

Joint stock Company

BRIV AIS VILNIS

(Enterprise registration number 40003056186)



**INTERIM
FINANCIAL REPORT
for the 9 months of 2015
(unaudited)**

Salacgriva 2015

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GENERAL INFORMATION

Name of the company	Brivais vilnis
Legal status of the company	Joint Stock Company
Number, place and date of registration	40003056186 Riga, 7 February 1992
Registered office	1Ostas Street, Salacgriva, LV-4033, Latvia
Major shareholders	"A Corporation "SIA (47.28%), Registration No.40003799285 8 Rigas Street, Adazi, LV-2164, Latvia "BALTC FINANCE & CAPITAL" Ltd (49.97%), Registration No.40003612793 8 Rigas Street, Adazi, LV-2164, Latvia
Members of the Board	Arnolds Babris (Chairman of the Board) Maris Trankalis (Manager) Zinaida Ekmane (Lawyer) Vasilijš Ilusins (Cold-storage manager)
Members of the Council	Ilona Drikina Anda Caune Ilmārs Reinis Kaspars Vārpiņš
Financial period	1 January – 30 September, 2015

MANAGEMENT REPORT

November 30, 2015

The types of activities performed by the JSC "Brivais vilnis" are processing and canning of fish and fish products, wholesale of food products and other commercial activities classified nowhere else. On May 14, 2002 the company was registered in the Common commercial register of the Republic of Latvia.

Year 2015 is the 24th year of operation since the Company was transformed into a Joint Stock Company. In 9 months of 2015 the Company produced a total of 10.4 million cans of various types (141) of fish products, including 4.8 million cans of sprat. In 9 months of 2015 there were sold 9.7 million cans for EUR 5.2 million. The financial result of 9 months of 2015 is a loss of EUR 165 141. These losses are from economic activities of the Company.

Net turnover for 9 months of 2015 is EUR 5 202 thousand.

Result for 9 months of 2015:

Gross profit (EUR)	572 thousand
Gross profit (%)	11.0

Operating results of the JSC "Brivais vilnis" compared to the previous year are less successful, because the total sales volume has significantly decreased as a result of the Russian embargo. The Company has not stopped the operation, it is working with pauses, according to orders received, mainly by using the fresh local raw materials. Due to the existing market situation, we believe that the most important is to keep existing customers and work on adoption of new markets. We are visiting and participating in food fairs in Western Europe and other world. The Company is looking for versions to optimize costs.

The Company continues development of new products and new packaging and works on improvement of quality of the current assortment also in this year. We are the leader in development of innovative packaging types.

The JSC "Brivais vilnis" will continue cooperation with the "Nasdaq Riga" JSC and remain listed in the Baltic Secondary list of stock exchange in 2015.

Arnolds Babris
Chairman of the Board

REPORT ON BOARD'S RESPONSIBILITY

November 30, 2015

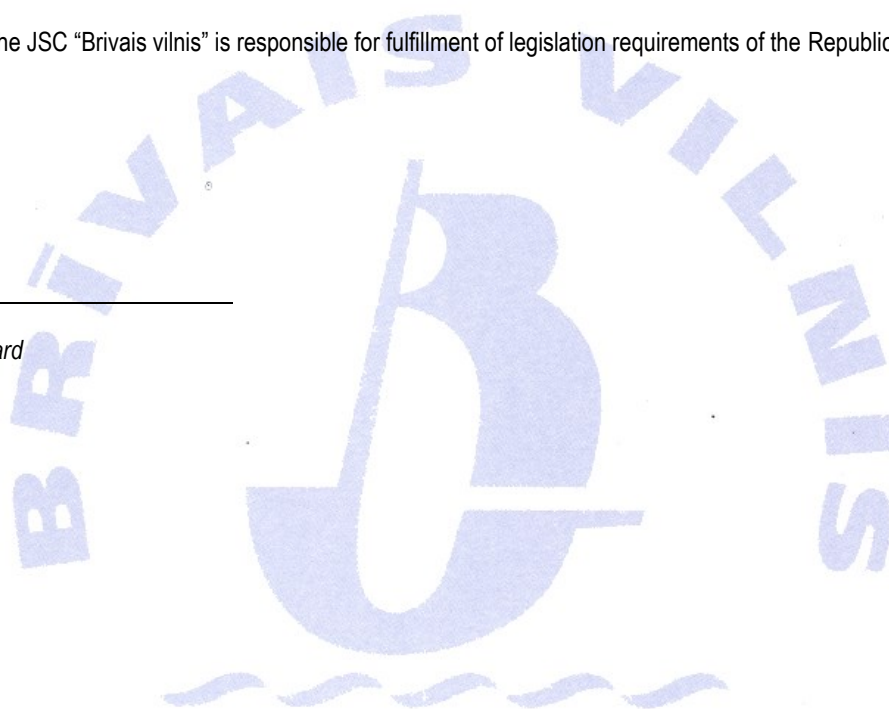
The management of the JSC "Brivais vilnis" is responsible for preparation of financial statement of the Company. Interim financial statements of the Company are not subject for audit.

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 30 of September 2015.

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



BALANCE SHEET

	ASSETS		
	30.09. 2015 EUR	31.12. 2014 EUR	30.09. 2014 EUR
NON-CURRENT ASSETS			
Intangible			
Projects, licences	68	685	1 476
TOTAL	68	685	1476
Tangible assets			
Land, buildings and constructions	3 493 102	3 539 111	3 554 448
Equipment and machinery	283 402	343 855	306 105
Other fixtures and fittings, tools and equipment	107 767	148 007	150 658
Bilding	165	165	0
TOTAL	3 884 436	4 031 138	4 011 211
TOTAL NON-CURRENT ASSETS	3 884 504	4 031 823	4 012 687
CURRENT ASSETS			
Inventories			
Raw materials	518 589	677 112	694 833
Finished goods and goods for sale	997 836	603 777	913 677
TOTAL	1 516 425	1 280 889	1 608 510
Receivables			
Trade receivables	1 670 586	2966973	2 525 538
Other receivables	186 481	184383	365 695
Prepaid expenses	122 526	105395	171 258
TOTAL	1 979 593	3 256 751	3 062 491
Cash	71 611	88 016	44 472
TOTAL CURRENT ASSETS	3 567 629	4 625 656	4 715 473
TOTAL ASSETS	7 452 133	8 657 479	8 728 160

EQUITY AND LIABILITIES

	30.09. 2015 EUR	31.12. 2014 EUR	30.09. 2014 EUR
EQUITY			
Share capital	4 339 230	4 339 230	4 339 230
Long term investment revaluation reserve	2 107 805	2 130 791	2 138 455
Other reserves	70 890	70 890	70 890
Retained earnings			
brought forward	(2 419 379)	(2 676 389)	(2 676 383)
for the period	(165 141)	257 010	313 702
TOTAL	3 933 405	4 121 532	4 185 894
PROVISIONS			
Other provisions	19 634	141 095	44 209
TOTAL	19634	141095	44209
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	1 576 780	1 576 780	2 042 949
Other loans	185 329	185 329	246 437
Deferred income	58 857	58 857	-
Deferred corporate income tax liabilities*	122 196	122 196	101 217
TOTAL	1 943 162	1 943 162	2 390 603
Current liabilities			
Loans from credit institutions	153 000	408 000	83 641
Other loans	37 427	106 633	85 793
Prepayments received from costumers	133	342 455	-
Trade payables	922 420	1 266 206	1 404 354
Taxes payables	251 165	134 041	286 580
Other liabilities	156 707	169 340	220 028
Deferred income	35 080	18 215	27 058
Accrued liabilities	-	6 800	-
TOTAL	1 555 932	2 451 690	2 107 454
TOTAL LIABILITIES	3 499 094	4 394 852	4 498 057
TOTAL EQUITY AND LIABILITIES	7 452 133	8 657 479	8 728 160

INCOME STATEMENT

	3 quarters of the year 2015	3 quarters of the year 2014
	EUR	EUR
Net turnover	5 202 487	8 933 568
Cost of sales	(4 630 902)	(7 778 070)
Gross profit (loss)	571 585	1 155 498
Distribution costs	(135 174)	(169 408)
Administrative expenses	(598 887)	(666 093)
Other operating income	130 141	234 811
Other operating expenses	(92 890)	(172 874)
Profit/loss from operations		
Interest receivable and similar income	112 797	104 902
Interest payable and similar expenses	(132 473)	(152 893)
Profit /(Loss) before taxes	(144 901)	333 943
Profit taxes	-	-
Other taxes	(20 240)	(20 241)
Profit (loss) for the reporting period	(165 141)	313 702
Earnings (loss) per share	-0,053	0,101

CASH FLOW STATEMENT

	For 3 quarters 2015	For 3 quarters 2014
	EUR	EUR
Cash flows to operating activities		
Profit/loss before taxes	(144 901)	333 943
Adjustments for:		
Amortization and depreciation	153 569	135 729
Interest expenses	108 852	125 556
Provisions	(121 461)	(86 473)
Gain from fluctuations of currency exchange	-	(6 227)
Non-current assets revaluation reserve write-off	(22 992)	(22 992)
(Profit) loss as a result of investment	-	(1 200)
Operating profit or loss before working capital changes	(26 933)	478 336
Decrease (increase) in inventories	(235 536)	(447 069)
Decrease (increase) in receivables	1 277 158	(73 327)
Increase (decrease) in payables	(537 579)	283 806
Cash used in operations	477 110	241 746
Interest paid	(98 762)	(125 556)
Corporate income tax and real estate paid	(54 206)	(126 957)
Net cash flows to operating activities	324 142	(10 767)
Cash flows to investing activities		
Purchase of fixed assets	(6 250)	(59 935)
Proceeds from sales of fixed and intangible assets	-	1 200
Net cash flows to investing activities	(6 250)	(58 735)
Cash flows to financing activities		
Loans granted	-	(78 626)
Received loans	-	330 000
Repaid loans	(255 000)	(485 446)
Lease payments	(79 297)	(84 983)
Net cash flows to financing activities	(334 297)	(161 803)
Change in cash and cash equivalents	(16 405)	(231 305)
Cash and cash equivalents at the begin of the reporting period	88 016	275 777
Cash and cash equivalents at the end of the reporting period	71 611	44 472

STATEMENT OF CHANGES IN EQUITY

	Share capital	Long term investment revaluation reserve	Reserves	Retained earnings	Profit (loss) the reporting period	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Balance as at 01 January 2014	4 410 120	2 161 448		(3 298 326)	621 937	3 895 179
Revaluation reserve write-off	-	(30 657)				(30 657)
Balance transfer to capital reserves as a result of denomination	(70 890)		70 890			
Reclassification of profit				621 937	(621 937)	-
Profit of the 2014	-			-	257 010	257 010
Balance as at 01 January 2015	4 339 230	2 130 791	70 890	(2 676 389)	257 010	4 121 532
Reclassification of profit				257 010	(257 010)	-
Profit of the reporting period					(165 141)	(165 141)
Revaluation reserve write-off		(22 986)				(22 986)
Balance as at 30 September 2015	4 339 230	2 107 805	70 890	(2 419 379)	(165 141)	3 933 405

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

I Summary

The financial statements of AS Brivais vilnis have been prepared in accordance with the law of The Republic of Latvia. Financial statements are prepared on historical cost basis.

The monetary unit used in the financial statements is EUR, the monetary unit of the Republic of Latvia. The financial statements cover the period 01 January 2015 through 30 September 2015.

II Earning recognition and net turnover

Net turnover is the total value of finished production and goods sold as well as services provided without discounts and VAT during the year.

Other earnings are recognised at the moment of their origin or at the moment when legal rights on such earnings arise.

Other earnings are caused by exclusion of fixed assets and sales of current assets.

Other interest receivable and similar income is income that is not caused directly by the operating activities.

III Intangible and tangible fixed assets

Intangible and tangible fixed assets have been appreciated according to their acquisition cost.

The cadastral value of land has been assessed.

The write-off value of intangible non-current assets as software is performed on a straight-line basis annually for equal amount.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

The following depreciation rates were established and applied:

	% per annum
Buildings and constructions	1 – 5
Technological equipment and machinery	20
Other fixed assets	10 – 50
Computing and similar devices	33

IV Redeeming leasehold

Such fixed assets as transport that have been purchased on financial lease including the take-over of the related risks have been booked according to their non-lease sales price. Expenditures of leasing interest and similar payments have been included in the income statement of the period it occurred.

V Receivables

Trade and other receivables are recognised and carried at original invoice amount less an allowance for any non-collectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable.

Receivables are disclosed in balance sheet at the original invoice amount less provision made. Provision on doubtful receivables is made evaluating each receivable individually. Bad debts are written off when recovery is deemed impossible.

All receivable amounts stated in the balance have to be received during the year after the date of balance.

VI Inventories

The valuation of inventories in financial accountancy is being done using continuous inventory method.

The inventories have been evaluated at their purchase or production cost price using FIFO method.

Decreased value of inventories is written-off as costs of the reporting year.

VII Corporate income tax

The corporate income tax for the reporting year has been calculated according to the legislative requirements of the Republic of Latvia. The applied tax rate for the corporate income tax per 2015 - 15%.

VIII Foreign currency converting

The measure of value and currency used in the annual report is EUR- official currency of the Republic of Latvia.

All monetary positions of assets, equities and liabilities have been converted into EUR according to the currency exchange rate on the last day of accounting year – 30.09.2015.

	30.09.2015.
1 USD	1.2703

The profit or loss from the fluctuations on foreign exchange rates is shown in the income statement or loss account of the particular reporting period.

As the prepaid expenses there are stated insurance costs, all kind of subscription and similar kind of expense for the year 2015.

All liabilities are to be settled within the period of year except the ones stated in the interpretation of the balance sheet.

All taxes payable to budget are for the current month.

