

Joint Stock Company

BRĪVAIS VILNIS

(Enterprise registration number 40003056186)

FINANCIAL INFORMATION

**From the period from 1 January 2018 to 31 March 2018
(unaudited)**

Salacgrīva 2018

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GENERAL INFORMATION

Name of the Company	JSC "Brivais vilnis"
Legal status of the Company	Joint Stock Company
Number, place and date of registration	40003056186, Riga, February 7, 1992
Registered office	1 Ostas Street, Salacgriva, LV4033, Latvia
Major shareholders	"A Corporation" SIA (47.28%) Registration No.40003799285, 8 Rigas Street , Adazi, LV2164, Latvia "BALTIC FINANCE & CAPITAL" Ltd. (49.97%) Registration No.40003612793, 8 Rigas Street, Adazi, LV 2164, Latvia
Board members	Arnolds Babris (Chairman of the Board) Maris Trankalis (Manager) Dace Bokeldere (Director of production) Kristaps Koškins (Commercial Director))
Members of council	Anda Caune Ilona Drikina Kaspars Vārpiņš Jurijs Lavriņenko (till 14.02.2018.)
Financial period	1 January – 31 March, 2018
Auditors	Auditor's office Gatis Sviklis Lāsma Svikle SIA Sworn Auditor Certificate No. 202 Licence of commercial company No. 181 123-15 Kr. Valdemara Street, Riga, LV 1013, Latvia

Management Report

May 31, 2018

The types of activities performed by the JSC "Brivais Vilnis" are processing and canning of fish and fish products, wholesale of food products, including fish, shellfish and mollusc, and other commercial activities classified nowhere else.

Year 2018 is the 27th year of operation since the Company was transformed into a Joint Stock Company. In the 1st quarter of 2018 the Company produced a total of 3.2 million cans of various types (125) of fish products. 3.3 million cans were sold for EUR 1.7 million.

The financial result of the reporting period is a loss of EUR 159 thousand and these losses are from economic activities of the Company. The Company's results were affected by activities of competitors, reducing the sales prices and selling the canned fish below the cost in order just to maintain the market segment.

The Company's goal was to reduce costs, measures are being taken to reduce the administrative costs of the Company in order to maintain the solvency and the sales market.

In 2018, the Company continues to work on development of new sales markets in Western Europe, North America, South America and rest of the world. The Company works on introduction of innovative packaging. In July we will perform cosmetic repairs at the canning plant. We are working on development of new products.

The JSC „Brivais vilnis” makes production only from natural raw materials, completely excluding modified raw materials, favor and color enhancer and preservatives in production. The high quality of products is the key that allows the JSC „Brivais vilnis” to be competitive in canned fish market.



Arnolds Babris
Chairman of the Board

BALANCE SHEET

	31.03. 2018 EUR	31.12. 2017 EUR	31.03. 2017 EUR
NON-CURRENT ASSETS			
Tangible assets			
Land, buildings and constructions	3 355 162	3 370 383	3 402 301
Equipment and machinery	102 109	115 306	165 951
Other fixtures and fittings, tools and equipment	47 700	53 299	42 647
Advance payments for fixed assets	124 961	113 927	50 469
TOTAL	3 629 932	3 652 915	3 661 368
TOTAL NON-CURRENT ASSETS	3 629 932	3 652 915	3 661 368
CURRENT ASSETS			
Inventories			
Raw materials	502 776	417 771	454 333
Finished goods and goods for sale	751 709	733 250	690 959
TOTAL	1 254 485	1 151 021	1 145 292
Receivables			
Trade receivables	978 689	939 565	934 509
Other receivables	144 282	79 650	179 006
Prepaid expense	2 271	3 674	94 044
TOTAL	1 125 242	1 022 889	1 207 559
Cash	43 463	21 325	110 733
TOTAL CURRENT ASSETS	2 423 190	2 195 235	2 463 584
TOTAL ASSETS	6 053 122	5 848 150	6 124 952

EQUITY AND LIABILITIES			
	31.03. 2018 EUR	31.12. 2017 EUR	31.03. 2017 EUR
EQUITY			
Share capital	4 339 230	4 339 230	4 339 230
Non-current assets revaluation reserve	2 031 160	2 038 823	2 061 814
Other reserves	70 890	70 890	70 890
Retained earnings			
brought forward	(4 829 505)	(3 707 245)	(3 707 245)
for the period	(158 841)	(1 122 260)	(279 054)
TOTAL	1 452 934	1 619 438	2 485 635
PROVISIONS			
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	1 898 780	1 796 750	1 598 780
Taxes payables	893 337	893 337	568 642
Other loans	5 882	5 882	50 877
Deferred income	9 331	9 331	33 981
TOTAL	2 807 330	2 705 300	2 252 280
Current liabilities			
Loans from credit institutions		274	80 000
Other loans	51 433	87 664	94 907
Prepayments received from costumers		80 415	
Trade payables	1 127 953	921 736	663 214
Taxes payables	307 871	128 490	267 378
Other liabilities	143 895	136 125	136 818
Deferred income	20 209	24 650	19 986
Accrued liabilities	141 497	144 058	124 734
TOTAL	1 792 858	1 523 412	1 387 037
TOTAL LIABILITIES	4 600 188	4 228 712	3 639 317
TOTAL EQUITY AND LIABILITIES	6 053 122	5 848 150	6 124 952

INCOME STATEMENT

	1quarter of the year 2018	1quarter of the year 2017
	EUR	EUR
Net turnover	1 716 933	1 386 266
Cost of sales	(1 634 070)	(1 409 207)
Gross profit (loss)	82 863	(22 941)
Distribution costs	(42 855)	(44 346)
Administrative expense	(207 124)	(191 000)
Other operating income	105 187	85 737
Other operating expense	(71 693)	(75 978)
Interest receivable and similar income	-	-
Interest payable and similar expense	(25 219)	(30 526)
Profit /(Loss) before taxes	(158 841)	(279 054)
Other taxes	-	-
Profit / (Loss) for the reporting period	(158 841)	(279 054)
Earning (loss) per share	-0.051	-0.090

CASH FLOW STATEMENT

	For 1 quarters 2018	For 1 quarters 2017
	EUR	EUR
Cash flows to operating activities		
Profit / loss before taxes	(158 841)	(279 054)
Adjustments for:		
Amortization and depreciation	41 600	44 194
Interest expense	25 219	30 526
Provisions for vacations und current repair	(7 663)	(7 662)
Non-current assets revaluation reserve write-off	(2 561)	50 142
Operating profit or loss before working capital changes	(102 246)	(161 854)
Decrease (increase) in inventories	(103 464)	238 725
Decrease(increase) in receivables	(102 353)	298 695
Increase(decrease) in payables	308 625	(225 344)
Cash used in operations	562	150 222
Interest paid	(16 569)	(30 526)
Real estate tax paid		(5 144)
Net cash flows to operating activities	(16 007)	114 552
Cash flows to investing activities		
Purchase of fixed assets	(13 622)	-
Net cash flows to investing activities	(13 622)	-
Cash flows to financing activities		
Repaid loans	(41 244)	-
Received loans	122 546	7 883
Lease payments	(15 158)	(18 650)
Net cash flows from financing activities	66 144	(10 767)
Change in cash and cash equivalents	36 515	103 785
Cash and cash equivalents at the beginning of the reporting period	6 948	6 948
Cash and cash equivalents at the end of the reporting period	43 463	110 733

STATEMENT OF CHANGES IN EQUITY

	Share capital	Other reserves	Long term investment revaluation reserves	Retained earnings	Profit (loss) the reporting period	Total
	EUR	EUR	EUR		EUR	EUR
Balance as at 31 December 2016	4 339 230	70 890	2 069 479	(3 042 877)	(664 368)	2 772 354
Reclassification of profit (losse)		-		(664 368)	664 368	-
Revaluation reserve write-off			(30 656)			(30 656)
Correction of amount from previous year's balance sheet			-			-
Profit (losse) of the 2017			-		(1 122 260)	(1 122 260)
Balance as at 31 December 2017	4 339 230	70 890	2 038 823	(3 707 245)	(1 122 260)	1 619 438
Reclassification of profit (losse)	-	-		(1 122 260)	1 122 260	-
Revaluation reserve write-off	-	-	(7 663)			(7 666)
Profit (losse) of the reportong period					(158 841)	(158 841)
Balance as at 31 March 2018	4 339 230	70 890	2 031 160	(4 829 505)	(158 841)	1 452 934

REPORT ON BOARD'S RESPONSIBILITY

May 31, 2018

The management of the JSC "Brivais vilnis" is responsible for preparation of financial statement of the Company. Interim financial statements of the Company are not subject for audit.

Financial statements are prepared on basis of accounting entries and source documents and give a real conception about financial position of the Company on the 31 of May 2018.

Financial statements are composed in accordance with accounting standards of the Republic of Latvia, based on continuation principle of business activities.

The management of the JSC "Brivais vilnis" is responsible for fulfillment of legislation requirements of the Republic of Latvia.



Arnolds Babris
Chairman of the Board