

Joint Stock Company

BRĪVAIS VILNIS

(Unified registration number 40003056186)

FINANCIAL INFORMATION

**For the period from 1 January 2017 to 31 March 2017
(unaudited)**

Salacgriva, 2017

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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
Financial period	1 January – 31 March, 2017
Auditors	Elita Stabina Sworn Auditor Certificate No. 162 I.F. Revizija Ltd. Licence of commercial company No. 109 45/47 Elizabetes Street, Riga, LV 1010, Latvia

Management Report

May 31, 2017

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 2017 is the 26th year of operation since the Company was transformed into a Joint Stock Company. In the 1st quarter of 2017 the Company produced a total of 2.9 million cans of various types (84) of fish products, including 1.05 million cans of sprat. 2.5 million cans were sold for EUR 1.4 million.

The financial result of the reporting period is a loss of EUR 279 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.

As previously reported, the Company restarted the production of canned fish in February, 2017. The Company's goal was to reduce costs in order to maintain the solvency and the sales market.

In 2016, there were made the work on development of new markets. 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 the necessary repairs and upgrades to improve energy efficiency of auxiliary shops. 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**ASSETS**

	31.03. 2017 EUR	31.12. 2016 EUR
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NON-CURRENT ASSETS**Tangible assets**

Land, buildings and constructions	3 402 301	3 417 393
Equipment and machinery	165 951	185 645
Other fixtures and fittings, tools and equipment	42 647	52 054
Advance payments for fixed assets	50 469	30 469
TOTAL	3 661 368	3 685 561
TOTAL NON-CURRENT ASSETS	3 661 368	3 685 561

CURRENT ASSETS**Inventories**

Raw materials	454 333	407 150
Finished goods and goods for sale	690 959	976 867
TOTAL	1 145 292	1 384 017

Receivables

Trade receivables	934 509	1326808
Other receivables	179 006	83172
Prepaid expense	94 044	96274
TOTAL	1 207 559	1 506 254

Cash

	110 733	6 948
TOTAL CURRENT ASSETS	2 463 584	2 897 219

TOTAL ASSETS

	6 124 952	6 582 780
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EQUITY AND LIABILITIES		
	31.03.	31.12.
	2017	2016
	EUR	EUR
EQUITY		
Share capital	4 339 230	4 339 230
Non-current assets revaluation reserve	2 061 814	2 069 479
Other reserves	70 890	70 890
Retained earnings		
brought forward	(3 707 245)	(3 042 877)
for the period	(279 054)	(664 368)
TOTAL	2 485 635	2 772 354
PROVISIONS		
LIABILITIES		
Non-current liabilities		
Loans from credit institutions	1 598 780	1 598 780
Taxes payables	568 642	568 642
Other loans	50 877	50 877
Deferred income	33981	33 981
TOTAL	2 252 280	2 252 280
Current liabilities	-	
Loans from credit institutions	80 000	80 000
Other loans	94 907	104 683
Prepayments received from costumers		306 211
Trade payables	663 214	761 129
Taxes payables	267 378	61 817
Other liabilities	136 818	136 946
Deferred income	19 986	26 647
Accrued liabilities	124 734	80 713
TOTAL	1 387 037	1 558 146
TOTAL LIABILITIES	3 639 317	3 810 426
TOTAL EQUITY AND LIABILITIES	6 124 952	6 582 780

INCOME STATEMENT

	1quarter of the year 2017	1quarter of the year 2016
	EUR	EUR
□		
Net turnover	1 386 266	1 284 483
Cost of sales	(1 409 207)	(1 178 955)
Gross profit (loss)	(22 941)	105 528
Distribution costs	(44 346)	(32 530)
Administrative expense	(191 000)	(166 835)
Other operating income	85 737	108 578
Other operating expense	(75 978)	(93 948)
Interest receivable and similar income	-	57 446
Interest payable and similar expense	(30 526)	(53 783)
Profit /(Loss) before taxes	(279 054)	(75 544)
Other taxes	-	(20 240)
Profit / (Loss) for the reporting period	(279 054)	(95 784)
Earning (loss) per share	-0,090	-0,031

CASH FLOW STATEMENT

	For 1 quarters 2017	For 1 quarters 2016
	EUR	EUR
Cash flows to operating activities		
Profit / loss before taxes	(279 054)	(75 544)
Adjustments for:		
Amortization and depreciation	44 194	49 153
Interest expense	30 526	31 595
Provisions for vacations und current repair	(7 662)	62 523
Non-current assets revaluation reserve write-off	50 142	(7 662)
Operating profit or loss before working capital changes	(161 854)	60 065
Decrease (increase) in inventories	238 725	(102 179)
Decrease(increase) in receivables	298 695	300 971
Increase(decrease) in payables	(225 344)	(238 473)
Cash used in operations	150 222	20 384
Interest paid	(30 526)	(31 595)
Corporate income tax paid	-	(2 441)
Real estate tax paid	(5 144)	-
Net cash flows to operating activities	114 552	(13 652)
Cash flows to investing activities		
Purchase of fixed assets	-	(10 000)
Net cash flows to investing activities	-	(10 000)
Cash flows to financing activities		
Received loans	7 883	-
Lease payments	(18 650)	(19 876)
Net cash flows from financing activities	(10 767)	(19 876)
Change in cash and cash equivalents	103 785	(43 528)
Cash and cash equivalents at the beginning of the reporting period	6 948	74 892
Cash and cash equivalents at the end of the reporting period	110 733	31 364

STATEMENT OF CHANGES IN EQUITY

	Share capital	Other reserves	Retained earnings	Long term investment revaluation reserves	Profit (loss) the reporting period	Total
	EUR	EUR	EUR		EUR	EUR
Balance as at 31 December 2015	4 339 230	70 890	2 100 135	(2 419 379)	(760 605)	3 330 271
Reclassification of profit (losse)		-		(760 605)	760 605	-
Revaluation reserve write-off			(30 656)			(30 656)
Correction of amount from previous year's balance sheet			-	137 107		137 107
2016			-		(664 368)	(664 368)
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	-	-	(7 665)			(7 666)
Profit (losse) of the reportong period					(279 054)	(279 054)
Balance as at 31 March 2017	4 339 230	70 890	2 061 814	(3 707 245)	(279 054)	2 485 635

REPORT ON BOARD'S RESPONSIBILITY

May 31, 2017

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 2017.

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