

JSC "TOSMARES KUĢUBŪVĒTAVA"
Financial statements of 9 months of the year 2016
(not audited)

Liepājā
2016

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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 Nr. 210302283 Liepāja, January 03, 2000 Commercial register Nr. 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
Aleksandrs Murugovs	Member of the Board
Jekaterina Meļņika	Member of the Board (from 29.04.2016)
The Council	
Vasilijs Meļņiks	Chairman of the Council
Aleksandrs Čerņavskis	Vice-chairman of the Council
Jānis Skvarnovičs	Member of the Council
Henrik Kasesalu	Member of the Council
Viktors Ivanovs	Member of the Council (till 23.02.2016)
Larisa Artemenko	Member of the Council (from 29.04.2016)
Financial period	January 1, 2016 - September 30, 2016
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 year, and the results of its operations and cash flow for the year then ended.

The Management certifies that proper accounting methods were applied to preparation of these financial statements on page 5 to page 19 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

J.Meļņika

Member of the Board

A.Murugovs

November 30, 2016

PROFIT (LOSS) STATEMENT
for 9 months period of 2016 and 2015

	Notes	9 months 2016 EUR	9 months 2015 EUR
Net sales	(1)	3 700 164	5 164 114
Cost of sales	(2)	(3 265 340)	(4 090 564)
Gross profit		434 824	1 073 550
Distribution expenses	(3)	(2 433)	(7 725)
Administrative expenses	(4)	(292 682)	(245 951)
Other operating income	(5)	149 122	164 774
Other operating expenses	(6)	(92 433)	(495 411)
Other interest payment and similar income		21 453	
Interest payments and similar costs	(7)	(93 796)	(90 788)
Profit before taxes		124 055	398 449
Corporate income tax	(8)		
Other taxes	(8)	(37 864)	(28 314)
Net profit		86 191	370 135
Profit per share		0,027	0,116

Appendixes on pages 11 to 19 are an integral part of this financial report.

Chairman of the Board

A.Vaļums

Member of the Board

J.Meļņika

Member of the Board

A.Murugovs

November 30, 2016

BALANCE SHEET

on September 30, 2016 and December 31, 2015 and September 30, 2015

	Notes	30.09.2016 EUR	31.12.2015 EUR	30.09.2015 EUR
ASSETS				
Non-current assets				
Intangible assets				
Other intangible assets	(9)	176	275	308
Total intangible assets		176	275	308
Fixed assets				
Land and buildings	(9)	2 268 514	2 288 012	2 456 880
Equipment and machinery	(9)	3 519 486	3 622 823	3 694 676
Other fixed assets	(9)	12 061	18 603	20 845
Fixed assets under construction	(9)	142 919	111 291	13 393
Total fixed assets		5 942 980	6 040 729	6 185 794
Investment property		141 706	148 083	
Total non-current assets		6 084 686	6 189 087	6 186 102
Current assets				
Inventories				
Raw materials and consumables	(10)	565 525	589 214	629 117
Finished goods and work in progress	(11)	452 653	1 409 853	1 409 853
Nepabeigtie pasūtījumi		890 000		
Advances paid for materials		835	29 057	65 165
Total inventories		1 909 013	2 028 124	2 104 135
Account receivables				
Trade receivables	(12)	779 093	827 161	1 664 021
Other receivables	(13)	144 161	104 629	86 816
Related company's debt	(14)	494 774	472 203	318 221
Expenses of future periods	(15)		496	14 020
Accrued income	(16)	833 775	249 661	65 075
Total receivables		2 251 803	1 654 150	2 148 153
Cash and bank	(17)	18 056	194 535	149 192
Total current assets:		4 178 872	3 876 809	4 401 480
Total assets		10 263 734	10 065 896	10 587 582

Appendixes on pages 11 to 19 are an integral part of this financial report.

BALANCE SHEET

on September 30, 2016 and December 31, 2015 and September 30, 2015

	Notes	30.09.2016 EUR	31.12.2015 EUR	30.09.2015 EUR
<u>EQUITY, PROVISIONS AND LIABILITIES</u>				
Equity				
Share capital	(18)	4 484 756	4 484 756	4 484 756
Non-current investments revaluation reserve	(19)	1 297 959	1 338 520	1 338 520
Reserves:				
other reserves	(20)	73 267	73 267	73 267
Retained earnings:		170 345	84 155	308 837
previous year's retained earnings		84 154	(61 298)	(61 298)
current year's profit		86 191	145 453	370 135
Total equity		6 026 327	5 980 698	6 205 380
Provisions				
Other provision	(21)	59 940	59 940	52 927
Total provisions		59 940	59 940	52 927
Liabilities				
Non-current liabilities				
Other borrowings	(22)	1 500 000	1 500 000	1 500 000
Leasing liabilities	(23)	425 752	506 977	536 818
Deferred income tax liabilities	(24)	583 433	583 432	505 983
Next period income	(25)	234 457	265 449	287 089
Total non-current liabilities		2 743 642	2 855 858	2 829 890
Current liabilities				
Other borrowings	(26)	23 000	23 000	23 176
Leasing liabilities	(27)	107 913	105 133	100 962
Advances from customers	(28)	260 498	31 015	76 056
Trade payables	(29)	773 145	742 266	1 086 833
Payables to related companies				900
Taxes and social insurance payments	(30)	137 552	147 447	87 818
Other liabilities	(31)	90 389	77 310	88 480
Deferred income		41 322	41 322	35 154
Dividends unpaid		6	6	6
Accrued liabilities			1 900	
Total current liabilities:		1 433 825	1 169 399	1 499 385
Total liabilities:		4 177 467	4 025 258	4 329 275
<u>Total equity, provisions and liabilities</u>		10 263 734	10 065 896	10 587 582

Appendixes on pages 11 to 19 are an integral part of this financial report.

Chairman of the Board

A.Vaļums

Member of the Board

J.Meļņika

Member of the Board

A.Murugovs

November 30, 2016

CASH FLOW STATEMENT

for 9 month of 2016 and 2015 (according to direct method)

	9 months of 2016 EUR	9 months of 2015 EUR
Cash flow from operating activities		
Sales and service income	3 454 671	4 694 976
Cash to suppliers, personnel and others primary activity costs	(3 384 038)	(4 641 229)
Gross cash flow generated from operating activities	70 633	53 747
Interest paid	(84 967)	(71 878)
Corporate income tax paid		
Cash flow before extraordinary items	(14 334)	(18 131)
Net cash flow generated from operating activities	(14 334)	(18 131)
Cash flow from investment activity		
Acquisition of fixed and intangible assets	(83 690)	(81 856)
Proceeds from sales of fixed assets and intangible assets		5 041
Net cash flow generated from investing activities	(83 690)	(76 815)
Cash flow from financing activities		
Loans received		
Expenses on repayment of loan		66 000
Leased assets redemption expenses	(78 455)	
Net cash flow generated from financing activities	(78 455)	66 000
Net foreign exchange gains/losses		
Net increase / (decrease) in cash and cash equivalents	(176 479)	(28 946)
Cash and cash equivalents at the beginning of the financial year	194 535	178 138
Cash and Cash equivalents at the end of the financial year	18 056	149 192

Appendixes on pages 11 to 19 are an integral part of this financial report.

Chairman of the Board A.Vaļums

Member of the Board J.Meļņika

Member of the Board A.Murugovs

November 30, 2016

STATEMENT OF CHANGES IN EQUITY
for 9 months period of 2016 and 2015

	Share capital	Revaluation reserve of Non-current investments	Retained earnings	Other reserves	Total
	EUR	EUR	EUR	EUR	EUR
Balance as at 31.12.2014.	4 484 756	1 338 520	(61 298)	73 267	5 835 245
Profit or losses for the financial year			370 135		370 135
Balance as at 30.09.2015.	4 484 756	1 338 520	308 837	73 267	6 205 380
Balance as at 31.12.2015	4 484 756	1 338 520	84 154	73 267	5 980 697
Revaluation reserve		*(40561)			(40 561)
Profit or losses for the financial year			86 191		86 191
Balance as at 30.09.2015.	4 484 756	1 297 959	170 345	73 267	6 026 327

*A decrease in the revaluation reserve

for the estimated depreciation

Appendixes on pages 11 to 19 are an integral part of this financial report.

Chairman of the Board

A.Vaļums

Member of the Board

J.Meļņika

Member of the Board

A.Murugovs

November 30, 2016

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 consolidated annual reports", and the Regulations of Cabinet of Ministers No.775 "Provisions of Law enforcement on Annual reports and and consolidated annual reports", which are applicable as from January 1, 2016,

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 year, the accounting and evaluation methods used by the Company has not been changed.

In connection with the Latvian official currency exchange from January 1, 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 0.702804 LVL 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) Nemateriālie ieguldījumi

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

(11) 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 cont 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 og employees for the last six monts 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) Deffered 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 in 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, the Board and the 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
	<u>9 months of 2016</u>	<u>9 months of 2015</u>
Income from ship building	753 080	383 634
Income from ship repair services	2 947 084	4 780 383
Other income		97
Total	<u>3 700 164</u>	<u>5 164 114</u>

By location

Income from sales of service in Latvia	55 345	170 860
Income from sales of service in		
Fareo Islands	664 603	389 134
Russia	741 340	2 313 404
Lithuania	747 470	595 393
Virgin Islands	249 670	
Denmark	3 200	
Cyprus	149 818	49 448
Netherlands	323 662	1 239 870
Liberia	119 843	99 760
Germany	81 985	130 082
Gibraltar	41 748	76 135
Beliz	227 310	28 750
Cambodia	9 038	
Norway	162 333	
Panama	122 800	71 278
Malta		
	<u>3 700 164</u>	<u>5 164 114</u>

(2) Cost of sales

Material purchase costs	585 552	577 921
Employees salary	785 136	834 007
Social insurance costs	178 733	188 787
Electricity costs	233 656	344 968
Depreciation of fixed assets	285 874	320 363
Contagent's services	915 350	1 560 442
Services from outside	59 156	47 592
Current overhaul of buildings	12 303	9 252
Security	76 116	74 274
Services of other Companies	69 989	75 919
Lease payment	41 607	42 232
Other costs	21 868	14 807
Total	<u>3 265 340</u>	<u>4 090 564</u>

(3) Distribution expenses

Media advertising expenditures	619	
Business trips	1 814	7 725
Total	<u>2 433</u>	<u>7 725</u>

(4) Administrative expenses

Communication costs	1 218	1 296
Reward for the board and council	204 368	172 386
Social insurance costs	46 593	39 462
Office maintenance costs	2 143	1 877
Stock exchange costs	5 639	6 667
Lawyer's services	800	5 693
Auditing	4 058	1 900
Transport costs, business trips	14 750	9 640
Bank services	2 184	3 423
Representation expenses	3 809	3 607
Other costs	7 120	
Total	<u>292 682</u>	<u>245 951</u>

(5) Other operating income	EUR	
	9 months of 2016	9 months 2015
Income from realization of materials	3 820	9 699
Income from rent	50 316	51 737
Income from tugboat's services	38 683	52 361
Other income	56 303	50 977
Total	149 122	164 774

(6) Other operating expenses	EUR	
	9 months of 2016	9 months 2015
Accumulation for doubtful debtors		388 392
Fixed assets exclusion expenses		646
Material purchase expenses	1 909	8 244
Personnel expenses (material assistance)		
Tugboat's services expenses	76 588	85 142
Losses from exchange rate fluctuations		156
Donations	3 360	500
Property maintenance		7 068
Other expenses	10 576	5 263
Total	92 433	495 411

(7) Interest and similar expenses	EUR	
	9 months of 2016	9 months 2015
Interest charge	84 967	86 440
Penalties paid	8 829	4 348
Total	93 796	90 788

(8) Other taxes	EUR	
	9 months of 2016	9 months 2015
Real estate tax for land	10 868	10 868
Real estate tax for buildings	26 996	17 446
Total	37 864	28 314

(9) Intangible assets and fixed assets	Other intangible assets (software)	Lands and buildings	Equipment and machines	Other fixed assets	Investment property	Fixed assets under construction	EUR
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Cost/revaluation							
2015.12.31	10 465	3 721 713	5 780 536	134 491	234 837	111 291	9 993 333
Additions		86 249	75 352	187		173 178	334 966
Disposals			15 608			141 550	157 158
Revaluation							0
2016.09.30	10 465	3 807 962	5 840 280	134 678	234 837	142 919	10 171 141
Depreciation							
2015.12.31	10 190	1 433 701	2 157 713	115 888	86 754		3 804 246
Calculated	99	105 747	216 466	6 729	6 377		335 418
Disposals			6 602				6 602
Relocated*			40561*				#VALUE!
2016.09.30	10 289	1 539 448	2 320 794	122 617	93 131		#VALUE!
2015.12.31	275	2 288 012	3 622 823	18 603	148 083	111 291	6 189 087
2016.09.30	176	2 268 514	3 519 486	12 061	141 706	142 919	6 084 862

*Depreciation in the first 9 months of the Reporting Period for which the long-term investment revaluation reserve is being reduced.

Cadastral value

Cadastral value of freehold land as at June 30, 2016 is EUR 966 006, cadastral value for the building is EUR 1 550 784.

(10)	Raw materials and consumables		
		EUR	EUR
		<u>9 months of 2016</u>	<u>9 months 2015</u>
Metal		280 721	313 501
Abrasive		6 824	9 536
Pipes		103 903	114 975
Non-ferrous metals		49 100	49 140
Products of technical rubber		36 301	36 758
Other expenses		88 676	105 207
Total		<u>565 525</u>	<u>629 117</u>
(11)	Finished goods		
Yacht's hull			890 000
Equipment for yacht		452 653	519 853
Total		<u>452 653</u>	<u>1 409 853</u>
(12)	Trade receivables		
Book value of trade receivables		779 093	1 664 021
Net worth of trade receivables		<u>779 093</u>	<u>1 664 021</u>
(13)	Other receivables		
In budget advance paid and overpaid VAT tax		38 023	14 660
Corporate income tax advance payments		25 875	8 691
Advance payments for services		26 402	957
Other receivables		53 861	62 508
Total		<u>144 161</u>	<u>86 816</u>
(14)			
AS "Rīgas kuģu būvētava" debt for the loan		494 774	318 221
Total		<u>494 774</u>	<u>318 221</u>
For the use of the loan is paid 6% per annum. Loan return deadline is 01 June 2015.			
(15)	Expenses of future periods		
Press Subscription			
Insurance expenses			
Other expenses		0	14 020
Total		<u>0</u>	<u>14 020</u>
(16)	Accrued income	EUR	EUR
		<u>9 months of 2016</u>	<u>9 months 2015</u>
Shipbuilding		240 939	
Ship repair		592 836	65 075
Total		<u>833 775</u>	<u>65 075</u>
(17)	Cash and Bank		
Cash at bank on current accounts		18 056	149 192
Total		<u>18 056</u>	<u>149 192</u>

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

AS "Tosmares kuģubūvētava" was established in 2000 with share capital of 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 counts among 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 anyone else in its assignment.

Modifications in Statutes:

- 1 In a year of 2001 an increase of share capital of the company to EUR 3 704 300.
- 2 In a year of 2002 an increase of share capital of the company 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. JSC "Tosmares kuģubūvētava" has 3 203 397 stocks. One stock costs EUR 1.40.

(19) Non-current investments revaluation reserve	EUR	EUR
	9 months of 2016	9 months 2015
Investment revaluation of floating dock was on December, 2011	1 297 959	1 338 520
Total	1 297 959	1 338 520

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

As of 30 June 2016, the revaluation reserve is reduced by an amount equal to the difference between the depreciation calculated on the basis revaluated value of the floating dock and

the depreciation calculated on the basis of the acquisition value of the floating dock.

(20) Other reserves

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

	73 267	73 267
Total	73 267	73 267

(21) Other provisions

Provisions for annual leave

	59 940	52 927
Total	59 940	52 927

(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	313 390	383 276
Automobile	112 362	153 542
Total	425 752	536 818

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

	EUR	EUR
	9 months of 2016	9 months 2015
Deferred tax liabilities at the beginning of year	583 433	505 983
Deferred tax liability from revaluation reserve of floating dock		
Deferred tax liability increase in the financial year		
Liabilities in the end of a period	583 433	505 983

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

Revenue as a result of the reverse leasing	234 457	287 089
Total	234 457	287 089

(26) Other borrowings

Interests unpaid	23 000	23 176
Total	23 000	23 176

(27) Current leasing liabilities

Automobile	39 646	34 932
Overhead cranes	68 267	66 029
Total	107 913	100 961

(28) Advances from customers

Ship building	207 298	
Ship repair	53 200	76 056
Other		
Total	260 498	76 056

(29) Trade payables

Debts for materials	151 725	139 528
Debts for services	87 594	89 744
Debts for ship building and ship repair	479 100	837 436

Debts for fixed assets	54 726	20 126
Total	773 145	1 086 834

(30) Movement of tax liabilities for 9 months of 2016

	01.01.2016.	Calculated 2016	Calculated penalty and delay fees	(Paid) / repaid	Transferred to other taxes	30.09.2016	
	EUR	EUR	EUR	EUR		EUR	EUR
Value added tax	(43 008)	(185 363)				190 348	(38 023)
Personal income tax	59 291	193 747	4 130	(182 115)		(4 964)	70 089
Social insurance payments	54 511	347 846	1 063	(152 003)		(185 384)	66 033
Corporate income tax	32 279			(58 154)			(25 875)
Real estate tax (land)	2	10 868	195	(11 065)			0
Real estate tax (building)	3	26 996	743	(27 742)			0
Natural resources tax	1 306	2 830		(2 761)			1 375
Risk duty	55	545		(545)			55
Total	104 439	397 469	6 131	(434 385)		0	73 654

Tax debt	147 447	137 552
Tax overpayment	(43 008)	(63 898)

(31) Other liabilities	EUR	
	9 months of 2016	9 months 2015
Salaries	89 156	87 620
Retention from salaries	809	613
Other liabilities	424	247
Total	90 389	88 480

Chairman of the Board

A.Vaļums

Member of the Board

J.Meļņika

Member of the Board

A.Murugovs

November 30, 2016