



AKCINĖ BENDROVĖ

**GUBERNIJA, AB Interim financial statements
For the nine months period ended 30 September 2018
(unaudited)**

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GUBERNIJA AB**Company code 144715765, Dvaro g. 179, Šiauliai****INFORMATION ABOUT COMPANY**

For the nine months period ended 30 September 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

30th of November, 2018, Šiauliai

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

For the nine months period ended 30 September 2018

(All amounts are in thousand EUR)

COMPANY ACTIVITY REVIEW

In I-III quarters of 2018 product sales revenue of the Company compared to the same period last year decreased by EUR 57 thousand or 1,3 percent.

In I-III quarters of 2018 the Company incurred a net loss of EUR 272 thousand (2017 I-III quarters net loss was EUR 264 thousand).

Key figures	2018 9 months	2017 9 months	Change, %
Turnover	5.257	5.990	-12%
Excise duty	898	1.574	-43%
Sales without excise duty	4.359	4.416	-1%
Export	1.529	910	68%
Gross profit	1.639	1.576	4%
Net profit (loss)	(272)	(264)	-3%
Profit before taxes, interests and depreciation (EBITDA), excluding one-off items	145	201	-28%

As at 30th of September 2018 the Company employed 126 employees (30th of September 2017 - 150 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.

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

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FINANCIAL STATEMENTS

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(All amounts are in thousand EUR)

INCOME STATEMENT

For the nine months period ended 30 September 2018

No.	Items	2018 9 months	2017 9 months
1.	Sales	4.359	4.416
2.	Cost of sales	(2.720)	(2.840)
3.	Biological assets market value change	-	-
4.	GROSS PROFIT (LOSS)	1.639	1.576
5.	Selling expenses	(235)	(392)
6.	General and administrative expenses	(1.708)	(1.292)
7.	Other activity results	119	(1)
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	(96)	(164)
13.	PROFIT (LOSS) BEFORE TAX	(281)	(273)
14.	Profit tax	9	9
15.	NET PROFIT (LOSS)	(272)	(264)

No.	Items	2018 III quarter	2017 III quarter
1.	Sales	1.838	1.382
2.	Cost of sales	(1.136)	(870)
3.	Biological assets market value change	-	-
4.	GROSS PROFIT (LOSS)	702	512
5.	Selling expenses	(85)	(138)
6.	General and administrative expenses	(537)	(386)
7.	Other activity results	62	-
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	(19)	(44)
13.	PROFIT (LOSS) BEFORE TAX	123	(56)
14.	Profit tax	3	3
15.	NET PROFIT (LOSS)	126	(53)

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BALANCE SHEET

For the nine months period ended 30 September 2018

No.	Items	30 09 2018	31 12 2017
	ASSETS		
A.	NON-CURRENT ASSETS	6.742	7.022
1.	INTANGIBLE ASSETS	8	14
1.1.	Research and development	-	-
1.2.	Goodwill	-	-
1.3.	Computer software	5	8
1.4.	Concessions, patents, licences, trademarks and similar rights	-	-
1.5.	Other intangible assets	3	6
1.6.	Prepayments and intangible assets contracts in progress	-	-
2.	TANGIBLE ASSETS	6.663	6.937
2.1.	Land	-	-
2.2.	Buildings	4.713	4.803
2.3.	Machinery and equipment	1.915	2.076
2.4.	Vehicles	19	35
2.5.	Other equipment and tools	16	23
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	67
4.1.	Deferred profit tax assets	67	67
4.2.	Biological assets	-	-
4.3.	Other assets	-	-
B.	CURRENT ASSETS	1.598	1.223
1.	STOCK	555	475
1.1.	Stock, raw and exploitative materials	285	217
1.2.	Production and contracts in progress	98	76
1.3.	Production	120	113
1.4.	Purchased goods for resale	2	-
1.5.	Biological assets	-	-
1.6.	Fixed tangible assets, held for resale	-	-
1.7.	Prepayments	50	69
2.	ACCOUNTS RECEIVABLE WITHIN ONE YEAR	917	703
2.1.	Trade receivables	872	700
2.2.	Group companies receivables	11	-
2.3.	Associated companies receivables	-	-
2.4.	Other accounts receivable	34	3
3.	CURRENT INVESTMENTS	-	-
3.1.	Group companies shares	-	-
3.2.	Other investments	-	-
4.	CASH AND CASH EQUIVALENTS	126	45
C.	FUTURE EXPENSES AND ACCUMULATED RECEIVABLE INCOME	97	8
	TOTAL ASSETS	8.437	8.253

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FINANCIAL STATEMENTS

For the nine months period ended 30 September 2018

(All amounts are in thousand EUR)

BALANCE SHEET (continued)

For the nine months period ended 30 September 2018

No.	Items	30 09 2018	31 12 2017
	EQUITY AND LIABILITIES		
D.	EQUITY	32	304
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	2.816	2.867
4.	RESERVES	-	-
4.1.	Compulsory reserve	-	-
4.2.	For purchase of own shares	-	-
4.3.	Other reserves	-	-
5.	UNDISTRIBUTED PROFIT (LOSS)	(5.849)	(5.628)
5.1.	Current period's net profit (loss)	(221)	(1.163)
5.2.	Previous periods' net profit (loss)	(5.628)	(4.465)
E.	GRANTS, SUBSIDIES	-	-
F.	PROVISIONS	722	731
1.	Provisions for pension and similar liabilities	-	-
2.	Tax provisions	473	482
3.	Other provisions	249	249
G.	ACCOUNTS PAYABLE AND LIABILITIES	7.671	7.218
1.	ACCOUNTS PAYABLE AFTER ONE YEAR AND OTHER LONG TERM LIAB.	4.392	4.128
1.1.	Debt liabilities	4	4.128
1.2.	Debts to credit institutions	-	-
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.	3.279	3.090
2.1.	Debt liabilities	1	852
2.2.	Debts to credit institutions	-	-
2.3.	Prepayments received	140	32
2.4.	Trade payables	517	1.477
2.5.	Bills and cheques payables	-	-
2.6.	Group companies payables	2.318	-
2.7.	Associated companies payables	-	-
2.8.	Profit tax payable	-	-
2.9.	Liabilities related to working contracts	249	423
2.10.	Other accounts payable and short term liabilities	54	306
H.	ACCUMULATED EXPENSES AND FUTURE INCOME	12	-
	TOTAL EQUITY AND LIABILITIES	8.437	8.253

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STATEMENT OF CHANGES IN EQUITY

For the nine months period ended 30 September 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	-	-	-	(51)	-	-	-	-	51	-
21. Net profit (loss) for the reporting period	-	-	-	-	-	-	-	-	(272)	(272)
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	-	-	2.816	-	-	-	-	(5.849)	32

GUBERNIJA AB
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FINANCIAL STATEMENTS

For the nine months period ended 30 September 2018

(All amounts are in thousand EUR)

CASH FLOW STATEMENT

For the nine months period ended 30 September 2018

No.	Items	2018 9 months	2017 9 months
1.	Cash flows from operating activities		
1.1.	Net profit (loss)	(272)	(264)
1.2.	Depreciation and amortisation expenses	273	310
1.3.	Elimination of gain from disposal of non-current tang. and intangible assets	(41)	-
1.4.	Elimination of financing and investing activities results	98	164
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)	(106)
1.10.	(Increase) decrease in prepayments	19	13
1.11.	(Increase) decrease in trade receivables	(172)	141
1.12.	(Increase) decrease in trade receivables from group and associated companies	(11)	-
1.13.	(Increase) decrease in other amounts receivable	(1)	(7)
1.14.	(Increase) decrease in current investments	-	-
1.15.	(Increase) decrease in future expenses and accumulated receivable income	(87)	(2)
1.16.	Increase (decrease) in provisions	(9)	(9)
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	(852)	313
1.21.	Increase (decrease) in current bills and cheques payables	-	-
1.22.	Increase (decrease) in current group and associated companies payables	38	-
1.23.	Increase (decrease) in profit tax payable	-	-
1.24.	Increase (decrease) in liabilities related to working contracts	(174)	(24)
1.25.	Increase (decrease) in other accounts payable and liabilities	(252)	(2)
1.26.	Increase (decrease) in accumulated expenses and future income	12	-
	Net cash flows from operating activities	(1.529)	527
2.	Cash flows from investing activities		
2.1.	Acquisition of non-current assets, excluding investments	(21)	(1)
2.2.	Disposal of non-current assets, excluding investments	67	-
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	46	(1)

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(All amounts are in thousand EUR)

CASH FLOW STATEMENT (continued)

For the nine months period ended 30 September 2018

No.	Items	2018 9 months	2017 9 months
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	1.595	(504)
3.2.1.	Increase in borrowings	2.094	-
3.2.1.1.	Loans received	2.094	-
3.2.1.2.	Bonds issued	-	-
3.2.2.	Decrease in borrowings	(482)	(504)
3.2.2.1.	Loans repaid	(401)	(367)
3.2.2.2.	Bonds redeemed	-	-
3.2.2.3.	Interest paid	(81)	(135)
3.2.2.4.	Financial lease payments	-	(2)
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	(17)	-
	Net cash flows from financing activities	1.595	(504)
4.	Foreign exchange effect on the balance of cash and cash equivalents	-	-
5.	Net increase (decrease) in cash flows	112	22
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	126	42

GUBERNIJA AB
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NOTES TO THE FINANCIAL STATEMENTS

For the nine months period ended 30 September 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 30th September:

Shareholder	30 09 2018		31 12 2017	
	Number of shares	Share, %	Number of shares	Share, %
MV GROUP Production AB	15.598.617	96,71%	-	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	530.997	3,29%	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. On subsequent mandatory tender offers MV GROUP Production AB acquired additional 2,50% of Company shares.

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.

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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 30th September, 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 30th September, 2018 stood at 32 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

	30 09 2018	31 12 2017
MV GROUP UAB	2.280	3.358
AB "MV GROUP Production"	4.388	-
Tax obligations	-	521
Šiaulių bankas leasing	4	6
Other loans	-	86
Laumžirgiai UAB	-	1.009
Total obligations	6.672	4.980
Short-term part		
MV GROUP UAB	2.280	188
Tax obligations	-	321
Laumžirgiai UAB	-	255
Other loans	-	86
Šiaulių bankas leasing	1	2
Total short-term part	2.281	852
Total long-term part	4.391	4.128

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

Events after reporting period

On August 21st, 2018 the Company submitted the request regarding the delisting of AB "GUBERNIJA" shares from NASDAQ Vilnius AB Additional Trading List. NASDAQ Vilnius decided on September 11, 2018 to satisfy Company's application. The last trading day of AB "GUBERNIJA" shares is set at December 31, 2018.