



AKCINĖ BENDROVĖ

**GUBERNIJA, AB Interim financial statements
For the three months period ended 31 March 2018
(unaudited)**

CONTENTS	Pages
Information about company	3
Company activity review	4
Financial statements	5-12
Income statement	5
Balance sheet	6-7
Statement of changes in equity	8
Cash flow statement	9-10
Notes to the financial statements	11-12

GUBERNIJA AB

Company code 144715765, Dvaro g. 179, Šiauliai

INFORMATION ABOUT COMPANY

For the Three months period ended 31 March 2018

(All amounts are in thousand EUR)

INFORMATION ABOUT COMPANY

NAME OF THE COMPANY	GUBERNIJA AB
LEGAL FORM	Public limited liability company
DATE OF REGISTRATION	5th May 1993
COMPANY CODE	144715765
SHARE CAPITAL	3 064 626,66 EUR
REGISTERED OFFICE	Dvaro st. 179, LT-76176 Šiauliai, Lithuanian Republic
NAME OF REGISTER OF LEGAL ENTITIES	VĮ registry centras
TELEPHONE NUMBER	+370 41 591900
FAX NUMBER	+370 41 591911
E-MAIL	info@gubernija.lt
INTERNET ADRESS	www.gubernija.lt
MAIN ACTIVITIES	Production and sale of beer, beer drinks and kvass
AUDITOR	Grant Thornton Baltic UAB

31st of May, 2018, Šiauliai

GUBERNIJA AB
Company code 144715765, Dvaro g. 179, Šiauliai
COMPANY ACTIVITY REVIEW

For the Three months period ended 31 March 2018

(All amounts are in thousand EUR)

COMPANY ACTIVITY REVIEW

In 1st quarter of 2018 product sales revenue of the Company compared to the same period last year decreased by EUR 283 thousand or 22,3 percent.

In 1st quarter of 2018 the Company incurred a net loss of EUR 353 thousand (2017 1st quarter net loss was EUR 207 thousand).

Key figures	Reporting period	Previous reporting period	Change, %
Turnover	1.337	1.700	-21%
Excise duty	349	430	-19%
Sales without excise duty	988	1.270	-22%
Export	237	190	25%
Gross profit	199	372	-47%
Net profit (loss)	(353)	(207)	71%
Profit before taxes, interests and depreciation (EBITDA), excluding one-off items	(163)	(41)	-

As at 31st of March 2018 the Company employed 147 employees (31st of March 2017 - 151 employees).

At 27th of March 2018 company MV GROUP Production AB acquired 94,21% of Company shares from the previous main shareholders of the Company.

Algirdas Čiburys has been appointed as CEO of the Company since 28th of March 2018.

The Management Board of the Company at 31 December 2017, which resigned on 27-03-2018

Name, Surname	Position Issuer	Number of shares owned	Owned share of authorized capital, %	Election date	End of term
Romualdas Dunauskas	Chairman	4 210 959	26,11	2013-04-25	2018-03-27
Lina Dunauskaitė	Member	-	-	2013-04-25	2018-03-27
Augustinas Radavičius	Member	-	-	2013-04-25	2018-03-27
Sigitas Vilčiauskas	Member	-	-	2013-04-25	2018-03-27
Muradas Bakanas	Member	-	-	2013-04-25	2018-03-27

New Board, elected on annual general meeting of shareholders at 24th of May, 2018:

Name, Surname	Position Issuer	Number of shares owned	Owned share of authorized capital, %	Election date	End of term
Darius Juozas Mockus	Chairman	-	-	2018-05-24	2022-05-24
Vytis Mockus	Member	-	-	2018-05-24	2022-05-24
Artūras Listavičius	Member	-	-	2018-05-24	2022-05-24
Rolandas Vingilis	Member	-	-	2018-05-24	2022-05-24
Marijus Cilcius	Member	-	-	2018-05-24	2022-05-24

GUBERNIJA AB
Company code 144715765, Dvaro g. 179, Šiauliai
FINANCIAL STATEMENTS

For the three months period ended 31 March 2018
(All amounts are in thousand EUR)

INCOME STATEMENT
For the three months period ended 31 March 2018

No.	items	Reporting period	Previous reporting period
1.	Sales	988	1.271
2.	Cost of sales	(789)	(899)
3.	Biological assets market value change	-	-
4.	GROSS PROFIT (LOSS)	199	372
5.	Selling expenses	(95)	(136)
6.	General and administrative expenses	(415)	(386)
7.	Other activity results	2	2
8.	Income from investments into group and associated companies shares	-	-
9.	Income from other long term investments and loans	-	-
10.	Interest and similar income	-	-
11.	Financial assets and short term investments revaluation loss	-	-
12.	Interest and similar expenses	(47)	(64)
13.	PROFIT (LOSS) BEFORE TAX	(356)	(212)
14.	Profit tax	3	5
15.	NET PROFIT (LOSS)	(353)	(207)

GUBERNIJA AB
Company code 144715765, Dvaro g. 179, Šiauliai
FINANCIAL STATEMENTS

For the three months period ended 31 March 2018
(All amounts are in thousand EUR)

BALANCE SHEET

For the three months period ended 31 March 2018

No.	items	31-03-2018	31-03-2017
	ASSETS		
A.	NON-CURRENT ASSETS	6.928	7.294
1.	INTANGIBLE ASSETS	12	10
1.1.	Research and development	-	-
1.2.	Goodwill	-	-
1.3.	Computer software	7	1
1.4.	Concessions, patents, licences, trademarks and similar rights	-	-
1.5.	Other intangible assets	5	9
1.6.	Prepayments and intangible assets contracts in progress	-	-
2.	TANGIBLE ASSETS	6.845	7.252
2.1.	Land	-	-
2.2.	Buildings	4.779	4.872
2.3.	Machinery and equipment	2.019	2.286
2.4.	Vehicles	29	52
2.5.	Other equipment and tools	18	42
2.6.	Investment property	-	-
2.6.1.	Land	-	-
2.6.2.	Buildings	-	-
2.7.	Prepayments and tangible assets construction in progress	-	-
3.	FINANCIAL ASSETS	4	4
3.1.	Group companies shares	-	-
3.2.	Loans to group companies	-	-
3.3.	Accounts receivable from group companies	-	-
3.4.	Associated companies shares	-	-
3.5.	Loans to associated companies	-	-
3.6.	Accounts receivable from associated companies	-	-
3.7.	Long term investments	4	4
3.8.	Accounts receivable after one year	-	-
3.9.	Other financial assets	-	-
4.	OTHER LONG TERM ASSETS	67	28
4.1.	Deferred profit tax assets	67	28
4.2.	Biological assets	-	-
4.3.	Other assets	-	-
B.	CURRENT ASSETS	1.624	1.867
1.	STOCK	404	829
1.1.	Stock, raw and exploitative materials	171	517
1.2.	Production and contracts in progress	46	86
1.3.	Production	92	109
1.4.	Purchased goods for resale	-	1
1.5.	Biological assets	-	-
1.6.	Fixed tangible assets, held for resale	-	22
1.7.	Prepayments	95	94
2.	ACCOUNTS RECEIVABLE WITHIN ONE YEAR	739	1.031
2.1.	Trade receivables	704	1.025
2.2.	Group companies receivables	3	-
2.3.	Associated companies receivables	-	-
2.4.	Other accounts receivable	32	6
3.	CURRENT INVESTMENTS	-	-
3.1.	Group companies shares	-	-
3.2.	Other investments	-	-
4.	CASH AND CASH EQUIVALENTS	481	7
C.	FUTURE EXPENSES AND ACCUMULATED RECEIVABLE INCOME	8	4
	TOTAL ASSETS	8.560	9.165

GUBERNIJA AB
Company code 144715765, Dvaro g. 179, Šiauliai
FINANCIAL STATEMENTS

For the three months period ended 31 March 2018

(All amounts are in thousand EUR)

BALANCE SHEET (continued)

For the three months period ended 31 March 2018

No.	items	31-03-2018	31-03-2017
	EQUITY AND LIABILITIES		
D.	EQUITY	(49)	1.327
1.	Capital	3.065	3.065
1.1.	Authorized or main capital	3.065	3.065
1.2.	Underwritten but not paid in capital (–)	-	-
1.3.	Own shares (–)	-	-
2.	SHARE PREMIUM	-	-
3.	REVALUATION RESERVE	2.850	2.909
4.	RESERVES	-	-
4.1.	Compulsory reserve	-	-
4.2.	For purchase of own shares	-	-
4.3.	Other reserves	-	-
5.	UNDISTRIBUTED PROFIT (LOSS)	(5.964)	(4.647)
5.1.	Current period's net profit (loss)	(337)	(182)
5.2.	Previous periods' net profit (loss)	(5.627)	(4.465)
E.	GRANTS, SUBSIDIES	-	-
F.	PROVISIONS	728	491
1.	Provisions for pension and similar liabilities	-	-
2.	Tax provisions	479	491
3.	Other provisions	249	-
G.	ACCOUNTS PAYABLE AND LIABILITIES	7.881	7.347
1.	ACCOUNTS PAYABLE AFTER ONE YEAR AND OTHER LONG TERM LIAB.	4.392	4.246
1.1.	Debt liabilities	4	4.240
1.2.	Debts to credit institutions	-	6
1.3.	Prepayments received	-	-
1.4.	Trade payables	-	-
1.5.	Bills and cheques payables	-	-
1.6.	Group companies payables	4.388	-
1.7.	Associated companies payables	-	-
1.8.	Other accounts payable and long term liabilities	-	-
2.	ACCOUNTS PAYABLE WITHIN ONE YEAR AND OTHER SHORT TERM LIAB.	3.489	3.101
2.1.	Debt liabilities	472	789
2.2.	Debts to credit institutions	-	2
2.3.	Prepayments received	90	88
2.4.	Trade payables	1.461	1.506
2.5.	Bills and cheques payables	-	-
2.6.	Group companies payables	1.035	-
2.7.	Associated companies payables	-	-
2.8.	Profit tax payable	-	-
2.9.	Liabilities related to working contracts	360	415
2.10.	Other accounts payable and short term liabilities	71	301
H.	ACCUMULATED EXPENSES AND FUTURE INCOME	-	-
	TOTAL EQUITY AND LIABILITIES	8.560	9.165

GUBERNIJA AB

Company code 144715765, Dvaro g. 179, Šiauliai

FINANCIAL STATEMENTS

For the three months period ended 31 March 2018

(All amounts are in thousand EUR)

STATEMENT OF CHANGES IN EQUITY

For the three months period ended 31 March 2018

	Authorized or main capital	Share premium	Own shares (–)	Revaluation reserve		Legal reserves		Other reserves	Undistributed profit (loss)	Total
				Fixed tangible assets	Fixed tangible assets	Compulsory	For purchase of own shares			
1. Balance at the end of the year prior to previous reporting period	3.065	-	-	2.934	-	-	-	-	(4.465)	1.534
2. Result due to changes in accounting policy	-	-	-	-	-	-	-	-	-	-
3. Result due to correction of significant errors	-	-	-	-	-	-	-	-	-	-
4. Adjusted balance at the end of the year prior to previous reporting period	3.065	-	-	2.934	-	-	-	-	(4.465)	1.534
5. Tangible assets value increase (decrease)	-	-	-	-	-	-	-	-	-	-
6. Increase (decrease) due to implemented hedges	-	-	-	-	-	-	-	-	-	-
7. Acquisition (sale) of own shares	-	-	-	-	-	-	-	-	-	-
8. Unrecognized profit (loss) for the reporting period	-	-	-	(67)	-	-	-	-	67	-
9. Net profit (loss) for the reporting period	-	-	-	-	-	-	-	-	(1.230)	(1.230)
10. Dividends	-	-	-	-	-	-	-	-	-	-
11. Other payouts	-	-	-	-	-	-	-	-	-	-
12. Reserves established	-	-	-	-	-	-	-	-	-	-
13. Reserves utilised	-	-	-	-	-	-	-	-	-	-
14. Share capital increase (decrease)	-	-	-	-	-	-	-	-	-	-
15. Shareholder contributions for loss cover	-	-	-	-	-	-	-	-	-	-
16. Balance at the end of the previous reporting period	3.065	-	-	2.867	-	-	-	-	(5.628)	304
17. Tangible assets value increase (decrease)	-	-	-	-	-	-	-	-	-	-
18. Increase (decrease) due to implemented hedges	-	-	-	-	-	-	-	-	-	-
19. Acquisition (sale) of own shares	-	-	-	-	-	-	-	-	-	-
20. Unrecognized profit (loss) for the reporting period	-	-	-	(17)	-	-	-	-	17	-
21. Net profit (loss) for the reporting period	-	-	-	-	-	-	-	-	(353)	(353)
22. Dividends	-	-	-	-	-	-	-	-	-	-
23. Other payouts	-	-	-	-	-	-	-	-	-	-
24. Reserves established	-	-	-	-	-	-	-	-	-	-
25. Reserves utilised	-	-	-	-	-	-	-	-	-	-
26. Share capital increase (decrease)	-	-	-	-	-	-	-	-	-	-
27. Shareholder contributions for loss cover	-	-	-	-	-	-	-	-	-	-
28. Balance at the end of the reporting period	3.065	-	-	2.850	-	-	-	-	(5.964)	(49)

GUVERNIA AB
Company code 144715765, Dvaro g. 179, Šiauliai
FINANCIAL STATEMENTS

For the three months period ended 31 March 2018

(All amounts are in thousand EUR)

CASH FLOW STATEMENT

For the three months period ended 31 March 2018

No.	items	Reporting period	Previous reporting period
1.	Cash flows from operating activities		
1.1.	Net profit (loss)	(353)	(207)
1.2.	Depreciation and amortisation expenses	92	106
1.3.	Elimination of gain from disposal of non-current tang. and intangible assets	-	1
1.4.	Elimination of financing and investing activities results	47	64
1.5.	Elimination of other not cash related activity results	-	-
1.6.	(Increase) decrease in receivables from group and associated companies	-	-
1.7.	(Increase) decrease in other amounts receivable after one year	-	-
1.8.	(Increase) decrease in deferred profit tax	-	-
1.9.	(Increase) decrease in inventories, excluding prepayments	98	(6)
1.10.	(Increase) decrease in prepayments	(26)	51
1.11.	(Increase) decrease in trade receivables	(3)	(42)
1.12.	(Increase) decrease in trade receivables from group and associated companies	(3)	-
1.13.	(Increase) decrease in other amounts receivable	1	(6)
1.14.	(Increase) decrease in current investments	-	-
1.15.	(Increase) decrease in future expenses and accumulated receivable income	1	2
1.16.	Increase (decrease) in provisions	(3)	(5)
1.17.	Increase (decrease) in non-current trade payables and prepayments	-	-
1.18.	Increase (decrease) in non-current bills and cheques payables	-	-
1.19.	Increase (decrease) in non-current group and assoc. companies payables	-	-
1.20.	Increase (decrease) in current trade payables and prepayments	41	364
1.21.	Increase (decrease) in current bills and cheques payables	-	-
1.22.	Increase (decrease) in current group and associated companies payables	85	-
1.23.	Increase (decrease) in profit tax payable	-	-
1.24.	Increase (decrease) in liabilities related to working contracts	(63)	2
1.25.	Increase (decrease) in other accounts payable and liabilities	(234)	(247)
1.26.	Increase (decrease) in accumulated expenses and future income	-	-
	Net cash flows from operating activities	(320)	77
2.	Cash flows from investing activities		
2.1.	Acquisition of non-current assets, excluding investments	-	-
2.2.	Disposal of non-current assets, excluding investments	-	-
2.3.	Acquisition of long-term investments	-	-
2.4.	Disposal of long-term investments	-	-
2.7.	Loans granted	-	-
2.8.	Loan repayments received	-	-
2.9.	Dividends and interest received	-	-
2.10.	Other increases in cash flows from investing activities	-	-
2.11.	Other decreases in cash flows from investing activities	-	-
	Net cash flows from investing activities	-	-

GUBERNIJA AB
Company code 144715765, Dvaro g. 179, Šiauliai
FINANCIAL STATEMENTS

For the three months period ended 31 March 2018

(All amounts are in thousand EUR)

CASH FLOW STATEMENT (continued)
For the three months period ended 31 March 2018

No.	items	Reporting period	Previous reporting period
3.	Cash flows from financing activities		
3.1.	Cash flows related to company's shareholders	-	-
3.1.1.	Issue of shares	-	-
3.1.2.	Shareholders' contributions covering loss	-	-
3.1.3.	Acquisition of own shares	-	-
3.1.4.	Payment of dividends	-	-
3.2.	Cash flows related to other financing sources	787	(90)
3.2.1.	Increase in borrowings	875	-
3.2.1.1.	Loans received	875	-
3.2.1.2.	Bonds issued	-	-
3.2.2.	Decrease in borrowings	(85)	(90)
3.2.2.1.	Loans repaid	(41)	(54)
3.2.2.2.	Bonds redeemed	-	-
3.2.2.3.	Interest paid	(44)	(35)
3.2.2.4.	Financial lease payments	-	(1)
3.2.3.	Increase in other liabilities of the company	-	-
3.2.4.	Decrease in other liabilities of the company	-	-
3.2.5.	Other increases in cash flows from financing activities	-	-
3.2.6.	Other decreases in cash flows from financing activities	(3)	-
	Net cash flows from financing activities	787	(90)
4.	Foreign exchange effect on the balance of cash and cash equivalents	-	-
5.	Net increase (decrease) in cash flows	467	(13)
6.	Cash and cash equivalents at the beginning of the reporting period	14	20
7.	Cash and cash equivalents at the end of the reporting period	481	7

GUBERNIJA AB

Company code 144715765, Dvaro g. 179, Šiauliai

NOTES TO THE FINANCIAL STATEMENTS

For the three months period ended 31 March 2018

(All amounts are in thousand EUR)

GENERAL INFORMATION

GUBERNIJA AB (hereinafter "the Company") is a private company registered with the Register of Legal Entities on 5 May 1993 in accordance with the Lithuanian Law on Register of Companies.

The main activity of the Company is production and sales of beer, beer drinks and kvass.

Shareholders of the Company as at 31st March:

Shareholder	31-03-2018		31-03-2017	
	Number of shares	Share, %	Number of shares	Share, %
MV GROUP Production AB	15.196.239	94,21%	-	0,00%
Vitas Tomkus	-	0,00%	4.609.703	28,58%
Romualdas Dunauskas	-	0,00%	4.210.959	26,11%
Javelin Finance	-	0,00%	1.752.712	10,87%
Larisa Afanaseva	-	0,00%	1.683.572	10,44%
Respublikos spaustuvė UAB	-	0,00%	1.604.981	9,95%
Takhir Shabaev	-	0,00%	851.604	5,28%
Vijoleta Dunauskienė	-	0,00%	482.708	2,99%
Kiti	933.375	5,79%	933.375	5,78%
Total	16.129.614	100,00%	16.129.614	100,00%

At 27th of March 2018 company MV GROUP Production AB acquired 94,21% of Company shares from the previous main shareholders of the Company.

Statement of compliance

The financial statements of Gubernija, AB have been prepared in accordance with the Business Accounting Standards. Since the year 2016, according to Ministry of the Accounting Law Article 3 Gubernija AB switched to financial reporting in accordance with the Business Accounting Standards. Until the year 2016 reporting, the company's financial statements have been prepared in accordance with IFRS. Due to the transition to the Business Accounting Standards where not substantial changes in the company's income and expenses recognition and accounting of assets and property. The shareholders have the power to reject the financial statements prepared by the management and the right to request that new financial statements be issued.

Management does not prepare consolidated statements, as there are no subsidiaries.

Basis of preparation

The financial statements are presented in Euro being the functional currency of the Company, and are prepared on the historical cost basis, except for land and buildings which are stated at revalued amount.

The preparation of financial statements in conformity with Business Accounting Standards requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

GUBERNIJA AB
Company code 144715765, Dvaro g. 179, Šiauliai
NOTES TO THE FINANCIAL STATEMENTS

For the three months period ended 31 March 2018
(All amounts are in thousand EUR)

Information related to excise duties accounting in sales and costs of sales

Since 01-01-2018 Company does not include accounted excise duties in sales and costs sales in its income statement.

Long-term assets

From 2017 January 1, the company has revised tangible asset's useful life assessment:

- Buildings - 90 years (unchanged)
- Cultural heritage buildings –until 150 years (it was 140 years)
- Constructions 10-40 years (unchanged)
- Tanks 50 years (it was 10-50 years)
- Machinery and equipment 5-20 years (it was 7 - 25 years)
- Vehicles 6 years (it was 5-6 years)
- Other equipment 3-6 years (it was 3-10 years).

The company set a minimum purchase value of fixed assets - 400 EUR

Equity

The authorized capital of the Company on 31th March, 2018 is EUR 3 065 thousand. It is divided into 16 129 614 ordinary nominal shares, the value of every share is EUR 0.19. All shares are completely paid-up.

The equity of the Company on 31th March, 2018 stood at -49 EUR thousand. The company's management believes, that the change in shareholders, which occurred on 27th of March, 2018, will allow the Company to solve its issues with equity shortage until the end of the year 2018.

Debts liabilities and debts to credit institutions

	31-03-2018	31-03-2017
MV GROUP UAB	5.338	-
Tax obligations	470	481
Šiaulių bankas leasing	6	8
Other loans	-	90
Laumžirgiai UAB	-	939
Respublikos investicija UAB	-	3.437
Total obligations	5.814	4.955
Short-term part		
MV GROUP UAB	950	-
Tax obligations	470	286
Laumžirgiai UAB	-	193
Respublikos investicija UAB	-	144
Other loans	-	90
Šiaulių bankas leasing	2	2
Total short-term part	1.422	715
Total long-term part	4.392	4.240

In April of 2018, Company has settled all of its tax obligations under tax loans.

Events after reporting period

There were no post-balance sheet events that could significantly influence the decisions of the users of the financial statements.