

***JSC "TOSMARES KUĢUBŪVĒTAVA"***

***Financial statements on 9 months of 2015***

(non audited)

**Liepājā  
2015**

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## **General Information**

Name of the company	Tosmares kuģubūvētava
Legal status of the company	Joint stock company
Number, place and date of registration	Register of the companies No.210302283 Liepāja, January 03, 2000  Commercial register No.42103022837 Liepāja, May 12, 2004
Address	Ģenerāļa Baloža iela 42/44 Liepāja, LV-3402 Latvia
Type of operations	NACE 3315: Construction and repair of technological equipment, ships, yachts, catamarans, containers, roltrailers; Port services
The Board	
Aleksandrs Vaļums	Chairman of the Board
Vladislavs Blūms	Member of the Board till October 15, 2015
Aleksandrs Murugovs	Member of the Board
The Council	
Vasilijs Meļņiks	Chairman of the Council
Aleksandrs Čerņavskis	Deputy chairman of the Council
Jānis Skvarnovičs	Member of the Council
Henrik Kasesalu	Member of the Council
Viktors Ivanovs	Member of the Council
Financial period	January 1, 2015 - September 30, 2015
Auditor's name and address	Natalija Zaiceva Certified auditor (LZRA Certificate. No. 138)  "Orients Audit & Finance" Ltd LZRA Licence No. 28 Gunara Astras Street 8b Riga, LV-1082 Latvia

### **Statement of the Management Responsibility**

The Management is responsible for the preparation of the financial statements in accordance with the Laws of the Latvian Republic On Accounting and On the Annual Reports. The financial statements give a true and fair view of the financial position of the Company at the end of the reporting period, and the results of its operations and cash flow for the period then ended.

The Management certifies that proper accounting methods were applied to preparation of these financial statements on page 5 to page 17 and decisions and assessments were made with proper discretion and prudence. The accounting policies applied have been consistent with the previous period. The Management confirms that the financial statements have been prepared on going concern basis.

The Management is responsible for accounting records and for safeguarding the Company's assets and preventing and detecting of fraud and other irregularities in the Company. It is also responsible for operating in the Company in compliance with the normative acts of the Republic of Latvia.

Chairman of the Board

A.Vaļums

Member of the Board

A.Murugovs

November 27, 2015

**PROFIT OR LOSS STATEMENT**  
**for 9 months period of 2015 and 2014**

	Notes	9 months 2015 EUR	(Adjusted*) 9 months 2014 EUR
Net sales	(1)	5 164 114	3 562 065
Cost of sales	(2)	(4 090 564)	(3 839 677)
<b>Gross profit or losses</b>		<b>1 073 550</b>	<b>(277 612)</b>
Distribution expenses	(3)	(7 725)	(2 466)
Administrative expenses	(4)	(245 951)	(206 763)
Other operating income	(5)	164 774	124 935
Other operating expenses	(6)	(495 411)	(69 746)
Interest payments and similar costs	(7)	(90 788)	(65 488)
<b>Profit or losses before taxes</b>		<b>398 449</b>	<b>(497 140)</b>
Corporate income tax	(8)		
Other taxes	(8)	(28 314)	(28 314)
<b>Net profit or losses</b>		<b>370 135</b>	<b>(525 454)</b>
*View the No. 34			
Profit (loss) per share		0,1155	-0,164

Appendixes on pages 9 to 17 are an integral part of this financial report.

Chairman of the Board

A.Vaļums

Member of the Board

A.Murugovs

November 27, 2015

**BALANCE SHEET**

on September 30, 2015 and September 30, 2014

	Notes	30.09.2015 EUR	(Adjusted*) 30.09.2014 EUR
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Other intangible assets	(9)	308	746
<b>Total intangible assets</b>		<b>308</b>	<b>746</b>
<b>Fixed assets</b>			
Land and buildings	(9)	2 456 880	2 587 850
Equipment and machinery	(9)	3 694 676	3 136 743
Other fixed assets	(9)	20 845	22 984
Fixed assets under construction	(9)	13 393	16 163
<b>Total fixed assets</b>		<b>6 185 794</b>	<b>5 763 740</b>
<b>Total non-current assets</b>		<b>6 186 102</b>	<b>5 764 486</b>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables	(10)	629 117	727 439
Finished goods and work in progress	(11)	1 409 853	1 405 659
Advances paid for materials		65 165	1 212
<b>Total inventories</b>		<b>2 104 135</b>	<b>2 134 310</b>
<b>Account receivables</b>			
Trade receivables	(12)	1 664 021	917 341
Other receivables	(13)	86 816	25 403
Related company's debt	(14)	318 221	
Expenses of future periods	(15)	14 020	
Accrued income	(16)	65 075	459 203
<b>Total receivables</b>		<b>2 148 153</b>	<b>1 401 947</b>
<b>Cash and bank</b>	(17)	<b>149 192</b>	<b>79 981</b>
<b>Total current assets:</b>		<b>4 401 480</b>	<b>3 616 238</b>
		<b>10 587 582</b>	<b>9 380 724</b>

Appendixes on pages 9 to 17 are an integral part of this financial report.

**BALANCE SHEET**

on September 30, 2015 and September 30, 2014

	Notes	30.09.2015 EUR	(Adjusted*) 30.09.2014 EUR
<b><u>EQUITY, PROVISIONS AND LIABILITIES</u></b>			
<b>Equity</b>			
Share capital	(18)	4 484 756	4 558 023
Non-current investments revaluation reserve	(19)	1 338 520	1 574 729
Reserves:			
other reserves	(20)	73 267	
Retained earnings:		308 837	(138 569)
previous year's retained earnings		(61 298)	386 885
current year's profit or losses		370 135	(525 454)
<b>Total equity</b>		<b>6 205 380</b>	<b>5 994 183</b>
<b>Provisions</b>			
Other provision	(21)	52 927	48 299
<b>Total provisions</b>		<b>52 927</b>	<b>48 299</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other borrowings	(22)	1 500 000	
Leasing liabilities	(23)	536 818	
Deferred income tax liabilities	(24)	505 983	287 540
			6
Next period income	(25)	287 089	
<b>Total non-current liabilities</b>		<b>2 829 890</b>	<b>287 546</b>
<b>Current liabilities</b>			
Loans from banks	(26)		1 769 607
Other borrowings	(27)	23 176	
Leasing liabilities	(28)	100 962	
Advances from customers	(29)	76 056	147 927
Trade payables	(30)	1 086 833	879 290
Payables to related companies	(31)	900	37 281
Taxes and social insurance payments	(32)	87 818	138 205
Other liabilities	(33)	88 480	78 386
Deferred income		35 154	
Dividends unpaid		6	
Accrued liabilities			
<b>Total current liabilities:</b>		<b>1 499 385</b>	<b>3 050 696</b>
<b>Total liabilities:</b>		<b>4 329 275</b>	<b>3 338 242</b>
<b>Total equity, provisions and liabilities</b>		<b>10 587 582</b>	<b>9 380 724</b>

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Chairman of the Board

A.Vaļums

Member of the Board

A.Murugovs

November 27, 2015

**CASH FLOW STATEMENT**

for 9 months of 2015 and 2014 (according to direct method)

	9 months of 2015 EUR	9 months of 2014 EUR
<b>Cash flow from operating activities</b>		
Sales and service income	4 694 976	3 825 211
Cash to suppliers, personnel and others primary activity costs	(4 641 229)	(3 595 065)
Other		57
<b>Gross cash flow generated from operating activities</b>	<b>53 747</b>	<b>230 203</b>
Interest paid	(71 878)	(33 192)
Corporate income tax paid		(40 000)
<b>Cash flow before extraordinary items</b>	<b>(18 131)</b>	<b>157 011</b>
<b>Net cash flow generated from operating activities</b>	<b>(18 131)</b>	<b>157 011</b>
<b>Cash flow from investment activity</b>		
Acquisition of fixed and intangible assets	(81 856)	(56 854)
Proceeds from sales of fixed assets and intangible assets	5 041	
<b>Net cash flow generated from investing activities</b>	<b>(76 815)</b>	<b>(56 854)</b>
<b>Cash flow from financing activities</b>		
Loans received		
Expenses on repayment of loan	66 000	(86 358)
Leased assets redemption expenses		
<b>Net cash flow generated from financing activities</b>	<b>66 000</b>	<b>(86 358)</b>
<b>Net foreign exchange gains/losses</b>		
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(28 946)</b>	<b>13 799</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>178 138</b>	<b>66 182</b>
<b>Cash and Cash equivalents at the end of the financial year</b>	<b>149 192</b>	<b>79 981</b>

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Chairman of the Board

A.Vaļums

Member of the Board

A.Murugovs

November 27, 2015



**STATEMENT OF CHANGES IN EQUITY**  
**for 9 months period of 2015 and 2014**

	Share capital	Revaluation reserve of Non-current investments	Retained earnings	Other reserves	Total
	EUR	EUR	EUR	EUR	EUR
<b>Balance as at 30.09.2013</b>	<b>4 558 023</b>	<b>1 574 729</b>	<b>303 265</b>		<b>6 436 017</b>
Correction of the amount indicated in the balance sheet of a previous year			83 620		83 620
Profit or losses for the financial year			(525 454)		(525 454)
<b>Balance as at 30.09.2014</b>	<b>4 558 023</b>	<b>1 574 729</b>	<b>(138 569)</b>		<b>5 994 183</b>
Reserves drawn up in the result of the denomination	(73 267)	(236 209)	77 271	73 267	(158 938)
Profit or losses for the financial year			370 135		370 135
<b>Balance as at 30.09.2015</b>	<b>4 484 756</b>	<b>1 338 520</b>	<b>308 837</b>	<b>73 267</b>	<b>6 205 380</b>

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Chairman of the Board

A.Vaļums

Member of the Board

A.Murugovs

November 27, 2015

## **NOTES**

### **ACCOUNTING POLICIES**

#### **(1) General principles**

Financial statements are prepared in accordance with the Laws of the Latvian Republic On Accounting and On the Annual reports and the Regulations of Cabinet of Ministers No.488 "Provisions of Law enforcement on Annual report " and No. 481 "Regulations on the cash flow statement and statement of changes in equity contents and order of preparation" As the best practice are applied the Latvian accounting standards.

The income statement is prepared in accordance with the turnover method.

The Cash flow statement has been prepared under the direct cash flow method.

The financial statements are prepared based on going concept and according to the historical cost accounting principle.

In comparison with the previous financial period, the accounting and evaluation methods used by the Company has not been changed.

In connection with the Latvian official currency exchange from 1 January 2014, the Company's functional and reporting currency is the euro, which replaced the national currency Latvian lats. Prior period financial information that has been presented in Latvian lats, have been converted into euro using the official currency exchange rate of LVL 0.702804 against EUR 1. Since the Latvian lats had previously been pegged to the euro with the same exchange rate, the functional and reporting currency change had no effect on Company's financial statement, financial results and cash flows.

The accompanying financial statements have been drawn up in the Latvian national currency - the euro (EUR).

#### **(2) Income recognition and net sales**

Net sales contain the total value of goods and services sold during the year excluding discounts value added tax and costs related to sales.

In accordance to the Regulations of Cabinet of Ministers, revenue from ship repair work is recognized when the customer has accepted the executed repair work.

Other income are recognized as following:

- rent income – in the moment of appearance;
- income from fines and penalties – in the moment of its receipt;
- dividends – at the moment when the legal rights on them arise.

#### **(3) Long-term agreements**

Agreement costs are recognized when incurred. When the outcome of an agreement cannot be estimated reliably, agreement revenue is recognized only to the extent of agreement costs incurred that are likely to be recoverable. When the outcome of an agreement can be estimated reliably and it is possible that the agreement will be profitable, agreement revenue is recognized over the period of the agreement. When it is probable that total costs will exceed total agreement revenue, the expected loss is recognized as an expense immediately.

The Company apply the percentage of completion method to determine the appropriate amount to recognize in a given period. The stage of completion is measured by reference to the agreement costs uncured up to balance sheet date as a percentage of total estimated costs for each agreement or carrying out surveys of work performed to date. Costs incurred in the year in connection with future activity on an agreement are excluded from agreement in determining the stage of completion. They are presented as inventories or other assets, depending on their nature.

**(4) Intangible investments**

Intangible assets are valued as per initial cost excluding accumulated amortization. Amortization is calculated on a straight-line method useful life and determined as 4 years.

**(5) Fixed assets and low-grade material**

Fixed assets are estimated according to their initial expense value or reestimated initial value, excluding accrued depreciation. Depreciation is calculated according to (linear) method, using the rates of fixed assets depreciation calculation, that are based on the evaluation of fixed assets useful service duration:

	<u>Years</u>	<u>%</u>
Buildings	33,3	3
Equipment and technical utilities	10	10
Rolling stock, seacraft transport, power plant	14,3	7
Furniture and office machines	10	10
Computers and facilities	4	25
Vehicles	5	20
Instruments and inventory	10	10

The depreciation of fixed assets is started to calculate with the first day of next month after its commissioning and is finished with the first day of next month after its exclusion from fixed assets.

Company capitalizes fixed assets whose value exceeds EUR 142,29 and the period of useful utilization exceeds 1 year. Reestimating the fixed assets, their value increase is reflected in non-current investment reestimation reserve. To incomes in profit or loss statement is applied to fixed assets liquidation.

Net gains or losses from disposal of fixed assets is calculated, as the difference between the carrying amount of the fixed asset, write-off of related assets revaluation reserve (if any) and proceeds from sale, and recognized in the income statements during the period when disposal are incurred.

Low-grade stock booked at the purchase prices and costs was 100% written off after commissioning.

**(6) Non-current investments in leased fixes assets**

Expenses of leased fixed assets overhaul are written off according to linear method rate in time of the period.

**(7) Rent with ransom (financial leasing)**

In cases when fixed assets that are obtained in lease with ransom (financial leasing) in relation to what all risks and liabilities pass over to the company, that is characteristic to ownership, is considered as company's actives at such value as they could be acquired for spot cash. Leasing interest payments and similar payments are included in profit or loss statement of the period when they have arisen.

**(8) Lease without rights of ransom (operative leasing)**

In cases when fixed assets are leased on lease provisions without rights on ransom, lease payments and prepayments for lease are included in profit or loss statement according to linear method in the period of lease.

**(9) Inventories**

Inventories are stated at the lower of purchase or production cost and net realizable value. Purchase costs consists of purchase value and overheads, which have been acquired, by delivering inventories at their current position and value. The costs of materials and other expenses that are directly connected with the production of the appropriate item as well as a respective part of overhead expenses are included in the production cost of inventories. Selling expenses has not included in cost. Cost is stated on the weighted average method. When the net realizable value of inventories is lower than its costs, the difference is recognized as provisions for the decrease of value.

Inventories are reflected at the lowest market or purchase value, using the FIFO (weighted average) method. In case of necessity the value of obsolete, slow turnover or damaged stock is written off.

In prime costs of produces goods are included the costs of used raw materials and materials, and other expenses that are directly connected with production of corresponding object.

**(10) Accounts receivable**

Account receivable in the balance sheet have been shown at the net value, obtained deducting provisions for doubtful debts from the total amount of Account receivable. Account receivable's actual sum complies with contracts and other accounting basic documents. The comparison of account's receivable debts has been performed and the bad debts has been written-off.

**(12) Other investments**

Non-current investments, excluding investments in subsidiaries and associates, are stated at purchased value, adjusted in cases of their permanent value increase or decrease.

**(12) Cash and cash equivalents**

In the report of cash flow consist of the money in cash-box, remnants of active bank account and demand deposits in the credit institutions with term to 90 days.

**(13) Accrued liabilities for unused annual leave**

Amount of accumulated unused annual leave is determined by multiplying the average day rate of employees for the last six months of the financial year by the amount of accrued but unused annual leave at the end of the reporting year.

**(14) Corporate income tax**

Corporate income tax was calculated according to Latvia Republic tax laws. According to effective provisions of the normative acts the tax rate is 15%.

**(15) Deferred tax**

Deferred tax is calculated according to the liability method with respect to all temporary differences between the values of assets and liabilities in the financial statements and their tax basis. The deferred tax liability is calculated based on the tax rates that are expected to be applied when the temporary differences reverse. The temporary differences arise from different fixed asset depreciation rates, as well as from tax losses carried to the next taxation periods. In cases, when the total result of the deferred tax calculation is to be reflected as assets, it is recognized in the financial statement only if a future taxable profit will be available against which the temporary differences can be utilised.

**(16) Grants**

For fixed assets formation received grants are regarded as next periods incomes, that gradually includes the incomes received of for grants acquired fixed assets in useful utilization time of period. Other grants are related to results of the year of account in the period of grant receipt.

**(17) Use of calculations**

Preparing the financial statements, company's management has to make calculations and assumptions that influence the actives and passives shown in statements and off-balance for the day of statement preparation, as well as shown incomes and expenses of accounting period. The actual results can differ from these calculations.

**(18) Related parties**

Related parties are considered Group companies, Board and Council members, their close family members and Companies, in which the previously mentioned persons/Group companies have significant influence or control.

## Notes to Income Statement

### (1) Net sales

	EUR	EUR
	9 months of 2015	9 months of 2014
Income from ship building	383 634	770 928
Income from ship repair services	4 780 383	2 736 708
Other income	97	54 429
<b>Total</b>	<b>5 164 114</b>	<b>3 562 065</b>

### By location

Income from sales of service in Latvia	170 860	179 986
Income from sales of service in		
Fareo Islands	389 134	662 598
Russia	2 313 404	533 668
Lithuania	595 393	529 267
Antiqua and Barbuda		126 862
Beliza		
Cyprus	49 448	3 210
Netherlands	1 239 870	471 697
Saint Vincent and the Grenadines		
Malta	99 760	128 534
Germany	130 082	13 538
Gibraltar	76 135	8 215
Sweden		
Poland	28 750	11 817
Cambodia		
Marshall Islans		24 360
Norway		455 710
Panama	71 278	281 648
Cambodia		130 955
	<b>5 164 114</b>	<b>3 562 065</b>

### (2) Cost of sales

Material purchase costs	577 921	692 300
Employees salary	834 007	815 835
Social insurance costs	188 787	187 623
Electricity costs	344 968	265 236
Depreciation of fixed assets	320 363	345 466
Contagent's services	1 560 442	1 224 860
Services from outside	47 592	
Current overhaul of buildings	9 252	
Security	74 274	
Services of other Companies	75 919	257 219
Lease payment	42 232	42 040
Other costs	14 807	9 098
<b>Total</b>	<b>4 090 564</b>	<b>3 839 677</b>

### (3) Distribution expenses

Media advertising expenditures		
Business trips	7 725	2 466
<b>Total</b>	<b>7 725</b>	<b>2 466</b>

### (4) Administrative expenses

Communication costs	1 296	928
Reward for the board and council	172 386	121 105
Social insurance costs	39 462	28 085
Office maintenance costs	1 877	1 542
Stock exchange costs	6 667	6 367
Lawyer's services	5 693	28 595
Expenses for the audit	1 900	5 540
Transport costs, business trips	9 640	7 859
Bank services	3 423	4 838
Representation expenses	3 607	1 904
Other costs		
<b>Total</b>	<b>245 951</b>	<b>206 763</b>

(5) Other operating income	EUR	
	9 months of 2015	9 months 2014
Income from realization of materials	9 699	28 766
Income from rent	51 737	54 644
Income from tugboat's services	52 361	24 922
Income from exchange rate fluctuations		96
Other income	50 977	16 507
<b>Total</b>	<b>164 774</b>	<b>124 935</b>

(6) Other operating expenses	EUR	
	9 months of 2015	9 months 2014
Provisions for bad and doubtful debts	388 392	
Accrued liabilities ( holiday reserves )		
Fixed assets exclusion expenses	646	
Material purchase expenses	8 244	23 314
Personnel expenses (material assistance)		1 372
Tugboat's services expenses	85 142	43 945
Losses from exchange rate fluctuations	156	
Donations	500	
Leased fixed assets maintenance costs	7 068	1 115
Property maintenance		
Other expenses	5 263	
<b>Total</b>	<b>495 411</b>	<b>69 746</b>

(7) Interest and similar expenses	EUR	
	9 months of 2015	9 months 2014
Interest charge	86 440	48 838
Penalties paid	4 348	16 649
<b>Total</b>	<b>90 788</b>	<b>65 487</b>

(8) Other taxes	EUR	
	9 months of 2015	9 months 2014
Real estate tax for land	10 868	10 868
Real estate tax for buildings	17 446	17 446
<b>Total</b>	<b>28 314</b>	<b>28 314</b>

(9) Intangible assets and fixed assets	Other intangible assets (software)	Lands and buildings	Equipment and machines	Other fixed assets	Fixed assets aunder construction	Total
	EUR	EUR	EUR	EUR	EUR	EUR
<b>Cost/revaluation</b>						
31.12.2014	10 465	3 940 137	5 514 494	133 124	16 163	9 614 383
Additions		2 590	320 768	3 589		326 947
Disposals			54 572	2 982		57 554
Revaluation					2 770	2 770
30.09.2015	10 465	3 942 727	5 780 690	133 731	13 393	9 881 006
<b>Depreciation</b>						
31.12.2014	9 971	1 382 805	1 931 916	106 760		3 431 452
Calculated	186	103 042	208 031	9 102		320 361
Disposals			53 933	2 976		56 909
30.09.2015	10 157	1 485 847	2 086 014	112 886		3 694 904
31.12.2014	494	2 557 332	3 582 578	26 364	16 163	6 182 931
30.09.2015	308	2 456 880	3 694 676	20 845	13 393	6 186 102

**Cadastral value**

Cadastral value of freehold land as at September 30, 2015 is EUR 966 006, cadastral value for the building is EUR 1 550 784.

<b>(10) Raw materials and consumables</b>		
	EUR	EUR
	<u>9 months of 2015</u>	<u>9 months 2014</u>
Metal	313 501	375 918
Abrasive	9 536	2 837
Pipes	114 975	148 381
Non-ferrous metals	49 140	58 250
Products of technical rubber	36 758	36 871
Other expenses	105 207	105 182
<b>Total</b>	<b><u>629 117</u></b>	<b><u>727 439</u></b>
<b>(11) Finished goods</b>		
Yacht's hull	890 000	885 806
Equipment for yacht	519 853	519 853
<b>Total</b>	<b><u>1 409 853</u></b>	<b><u>1 405 659</u></b>
<b>(12) Trade receivables</b>		
Book value of trade receivables	1 664 021	917 341
<b>Net worth of trade receivables</b>	<b><u>1 664 021</u></b>	<b><u>917 341</u></b>
<b>(13) Other receivables</b>		
In budget advance paid and overpaid VAT tax	14 660	13 287
Corporate income tax advance payments	8 691	12 006
Advance payments for services	957	110
Other receivables	62 508	
<b>Total</b>	<b><u>86 816</u></b>	<b><u>25 403</u></b>
<b>(14)</b>		
AS "Rīgas kuģu būvētava" debt for the loan	318 221	
<b>Total</b>	<b><u>318 221</u></b>	<b><u>0</u></b>
For the use of the loan is paid 6% per annum.		
<b>(15) Expenses of future periods</b>		
Press Subscription		
Insurance expenses		
Other expenses	14 020	
<b>Total</b>	<b><u>14 020</u></b>	<b><u>0</u></b>
<b>(16) Accrued income</b>	EUR	EUR
	<u>9 months of 2015</u>	<u>9 months 2014</u>
Shipbuilding		
Ship repair	65 075	459 203
<b>Total</b>	<b><u>65 075</u></b>	<b><u>459 203</u></b>
<b>(17) Cash and Bank</b>		
Cash on hand	149 192	79 965
Cash at bank on current accounts		
<b>Total</b>	<b><u>149 192</u></b>	<b><u>79 965</u></b>

**(18) Information about company's own shares and total stock**

AS "Tosmares kuģubūvētava" was established in 2000 with share capital EUR 2 281 428 that consist of 1 603 397 common shares, nominal value of share is EUR 1,40.

The joint-stock company is public and its shares are quated with the stock exchange . All shares give equal rights to receipt of dividends, receipt of liquidation quotas and right to vote in the shareholders meeting. One share gives the right to 1 vote in the shareholders meeting. The Company has no shares that are held by the Company itself or by third persons for its assignment.

Modifications in Statues:

- 1 In 2001 an increase of share capital of the company up to EUR 3 704 300.
- 2 In 2002 an increase of share capital of the company up to EUR 4 558 023.
- 3 In 2011 the 2 562 660 shares were determined as registered shares, and 640 737 shares as bearer shares; all shares are non-certificated shares/book-entry shares.
- 4 Equity capital is EUR 4 484 756 after denomination. Equity capital of JSC "Tosmares kuģubūvētava" consist of 3 203 397 stocks. Value of one stock is 1.40 EUR.

<b>(19) Non-current investments revaluation reserve</b>	<b>EUR</b>	<b>EUR</b>
	<b>9 months of 2015</b>	<b>9 months 2014</b>
Investment revaluation of floating dock was on December, 2011	1 338 520	1 574 729
<b>Total</b>	<b>1 338 520</b>	<b>1 574 729</b>

The assessment of floating dock was carried out by certified technical expert SIA "Baltic Kontor".

**(20) Other reserves**

Reserves from resulting of the denomination of the share in accordance with the shareholders' decision.

	73 267	
<b>Total</b>	<b>73 267</b>	

**(21) Other provisions**

Provisions for annual leave

	52 927	48 299
<b>Total</b>	<b>52 927</b>	<b>48 299</b>

**(22) Other borrowings**

**Total** 1 500 000

Loan is received from the legal person with 6 % annual rate with the deadline of return in 2019.

As security for the loan liabilities accomplishment the Company's fixed assets are pledged. The value of the pledged fixed assets is EUR 833 471.

**(23) Non-current leasing liabilities**

Overhead cranes	383 276	
Automobile	153 542	
<b>Total</b>	<b>536 818</b>	

Liabilities under the finance leases are repayable within 2-5 years.

The company has purchased cargo cranes by financial lease from SIA "SEB lizings." Interest payments are set at 3,45% + 3 months EURIBOR.

The automobile has been purchased by financial lease from SIA "Citadele lizings un faktoringis". Interest payments are set at 5% + 6 months EURIBOR.

**(24) Deferred tax liabilities**

	<b>EUR</b>	<b>EUR</b>
	<b>6 month of 2015</b>	<b>6 month 2014</b>
Deferred tax liabilities at the beginning of year	505 983	287 540
Deferred tax liability from revaluation reserve of floating dock		
Deferred tax liability increase in the financial year		
<b>Liabilities in the end of a period</b>	<b>505 983</b>	<b>287 540</b>

**(25) Next period income (non-current part)**

Revenue as a result of the reverse leasing	287 089	
<b>Total</b>	<b>287 089</b>	



**(26) Loans from credit institutions**

	1 769 607	
	1 769 607	

The Company had an opened credit facility in JSC "SEB bank" on December 31, 2013.

As security for the liabilities were pledged by the Company belonging property - equipment, floating dock and two dry docks. In 2014 the liabilities to the credit institution were paid off.

**(27) Other borrowings**

Interests unpaid	23 176	
<b>Total</b>	<b>23 176</b>	

**(28) Current leasing liabilities**

Automobile	34 932	
Overhead cranes	66 030	
<b>Total</b>	<b>100 962</b>	

**(29) Advances from customers**

Ship building		63 051
Ship repair	76 056	80 000
Other		4 876
<b>Total</b>	<b>76 056</b>	<b>147 927</b>

**(30) Trade payables**

Debts for materials	139 528	173 310
Debts for services	89 744	103 858
Debts for ship building and ship repair	837 436	552 984
Debts for fixed assets	20 126	49 138
<b>Total</b>	<b>1 086 834</b>	<b>879 290</b>

**(31) Payables to related companies**

Debt to the AS "Rīgas kuģu būvētava" for the materials and services	900	37 281
<b>Total</b>	<b>900</b>	<b>37 281</b>

**(32) Movement of tax liabilities for 9 months of 2015**

	01.01.2015.	Calculated 2015.	Calculated penalty and delay fees	(Paid) / repaid	Transferred to other taxes	30.09.2015
	EUR	EUR	EUR	EUR		EUR
Value added tax	(22 984)	(239 546)		27 034		220 836 (14 660)
Personal income tax	36 863	191 788	1 921	(149 000)		(35 202) 46 370
Social insurance payments	65 631	349 386	63	(134 000)		(240 438) 40 642
Corporate income tax	(44 491)			(10 000)		45 800 (8 691)
Real estate tax (land)	8 315	10 868	390	(19 585)		(12)
Real estate tax (building)	12 350	17 446	1 624	(31 440)		(20)
Natural resources tax	785	3 131		(3 229)		68 755
Risk duty	60	569		(578)		51
<b>Total</b>	<b>56 529</b>	<b>333 642</b>	<b>3 998</b>	<b>(320 798)</b>		<b>(8 935) 64 435</b>

<b>Tax debt</b>	<b>124 004</b>	<b>87 818</b>
<b>Tax overpayment</b>	<b>(67 475)</b>	<b>(23 383)</b>

(33) Other liabilities	EUR	EUR
	<u>9 months of 2015</u>	<u>9 months 2014</u>
Salaries	87 620	77 048
Retention from salaries	613	474
Other liabilities	247	864
<b>Total</b>	<b><u>88 480</u></b>	<b><u>78 386</u></b>
(34) Correction of errors of previous years		

Evaluation of long-term contracts was not made according to the stage of completion on 30.09.2014. Corrections are made in the report retroactively and the impact on the comparative figures is following:

<u>Income statements items</u>	30.09.2014 Before corrections, EUR	Correction amount EUR	30.09.2014 After corrections, EUR
Net sales	3 102 862	420 775	1 289 729
Cost of sales	3 452 843	730 519	1 515 774
Gross profit	<b><u>(349 981)</u></b>	<b><u>(309 744)</u></b>	<b><u>(226 045)</u></b>
<b>Net profit</b>	<b><u>(597 823)</u></b>	<b><u>(309 744)</u></b>	<b><u>(304 345)</u></b>
 <u>Balance sheet items</u>			
<u>Assets</u>			
<u>Current assets</u>			
Work in progress	386 834	(73 519)	0
Accrued income	0	420 775	420 775
<b>Total current assets</b>	<b>3 543 869</b>	<b>(101 151)</b>	<b>119 351</b>
 <u>Equity,provisions and liabilities</u>			
current year's profit or losses	<b>(597 823)</b>	72369	<b>(525 454)</b>
<b>Total equity</b>	<b>(597 823)</b>	72369	<b>(525 454)</b>
<b><u>Total equity, provisions and liabilities</u></b>			

Chairman of the Board

A.Vaļums

Member of the Board

A.Murugovs

November 27, 2015