERA GLASS UK Ltd.

	31.03.2020	31.03.2019	31.12.2019
	EUR	EUR	EUR
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Land and buildings	536 250	846 829	772 099
Equipment and machinery	1 328 033	1 729 402	1 388 577
Other fixed assets	93 924	101 260	106 849
Total property, plant and equipment	1 958 207	2 677 491	2 267 525
Non-current financial investments			
Loans to related parties	-	6 270 948	7 699 308
Total non-current financial investments	-	6 270 948	7 699 308
Deferred tax asset	910 427	942 992	918 025
Total non-current assets	2 868 634	9 891 431	10 884 858
CURRENT ASSETS			
Inventories			
Raw materials	1 966 556	2 115 913	2 427 881
Work in progress	2 839 428	372 090	320 390
Finished goods	3 587 534	5 606 014	6 467 327
Total inventories	8 393 518	8 094 017	9 215 598
Debtors			
Trade receivables	3 426 396	3 645 428	1 820 863
Amounts due from related parties	7 834 935	1 229 447	199 340
Other receivables	281 214	-	569 576
Deferred expenses	174 960	323 030	-
Total debtors	11 717 505	5 197 905	2 589 779
Cash and cash equivalents	480 407	175 225	414 393
Total current assets	20 591 430	13 467 147	12 219 770
TOTAL ASSETS	23 460 064	23 358 578	23 104 628

**STATEMENT OF FINANCIAL POSITION
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2020**

VALMIERA GLASS UK Ltd.

	31.03.2020	31.03.2019	31.12.2019
	EUR	EUR	EUR
LIABILITIES AND EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	5 136 330	5 320 048	5 477 066
Share premium	2 911 429	3 015 566	3 104 569
Foreign currency translation reserve	(29 150)	7 753	(110 829)
Other reserves	(1 671 303)	(1 858 836)	(1 755 995)
Total equity attributable to owners of the parent company	6 347 306	6 484 531	6 714 811
Retained earnings			
Profit brought forward	7 698 403	6 161 186	5 911 289
Profit for the current reporting period	955 044	468 618	2 058 613
Total equity	15 000 753	13 114 335	14 684 713
LIABILITIES			
Non-current liabilities			
Other borrowings	103 710	423 890	123 702
Deferred tax liabilities	585 823	606 778	633 557
Defined benefit obligation	3 162 734	4 309 099	3 834 147
Total non-current liabilities	3 852 267	5 339 767	4 591 406
Current liabilities			
Borrowings from credit institutions	1 010 962	1 063 772	512 166
Other borrowings	85 750	76 817	76 232
Trade payables	241 695	687 269	948 687
Payables to related parties	848 083	928 270	531 822
Taxes and social security contributions	-	-	216 459
Other accounts payable	-	301 177	15 520
Accrued liabilities	1 422 995	856 843	530 064
Defined benefit obligation	997 559	990 329	997 559
Total current liabilities	4 607 044	4 904 477	3 828 509
Total liabilities	8 459 311	10 244 244	8 419 915
TOTAL EQUITY AND LIABILITIES	23 460 064	23 358 579	23 104 628

**STATEMENT OF FINANCIAL POSITION
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2020**

	P-D VALMIERA GLASS USA Corp.		
	31.03.2020	31.03.2019	31.12.2019
	EUR	EUR	EUR
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Equipment and machinery	38 831	94 984	43 396
Other fixed assets	10 534	14 798	16 401
Construction in progress	10 286	-	10 144
Advance payments for fixed assets	-	82 995	-
Total property, plant and equipment	59 651	192 777	69 941
Non-current financial investments			
Deferred expenses	211 815	208 026	208 881
Total non-current financial investments	211 815	208 026	208 881
Deferred tax asset	1 092 295	668 272	1 077 163
Total non-current assets	1 363 761	1 069 075	1 355 985
CURRENT ASSETS			
Inventories			
Raw materials	710 866	3 493 810	1 957 794
Work in progress	146 456	552 172	354 378
Finished goods	1 061 572	1 845 821	982 492
Advance payments for inventories	286 517	315 286	304 108
Total inventories	2 205 411	6 207 089	3 598 772
Debtors			
Trade receivables	1 185 450	3 986 228	1 216 248
Amounts due from related parties	390 662	1 299 115	442 360
Other receivables	2 915 451	22 963	2 875 776
Deferred expenses	655 749	896 914	301 440
Total debtors	5 147 312	6 205 220	4 835 824
Cash and cash equivalents	988 598	215 163	1 053 469
Total current assets	8 341 321	12 627 472	9 488 065
TOTAL ASSETS	9 705 082	13 696 547	10 844 050

**STATEMENT OF FINANCIAL POSITION
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2020**

	P-D VALMIERA GLASS USA Corp.		
	31.03.2020	31.03.2019	31.12.2019
LIABILITIES AND EQUITY	EUR	EUR	EUR
SHAREHOLDERS' EQUITY			
Share capital	14 174 456	13 920 867	13 659 471
Foreign currency translation reserve	527	(56 201)	(2 257 885)
Other reserves	3 315 135	3 255 826	3 194 690
Retained earnings			
Profit/ (loss) brought forward	(76 546 275)	(65 575 020)	(64 601 284)
Profit/ (loss) for the current reporting period	(925 303)	(2 680 201)	(9 157 525)
Total equity attributable to owners of the parent	(59 981 460)	(51 134 729)	(59 162 533)
Non-controlling interest	(54 914 062)	(47 676 670)	(52 394 467)
Total equity	(114 895 522)	(98 811 399)	(111 557 000)
LIABILITIES			
Non-current liabilities			
Other borrowings	6 811 523	6 634 409	4 934 072
Payables to related parties	86 114 857	80 596 437	87 736 939
Deferred income	2 204 298	2 080 302	2 173 763
Total non-current liabilities	95 130 678	89 311 148	94 844 774
Current liabilities			
Borrowings from credit institutions	-	2 670 227	-
Other borrowings	149 921	380 851	3 883 190
Contract liabilities	142 079	2 838 212	21 395
Trade payables	8 655 247	9 001 314	8 427 920
Payables to related parties	19 452 773	8 613 045	14 241 849
Taxes and social security contributions	909 702	(1 557 614)	877 590
Other accounts payable	22 228	455 885	45 506
Accrued liabilities	137 976	710 318	48 826
Deferred income	-	84 560	-
Total current liabilities	29 469 926	23 196 798	27 546 276
Total liabilities	124 600 604	112 507 946	122 391 050
TOTAL EQUITY AND LIABILITIES	9 705 082	13 696 547	10 834 050

**STATEMENT OF PROFIT AND LOSS
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2020**

VALMIERA GLASS GROUP

	31.03.2020	31.03.2019	31.12.2019
	EUR	EUR	EUR
Sales	32 851 052	35 836 040	122 012 998
Change in inventories	(1 092 334)	(3 907 086)	699 575
Other operating income	157 807	615 800	3 072 050
Raw materials and consumables	(14 015 251)	(13 717 202)	(64 046 860)
Personnel expenses	(8 348 153)	(11 910 898)	(36 967 965)
Depreciation and amortization	(2 339 490)	(2 659 214)	(9 912 972)
Other operating expenses	(3 679 527)	(6 748 235)	(23 672 488)
Profit/ (loss) from operations	3 534 104	(2 490 795)	(8 815 662)
Interest and similar income	1 024 000	1 856 605	2 239 044
Interest and similar expenses	(2 277 594)	(2 539 233)	(8 596 219)
Profit/ (loss) before tax	2 280 510	(3 173 423)	(15 172 837)
Corporate income tax	(190 184)	601 887	789 956
Profit/ (loss) for the period	2 090 326	(2 571 536)	(14 382 881)
<i>Attributable to:</i>			
Non-controlling interest	(847 131)	(2 464 080)	(8 383 873)
Owners of the Parent Company	2 937 457	(107 456)	(5 999 008)
Earnings per share	0.1229	(0.0045)	(0.2510)

**STATEMENT OF PROFIT AND LOSS
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2020**

	AS VALMIERAS STIKLA ŠĶIEDRA		
	31.03.2020	31.03.2019	31.12.2019
	EUR	EUR	EUR
Sales	26 392 206	26 481 578	89 204 416
Change in inventories	(1 013 255)	(2 143 473)	1 911 660
Other operating income	231 542	648 077	2 281 345
Raw materials and consumables	(10 070 445)	(11 037 541)	(42 075 477)
Personnel expenses	(6 396 290)	(5 554 694)	(22 399 492)
Depreciation and amortization	(2 263 220)	(2 529 942)	(9 506 862)
Other operating expenses	(3 157 376)	(3 232 853)	(15 765 574)
Profit from operations	3 723 162	2 631 152	3 650 016
Interest and similar income	696 815	557 709	2 651 695
Interest and similar expenses	(2 275 102)	(1 271 531)	(6 726 923)
Profit/ (loss) before tax	2 144 875	1 917 330	(425 212)
Corporate income tax	(4 135)	(5 511)	(11 119)
Profit/ (loss) for the period	2 140 740	1 911 819	(436 331)

**STATEMENT OF PROFIT AND LOSS
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2020**

	VALMIERA GLASS UK Ltd.		
	31.03.2020	31.03.2019	31.12.2019
	EUR	EUR	EUR
Sales	6 067 624	6 533 116	23 343 091
Change in inventories	(18 755)	(412 848)	289 110
Other operating income	8 239	13 028	43 690
Raw materials and consumables	(3 367 050)	(3 295 411)	(12 758 272)
Personnel expenses	(1 239 624)	(1 270 426)	(4 614 825)
Depreciation and amortization	(66 240)	(110 729)	(312 009)
Other operating expenses	(651 453)	(676 742)	(3 697 173)
Profit from operations	732 741	779 988	2 293 612
Interest and similar income	443 910	44 617	200 582
Interest and similar expenses	(35 559)	(302 348)	(160 045)
Profit before tax	1 141 092	522 257	2 334 149
Corporate income tax	(186 048)	(53 639)	(275 536)
Profit for the period	955 044	468 618	2 058 613

**STATEMENT OF PROFIT AND LOSS
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2020**

	P-D VALMIERA GLASS USA Corp.		
	31.03.2020	31.03.2019	31.12.2019
	EUR	EUR	EUR
Sales	1 760 887	10 994 339	22 486 709
Change in inventories	(79 295)	(568 644)	(1 520 165)
Other operating income	9 910	263 293	747 014
Raw materials and consumables	(1 924 780)	(8 520 891)	(16 485 646)
Personnel expenses	(712 240)	(5 085 778)	(9 953 647)
Depreciation and amortization	(10 031)	(9 544)	(94 102)
Other operating expenses	(715 301)	(3 156 238)	(11 491 886)
(Loss) from operations	(1 670 850)	(6 083 463)	(16 311 723)
Interest and similar income	657 820	938 983	1 119 628
Interest and similar expenses	(759 404)	(650 057)	(3 425 913)
(Loss) before tax	(1 772 434)	(5 794 537)	(18 618 008)
Corporate income tax	-	661 036	1 076 611
(Loss) for the period	(1 772 434)	(5 133 501)	(17 541 397)
<i>Attributable to:</i>			
Non-controlling interest	(847 131)	(2 453 300)	(8 383 872)
Owners of the Parent	(925 303)	(2 680 201)	(9 157 525)

**STATEMENT OF CHANGES IN EQUITY
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2020**

VALMIERA GLASS GROUP

	Share capital	Revaluation reserve	Other reserve	Retained earnings	Total	Non-controlling interest	Total equity
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
31.12.2018	33 464 487	(4 197 550)	(3 000 141)	(27 286 353)	(1 019 557)	(44 749 801)	(45 769 358)
Current period profit/ (loss)	-	-	-	(5 999 008)	(5 999 008)	(8 383 872)	(14 382 881)
<i>Other comprehensive income:</i>							
<i>Remeasurement of defined benefit obligation</i>	-	-	(99 115)	-	(99 115)	-	(99 115)
<i>Deferred tax relating to defined benefit obligation</i>	-	-	(58 626)	-	(58 626)	-	(58 626)
Exchange differences on translating foreign operations	-	277 399	-	-	277 399	718 990	996 370
31.12.2019	33 464 487	(3 920 170)	(3 157 882)	(33 285 362)	(6 898 926)	(52 414 683)	(59 313 609)
Current period profit/ (loss)	-	-	-	2 937 457	2 937 457	(847 131)	2 090 326
Exchange differences on translating foreign operations	-	(1 385 925)	-	-	(1 385 925)	(774 413)	(2 160 338)
31.03.2020	33 464 487	(5 306 096)	(3 157 882)	(30 347 395)	(5 347 395)	(54 036 226)	(59 383 621)

**STATEMENT OF CASH FLOWS OF THE GROUP
FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2020**

VALMIERA GLASS GROUP

	31.03.2020	31.03.2019	31.12.2019
	EUR	EUR	EUR
Cash flows from operating activities			
Profit/ (loss) before tax	2 280 510	(3 173 422)	(15 172 982)
<i>Adjustments:</i>			
Depreciation and amortization	2 339 490	2 650 214	9 912 972
Profit/ (loss) from disposal of fixed assets, net	-	-	(84 154)
Change in impairment allowances	-	-	2 475 635
Change in fair value of derivative	-	31 535	-
Government grants	(95 452)	(95 196)	(381 539)
Interest expenses	1 100 502	956 689	4 134 441
Interest income	-	(9 126)	-
Changes in working capital:			
Change in inventory	3 765 498	1 068 108	(2 349 490)
Change in receivables	(6 107 909)	(5 622 621)	(2 231 362)
Change in payables	(2 801 443)	(283 691)	5 114 859
Interest paid	(1 100 502)	(956 689)	(4 134 441)
Income tax paid	(185 644)	-	(436 322)
Cash provided to/ by operating activities	(804 950)	(5 434 199)	(3 152 383)
Cash flows from investing activities			
Purchase of fixed and intangible assets	-	(1 717 647)	(9 061 262)
Income from sales or property, plant and equipment	-	-	84 154
Interest received	-	9 126	-
Net cash used in investing activities	-	(1 708 521)	(8 977 108)
Cash flows from financing activities			
Loans and borrowings received/ (repaid), net	408 516	7 311 371	15 312 485
Pension scheme payments	(82 479)	-	(968 362)
Net cash provided by financing activities	326 037	7 311 371	14 344 123
Net change in cash and cash equivalents	(478 913)	168 651	2 214 632
Cash and cash equivalents at the beginning of the reporting period	2 564 109	349 477	349 477
Cash and cash equivalents at the end of the reporting period	2 085 196	518 128	2 564 109

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2020**

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 FINANSIAL 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 March 31, 2020 consists of 23,903,205 publicly listed bearer shares. all with equal rights. The shareholders as at March 31, 2020 and March 31, 2019 were as follows (according to Nasdaq CSD data):

	Percentage of investment (%) 31.03.2020	Percentage of investment (%) 31.03.2019
Corvalis GmbH	-	11.97
P-D Glasseiden GmbH Oschatz	26.07	26.07
P-D Management Industries-Technologies GmbH	23.93	23.93
Preiss-Daimler Beatrix	17.47	9.42
P-D Aircraft Composites GmbH	22.82	18.83
Other shareholders (less 5% ownership interest)	9.71	9.78
Total	100.00	100.00