

Name of the company **JSC "LATVIJAS TILTĪ"**  
United registration No: **50003030441**  
Address: **15 Granīta Street, Rumbula, Stopiņu Parish, LV-1057**  
Phone: **(+371) 67251822**  
Managing Authority: **SRS Large Taxpayer Department**  
Type of primary activity: **Construction**  
Unit of measurement: **EUR**

**NON - AUDITED FINANCIAL REPORT**  
**for the period ended December 31, 2014**



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## GENERAL INFORMATION

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Name of the Company	<b>JSC "LATVIJAS TILTI"</b>
Legal status of the Company	Joint Stock Company
Main shareholder	Ltd "LNK (Latvijas Novitātes Komplekss)", unified reg. No 40003000252 - 89.69%
Unified registration number and date of the registration of the company	50003030441 October 7, 1991
Re-registration date in the Commercial Register	June 29, 2004
Type of activity	Construction
Address	15 Granīta Street, Rumbula, Stopiņu Parish, LV-1057, Latvia, phone (+371) 67251372
Banks	Danske Bank A/S Latvia branch LV14MARA2041000027840 (EUR) LV30MARA2041000027843 (LTL) LV84MARA2041000027841 (USD) LV57MARA2041000027842 (RUB) LV15MARA2041000030247 (EUR) AS "DNB Banka" LV02RIKO0002013111394 (EUR) LV67RIKO0002930060439 (EUR) AS "ABLV Bank" LV82AIZK0000010324565(EUR) AS "Swedbank" LV92HABA0551025126793 (multi currency)
Reporting period	<b>January 1, 2014 - December 31, 2014</b>
Participation in other companies	Joint Stock Company "Transport Systems", Latvia – 12.5 % Partnership "TLTB", Latvia – 25 % Partnership "LNK INDUSTRIES Partnership", Latvia – 33 % JSC "Mostootrjad 17", Russia – 50 % Partnership "LT Celtniecība", Latvia – 50% Partnership "LNK INDUSTRIES GROUP", Latvia – 50% Partnership "LATVIJAS TILTI & SZMA RĪGA", Latvia – 70 % Partnership "LNK INDUSTRIES EKO", Latvia – 34,39%
Name and phone of bookkeeper	Iveta Jureviča, phone (+371) 67251822
Name of the auditor	Ēriks Bahirs, certified auditor, certificate No 136 Ltd "Baker Tilly Baltics", unified reg. No 40003444833, License No 80



## **THE COUNCIL AND THE BOARD**

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### **THE COUNCIL**

#### **THE COUNCIL OF THE COMPANY**

as at December 31, 2014

<b>Name and Surname</b>	<b>Position</b>
Artjoms Milovs	Chairman of the Council (from June 27,2014)
Aleksandrs Milovs	Chairman of the Council (till June 27,2014)
Vadims Milovs	Vice Chairman of the Council
Andrejs Subočs	Council Member
Jevgenijs Locovs	Council Member
Dauids Lipkins	Council Member

### **THE BOARD**

#### **THE BOARD OF THE COMPANY**

as at December 31, 2014

<b>Name and Surname</b>	<b>Position</b>
Genadijs Kamkalovs	Chairman of the Board
Valērijs Gorjuns	Board Member
Regīna Vitrjaka	Board Member
Igors Goļcovs	Board Member
Andrejs Bočkarjovs	Board Member
Romāns Maizenbergs	Board Member

## MANAGEMENT REPORT

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### Types of activities

Principal activities of JSC "LATVIJAS TILTI" are construction of bridges and other objects, production of concrete constructions.

### Company activity during the reporting period

In 2014 the Company's net sales amounted to 31 652 736 EUR. In reporting period following projects were commenced and will continue next year: "Construction of Detour Road Panemunes - Sovetsk with the Bridge over River Nemunas", "Reconstruction of the berth of the Freeport of Ventspils administration", "Renovation of Salu bridge" Latvia, "Reconstruction of the pier Nr.67 and Nr.68, Klaipeda" Lithuania and "Design and construction of Nehatu bridges on Tallin-Narva road, Estonia". The Company during the reporting period has fully completed following projects: "Construction of the Pier No 12 of Ventspils Free Port" in Latvia, "Reconstruction of the pier No7, continuing it along the pier No 6. Reconstruction of the pier No 8 and No 9 with defining the stage of the construction - I stage of construction: reconstruction of the north side of the pier No 8 (90m) in Klaipeda, Lithuania", "Reconstruction works at Geležinio Vilko street from A.Goštauto street till M.K.Čiurlionio street in Vilnius" in Lithuania, as well as "Ventspils Free Port 1st pier dismantling" in Latvia.

During reporting period the Company has actively performed in all directions:

- maintenance, construction and repair works of bridges
- manufacturing of concrete products and constructions
- hydro construction- construction of wharfs and piers, including construction of platforms on piles in open aquatorium.

Significant attention was paid to analysis of purchase price of materials, lease of construction equipment and machinery. The measures for work optimization and productivity improvement were taken.

In 9-month period of 2014 continues an active market research in Lithuania and other European Union countries. Parallel to the bridge works the focus was put on concrete structures workload for the project needs.

The Company's management pays great attention to training of professionals, helping to get certificates to those assistants of building managers, who have appropriate expertise, education and work experience, and also seeks to keep skilled workers.

The management of JSC "LATVIJAS TILTI" bears responsibility for provision of a respective accounting system, preservation of the assets of the company as well as for detection and elimination of fraudulence and other violations made within the Company. The management is also responsible for fulfilment of all requirements of Latvian legislation and provides full information on financial activity and financial results of the Company.

<b>Financial result indicators</b>	<b>2014</b>	<b>2013</b>
	<b>December 31</b>	<b>December 31</b>
Liquidity		
- <i>current assets / short-term liabilities</i>	<b>1,39</b>	<b>1,07</b>
Solvencies		
- <i>liabilities / the total of the balance</i>	<b>0,76</b>	<b>0,80</b>
- <i>liabilities / own capital</i>	<b>3,20</b>	<b>3,96</b>
Effectiveness		
- <i>net turnover / the total of assets</i>	<b>1,29</b>	<b>1,40</b>
Profitability		
- <i>(Net profit / net turnover)*100</i>	<b>0,06</b>	<b>0,31</b>
- <i>(Net profit / the total of assets)*100</i>	<b>0,08</b>	<b>0,44</b>



## PROFIT AND LOSS STATEMENT

	December 31, 2014	December 31, 2013
	EUR	EUR
Net turnover	31 652 736	40 402 836
Manufacturing cost of products sold	(31 089 136)	(39 639 440)
<b>Gross profit</b>	<b>563 600</b>	<b>763 396</b>
Cost of sales	(55 277)	(36 026)
Administration costs	(738 001)	(575 180)
Other incomes from Company's business activity	1 238 378	676 990
Other expenses for Company's business activity	(781 826)	(425 840)
Other interest-bearing income, and similar incomes	24 998	78
Interest payments and similar expenses	(211 110)	(214 246)
<b>Profit or loss before extraordinary items and taxes</b>	<b>40 762</b>	<b>189 172</b>
<b>Profit or loss before taxes</b>	<b>40 762</b>	<b>189 172</b>
Corporate income tax	-	(41 809)
Other taxes	(20 831)	(21 029)
<b>Profit or loss for reporting period after taxes</b>	<b>19 931</b>	<b>126 334</b>
Rate "Earnings per share" (EPS)	0,02	0,13

## NON-AUDITED BALANCE SHEET

	December 31, 2014	December 31, 2013
<b>ASSETS</b>		
<b>LONG-TERM INVESTMENTS</b>	<b>EUR</b>	<b>EUR</b>
INTANGIBLE INVESTMENTS		
Licenses and other intangible investments	14 732	17 465
<b>Subtotal intangible investments</b>	<b>14 732</b>	<b>17 465</b>
<b>FIXED ASSETS</b>		
Plots, buildings, constructions and perennial greenery	1 540 409	1 236 163
Equipment and machinery	4 429 054	4 727 734
Other fixed assets and inventory	1 862 941	1 431 629
Cost of fixed assets formation and unfinished construction objects	101 242	444 896
Advance for fixed assets	582	9 458
<b>Subtotal fixed assets</b>	<b>7 934 228</b>	<b>7 849 880</b>
<b>INVESTMENT PROPERTY</b>		
Buildings and constructions	955 864	1 054 217
Investment properties under construction	208 214	-
<b>Subtotal investment property</b>	<b>1 164 078</b>	<b>1 054 217</b>
<b>LONG-TERM FINANCIAL INVESTMENTS</b>		
Participation in related enterprises' capital	10 000	-
Participation in associated enterprises' capital	16 008	16 008
Own stock and shares	2 864	2 864
<b>Subtotal long-terms financial investments</b>	<b>28 872</b>	<b>18 872</b>
<b>Total intangible investments</b>	<b>9 141 910</b>	<b>8 940 434</b>
<b>CURRENT ASSETS</b>		
INVENTORIES		
Raw materials, basic materials and auxiliary materials	1 998 629	2 744 198
Finished products and goods for sale	318 680	349 115
Prepayments for goods	237 176	6 292
<b>Subtotal inventories</b>	<b>2 554 485</b>	<b>3 099 605</b>
<b>DEBTORS</b>		
Trade receivables	6 162 652	4 694 197
Other debtors	477 409	713 655
Deferred expenses	45 447	61 900
Accounts receivables from associated companies	10 672	14 344
Related companies debts	3 815 445	5 073 067
Accumulated debtors	1 737 899	3 754 741
<b>Subtotal debtors</b>	<b>12 249 524</b>	<b>14 311 904</b>
<b>CASH</b>	<b>598 545</b>	<b>2 504 113</b>
<b>Total current investments</b>	<b>15 402 554</b>	<b>19 915 622</b>
<b>TOTAL ASSETS</b>	<b>24 544 464</b>	<b>28 856 056</b>



## NON-AUDITED BALANCE SHEET

	December 31, 2014	December 31, 2013
<b>LIABILITIES</b>		
	<b>EUR</b>	<b>EUR</b>
<b>OWN CAPITAL</b>		
Stock or share capital (equity capital)	954 747	954 747
Reserves:		
a) statutory reserves	42 661	42 661
Undistributed profit:		
a) undistributed profit for preceding years	4 824 112	4 697 778
b) undistributed profit for reporting year	19 931	126 334
<b>Subtotal own capital</b>	<b>5 841 451</b>	<b>5 821 520</b>
<b>LIABILITIES</b>		
<b>LONG-TERM LIABILITIES</b>		
Borrowings from credit institutions	5 773 522	1 703 788
Other borrowings	1 639 206	2 463 465
Provisions for deferred taxes	229 148	229 148
<b>Subtotal long-term liabilities</b>	<b>7 641 876</b>	<b>4 396 401</b>
<b>SHORT-TERM LIABILITIES</b>		
Borrowings from credit institutions	-	1 980 465
Other borrowings	1 067 714	1 093 786
Prepayments received from purchasers	342 266	44 613
Debts to suppliers and contractors	7 904 379	11 005 942
Debts to related companies	473 231	2 593 422
Taxes and social insurance payments	169 042	200 457
Other creditors	263 825	244 810
Deferred revenues	2 818	32 260
Accumulated liabilities	837 862	1 442 380
<b>Subtotal short-term liabilities</b>	<b>11 061 137</b>	<b>18 638 135</b>
<b>Total liabilities</b>	<b>18 703 013</b>	<b>23 034 536</b>
<b>TOTAL OWN CAPITAL AND LIABILITIES</b>	<b>24 544 464</b>	<b>28 856 056</b>





## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Equity capital	Statutory reserves	Undistributed profit	Own capital total
	EUR	EUR	EUR	EUR
<b>December 31, 2012</b>	<b>954 747</b>	<b>42 661</b>	<b>4 697 778</b>	<b>5 695 186</b>
Profit for reporting period	-	-	126 334	126 334
Distribution of profit	-	-	-	-
<b>December 31, 2013</b>	<b>954 747</b>	<b>42 661</b>	<b>4 824 112</b>	<b>5 821 520</b>
<b>December 31, 2013</b>	<b>954 747</b>	<b>42 661</b>	<b>4 824 112</b>	<b>5 821 520</b>
Profit for reporting period	-	-	19 931	19 931
Distribution of profit	-	-	-	-
<b>December 31, 2014</b>	<b>954 747</b>	<b>42 661</b>	<b>4 844 043</b>	<b>5 841 451</b>

## CASH FLOW STATEMENT

	2014 12-month period EUR	2013 12-month period EUR
<b>Cash flow from operating activities</b>		
<b><i>Profit or losses before extra ordinary items and taxes</i></b>	40 762	189 172
<b><i>Adjustments:</i></b>		
- depreciation costs of capital assets	1 511 317	1 226 981
- profit from sale of fixed assets	-	(4 104)
- write-off of purchase of capital assets and non-material investment value	21 135	26 013
- accumulation creation	(24 839)	66 613
- other interest receivable and similar income	(24 978)	(78)
- interest payable and similar expenses	205 500	207 857
<b><i>Profit or losses before current assets and short-term liabilities surplus change impact adjustments</i></b>	<b>1 728 897</b>	<b>1 712 454</b>
<b><i>Adjustments:</i></b>		
- debtor debt surplus increase (-) or decrease (+)	2 250 606	(3 481 208)
- accumulation surplus increase (-) or decrease (+)	545 120	(212 206)
- increase (+) or decrease (-) of debts to be paid to suppliers, contractors and other creditors	(5 695 777)	4 116 196
<b><i>Gross cash flow from operating activities</i></b>	<b>(1 171 154)</b>	<b>2 135 236</b>
Real estate tax	(20 831)	(21 029)
Corporate income tax paid	(29 000)	(22 766)
<b><i>Cash flow before extraordinary items</i></b>	<b>(1 220 985)</b>	<b>2 091 441</b>
Cash flow from extraordinary items	-	-
<b><i>Net cash flow from operating activities</i></b>	<b>(1 220 985)</b>	<b>2 091 441</b>
<b>Cash flow from investing activities</b>		
Purchase of capital assets and non-material investments	(1 383 365)	(909 911)
Income from sales of capital assets and non-material investments	-	41 517
Loans granted	-	(9 001)
Loans repaid	4 079	5 000
Interest receivable	32	78
Equity investments paid	(10 000)	-
<b><i>Net cash flow used investing activities</i></b>	<b>(1 389 254)</b>	<b>(872 317)</b>
<b>Cash flow from financing activities</b>		
Borrowings received	500 000	2 650 001
Borrowings repaid	(500 000)	(2 650 001)
Interest paid	(205 500)	(220 589)
Proceeds on borrowings	2 089 269	1 721 991
Paid on financial lease contracts	(1 179 098)	(1 125 472)
<b><i>Net cash flow from financing activities</i></b>	<b>704 671</b>	<b>375 930</b>
<b>Reporting period net cash flow</b>	<b>(1 905 568)</b>	<b>1 595 054</b>
<b>Cash and its equivalent at the beginning of the reporting period</b>	<b>2 504 113</b>	<b>909 059</b>
<b>Cash and its equivalents at the end of the reporting period</b>	<b>598 545</b>	<b>2 504 113</b>

## NOTES TO THE FINANCIAL STATEMENTS

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### **Accounting policy:**

#### ***The fundamentals of preparation of the report***

Financial reports is prepared in accordance with the Laws of the Latvian Republic On Accounting and On the Annual Reports.

The financial statements have been prepared according to the historical cost accounting principle. Profit and loss statement is prepared in accordance with the turnover method.

The cash flow statement has been prepared under indirect cash flow method.

#### ***General principles***

The positions of the annual report have been evaluated in accordance with the following accounting principles:

- it is assumed that the company will operate also in the future;
- the same evaluation methods have been used as in the previous year;
- only the profit gained before the balance sheet day is included in the report;
- the income and expenses related to the reporting year have been taken into accounting regarding the irrespective of the date of payment or of the date of receipt or issue of the invoice;
- the expenses have been coordinated with the incomes within the reporting period;
- at the beginning of the reporting year the balance complies with the closing balance of the previous year;
- management transactions have been reflected, taking into account their economic content and nature, instead of the legal form.

#### ***Income recognition***

Income includes the management benefits gained within usual operations that have been received or will be received by the company itself.

The result of a service provision transaction, the income associated with this transaction, is recognized by consideration of the type of execution of the service provision transaction on the day of the balance.

The result of a service provision transaction can be credibly estimated if all of the following conditions are observed:

- it is possible to credibly estimate the amount of income;
- it is possible that the company will receive the management benefits associated with the transaction;
- it is possible to credibly estimate the volume of execution of the service provision execution in percent as of the balance day;
- it is possible to credibly evaluate the existing expenses of the transaction and the expenses required for completion of the transaction.

Income from sales of products is recognized when all of the following conditions are observed:

- the company has transferred the ownership rights for the products to the customer;
- the company does not retain further management rights and real control over the products associated with the ownership rights;
- it is possible to credibly evaluate the amount of income;
- it is credible that the company will receive the management benefits associated with the transaction;
- it is possible to credibly evaluate the expenses that have risen or will rise in association with the transaction.

#### ***Recognition of income and expenses associated with long-term contracts***

Income and expenses from long-term contracts are the income which is equal to the volume of service provision in percents as of the date of the balance.

Expenses referred to the contract can be clearly identified and credibly estimated so that the expenses that have actually risen in association with the contract could be compared to the recognized income.

## NOTES TO THE FINANCIAL STATEMENTS

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### **Accounting policy:**

#### ***Re-evaluation of foreign currencies into euro***

Assets and liabilities in foreign currencies are evaluated into euro (eur) in accordance with the currency exchange rate defined by the European Central Bank at the last day of the reporting period. The profit or loss gained as the result of the fluctuations of the foreign currency exchange rates are charged to the profit or loss statement of the reporting period.

#### ***Fixed and intangible assets***

Intangible and fixed assets are initially recognized at the purchase cost. Purchase cost includes costs, directly related to the acquisition of intangible and fixed assets. In financial statements the intangible and fixed assets are recognized at purchase cost less depreciation.

Depreciation is calculated on a straight-line basis (except for sheet pilings, which are depreciated according to the intensity of use and the actual use in the relevant period) applying the following rates of depreciation set by the management, based on the estimated useful life of the fixed assets.

If sufficient evidence is acquired that the future economic benefit associated with subsequent costs will flow to the Company, which exceeds the return set previously, costs are capitalized as additional costs to the fixed asset. Capitalizing the cost of replaced parts, the carrying amount of the part replaced is derecognized and charged to the income statement. All other repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

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.

#### ***Investment property***

Investment property is land, building or part of building held by the Company (like owner or by lessee under a finance lease) to earn rentals or for capital appreciation rather than use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. For the land with uncertain future use (if the Company has not determined that it will use the land as owner occupied or short term sale in the ordinary course of business, it is assumed that land is held for capital appreciation), it is classified as investment property.

Investment property initially recognized at costs. Subsequently investment properties are stated at cost less depreciation and impairment losses. Depreciation of buildings is calculated on a straight-line basis applying the following rates of depreciation, based on their estimated useful life.

#### ***Lease-to-buy (financial lease)***

In cases when leased assets are received with lease-to-buy (financial lease) conditions, under which all risks and rewards of ownership are transferred to the Company, are recognized as Company's assets. Assets under the finance lease are recognized at the inception of lease at the lower of fair value of the leased assets or the present value of the minimum lease payments. Lease interest payments are included in income statement by method to produce a constant periodic rate of interest on the remaining balance of the liability.

#### ***Lease without redemption rights (operating lease)***

In cases, when the material part of the risks and rewards of ownership of the leased assets are remained to the lessor, the transaction is classified as operating lease. Lease payments and prepayment for lease are included in income statement on a straight-line basis over the lease period.

## NOTES TO THE FINANCIAL STATEMENTS

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### **Accounting policy:**

#### **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 cost method. When the net realizable value of inventories is lower than its costs, the difference is recognized as provisions for the decrease of value.

The initial value of the assets obtained in construction process is determined by its estimated market value, with a corresponding reduction of cost of sales in the reporting year.

#### ***Accounts receivable***

Receivables are recognized in the balance sheet at their net value, less provisions made for doubtful and bad debts. Provisions for doubtful receivables are established when the management of the Company considers that it is probable that the total amount of receivables will not be collected.

#### ***Investments in subsidiary company and associates***

Long-term financial investments, including investments in subsidiaries and associates, are stated at cost less impairment losses.

#### **Future period expenses**

The position reflects the expenses made during the reporting year, but costs refer to the next year.

#### ***Vacation reserves***

Reserves for unused vacations are defined by multiplying the average salary of each employee during the reporting year with the number of unused vacation days as of the end of the reporting year.

#### ***Accrued liabilities***

The position reflects the expenses referring to the reporting year, but the invoices have been received in the next year.

#### ***Cash and cash equivalents***

For the purposes of the cash flow statement, cash and cash equivalents comprise cash, the balances of the current bank account and other current liquid financial assets with maturities up to 90 days.

#### ***Related companies***

Related companies are considered parent, subsidiaries of the parent and subsidiaries of subsidiaries, providing that the parent company has a control over its subsidiaries.

#### ***Associates***

An associated company is an entity within a significant influence of the Company. The significant influence is provided by holding no less than 20% and no more than 50% of the share capital or voting rights.

#### ***Related parties***

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



## NOTES TO THE FINANCIAL STATEMENTS

### Notes to the particular posts of profit and loss statement:

	2014	2013
	December 31	December 31
	EUR	EUR
<b>Net turnover</b>		
Incomes from construction	30 820 126	40 277 779
Incomes from sale of services and building constructions	832 610	125 057
<b>TOTAL:</b>	<b>31 652 736</b>	<b>40 402 836</b>

	EUR	EUR
<b>Production costs</b>		
Material costs (raw materials, materials, public services)	10 070 127	15 022 393
Wages	3 597 441	3 808 316
Social tax	878 830	961 998
Public services	13 765 722	16 346 910
Other costs	2 777 016	3 499 823
<b>TOTAL:</b>	<b>31 089 136</b>	<b>39 639 440</b>

	EUR	EUR
<b>Selling costs</b>		
Transport services	43 675	22 511
Media advertising expenses	11 602	13 515
<b>TOTAL:</b>	<b>55 277</b>	<b>36 026</b>

	EUR	EUR
<b>Administrative costs</b>		
Administration wages, social tax	221 270	247 191
Communications costs	33 754	35 819
Office expenses	54 141	25 671
Professional service costs	61 775	61 230
Banking services	13 235	18 802
Expenses related to the ESF project	89 964	-
Motor transport maintenance costs	81 356	78 911
Other administrative costs	182 506	107 556
<b>TOTAL:</b>	<b>738 001</b>	<b>575 180</b>

	EUR	EUR
<b>Other incomes from the enterprise economic activity</b>		
Incomes from selling materials	663 120	108 753
Incomes from selling current assets and fixed assets	9 913	185
Incomes from services	326 735	411 779
Net income from exchange rate fluctuations	74 064	-
Other incomes	164 546	156 273
<b>TOTAL:</b>	<b>1 238 378</b>	<b>676 990</b>



## NOTES TO THE FINANCIAL STATEMENTS

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### Notes to the particular posts of profit or loss statement:

	2014	2013
	December 31	December 31
	EUR	EUR
<b>Other expenses from the Company economic activity</b>		
Sponsorship	6 000	11 383
Costs of sale of current assets	613 511	105 705
Result of converting	-	51 990
Net loss from exchange rate fluctuations	-	18 799
Other costs	162 315	237 963
<b>TOTAL:</b>	<b>781 826</b>	<b>425 840</b>
<b>Other interest-bearing income, and similar incomes</b>	<b>EUR</b>	<b>EUR</b>
Interest receivable	24 983	78
Other income	15	-
<b>TOTAL:</b>	<b>24 998</b>	<b>78</b>
<b>Interest payments and similar expenses</b>	<b>EUR</b>	<b>EUR</b>
Interest expenses	205 500	207 857
Penalties paid	5 610	6 389
<b>TOTAL:</b>	<b>211 110</b>	<b>214 246</b>
<b>Other taxes</b>	<b>EUR</b>	<b>EUR</b>
Estimated land real estate tax	3 129	3 129
Estimated building and construction real estate tax	17 702	17 900
<b>TOTAL:</b>	<b>20 831</b>	<b>21 029</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes to the particular posts of balance sheet:

#### Intangible investments and fixed assets

		Intangible investment	Land, buildings and facilities EUR	Equipment and machinery EUR	Other fixed assets EUR	Formation of fixed assets EUR
Acquisition value	31.12.2013.	31 004	1 823 887	8 834 298	2 552 872	444 896
Depreciation		13 539	587 724	4 106 564	1 121 243	-
Residual value	31.12.2013.	<b>17 465</b>	<b>1 236 163</b>	<b>4 727 734</b>	<b>1 431 629</b>	<b>444 896</b>
Acquisition value	31.12.2014.	28 420	2 229 831	9 298 087	3 256 204	101 242
Depreciation		13 688	689 422	4 869 033	1 393 263	-
Residual value	31.12.2014.	<b>14 732</b>	<b>1 540 409</b>	<b>4 429 054</b>	<b>1 862 941</b>	<b>101 242</b>

#### Investment property

		Buildings and constructions EUR	Costs of investment property foundation EUR
Acquisition value	31.12.2013.	1 353 613	-
Depreciation		299 396	-
Residual value	31.12.2013.	<b>1 054 217</b>	-
Acquisition value	31.12.2014.	1 353 613	208 214
Depreciation		397 749	-
Residual value	31.12.2014.	<b>955 864</b>	<b>208 214</b>

#### Long-term financial investments

##### Participation in related and associated enterprises capital

	Purchase price - share of participation	
	EUR	%
LT EHITUS OU	10000	100
Joint Stock Company "Transport Systems", Latvia	8893	12,5
Partnership "TLTB", Latvia	7115	25
Partnership "LNK INDUSTRIES Partnership", Latvia	-	33
JSC "Mostotrijad 17", Russia	2945	50
Partnership "LT Celtniecība", Latvia	-	50
Partnership "LNK INDUSTRIES GROUP", Latvia	-	50
Partnership "LATVIJAS TILTI & SZMA RĪGA", Latvia	-	70
Partnership "LNK INDUSTRIES EKO", Latvia	-	34,39

The Company is also a member in other general partnerships, but during the period they have not performed any activities.

Due to "Mostotrijad 17" negative equity at the end of the reporting year 2013 the Company has impaired the investment's value of EUR 2 945 till zero.

In November 2014 the Company has founded in Estonia subsidiary "LT Ehitus OU" with 100% investment capital. During financial year the subsidiary has not yet commenced substantial operating activities, as a result the Company didn't prepare consolidated financial statements for 2014 year.





## NOTES TO THE FINANCIAL STATEMENTS

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### Notes to the particular posts of balance sheet:

	2014	2013
	December 31	December 31
	EUR	EUR
<b>Trade receivables</b>		
Debts of purchasers and customers	3 080 456	1 500 544
Delayed payments	3 082 196	3 193 653
	<b>6 162 652</b>	<b>4 694 197</b>
<b>Other debtors</b>		
Other debtors	84 967	106 101
Prepayments for work and services	207 602	539 871
Short-term debts	632	4 710
Overpaid tax	184 208	62 973
	<b>477 409</b>	<b>713 655</b>
<b>Deferred expenses</b>		
Insurance premiums	36 875	46 302
Others	8 572	15 598
	<b>45 447</b>	<b>61 900</b>
<b>Accumulated incomes</b>		
Trade receivables	1 737 899	3 754 741
	<b>1 737 899</b>	<b>3 754 741</b>
<b>Money</b>		
Cash on hand	31 225	13 786
Cash in bank	567 320	2 490 327
<b>Cash total:</b>	<b>598 545</b>	<b>2 504 113</b>



## NOTES TO THE FINANCIAL STATEMENTS

### Notes to the particular posts of balance sheet:

	2014	2013
	December 31	December 31
	EUR	EUR
<b>Liabilities</b>		
<b>Loans from banks</b>		
<b>Non-current</b>		
AS Danske Bank overdraft balance	5 773 522	1 703 788
	<b>5 773 522</b>	<b>1 703 788</b>
<b>Current</b>		
AS Danske Bank overdraft balance	-	1 980 401
Other banka account balance	-	64
	<b>-</b>	<b>1 980 465</b>
<b>Other borrowings</b>		
<b>Non-current</b>	<b>EUR</b>	<b>EUR</b>
Liabilities according to the finance lease agreements, payable from 2 to 5 years	1 639 206	2 463 465
	<b>1 639 206</b>	<b>2 463 465</b>
<b>Current</b>		
Liabilities according to the finance lease agreements, payable within 1 year	1 067 714	1 093 786
	<b>1 067 714</b>	<b>1 093 786</b>
<b>Liabilities to suppliers and contractors</b>	<b>EUR</b>	<b>EUR</b>
Liabilities to suppliers and contractors	6 338 328	9 687 385
Delayed payments	1 566 051	1 318 557
	<b>7 904 379</b>	<b>11 005 942</b>
<b>Taxes and social insurance payments</b>	<b>EUR</b>	<b>EUR</b>
State social insurance obligatory premiums	95 938	80 205
Personal income tax	37 300	34 661
Other taxes	35 804	85 591
	<b>169 042</b>	<b>200 457</b>
<b>Other liabilities to creditors</b>	<b>EUR</b>	<b>EUR</b>
Settlements on wages	225 168	208 855
Other liabilities	38 657	35 955
	<b>263 825</b>	<b>244 810</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Notes to the particular posts of balance sheet:

#### General notes

#### Average quantity of workers at the Company

Average quantity of workers at the Company

	2014	2013
	December 31	December 31
	334	356
	<b>334</b>	<b>356</b>

#### Remuneration for Management Board

##### Members of Council

- estimated wages and salaries

68 717      67 857

- wages and salaries paid

46 721      46 983

##### Members of Board

- estimated wages and salaries

136 825      133 616

- wages and salaries paid

95 982      92 508

### Transactions with related parties

The parent shareholder of the Company, who owns 89,69% of shares, is Ltd "LNK (Latvijas Novitātes Komplekss)", which is registered in Latvia. In 9-month period of 2014 the Company had economic transactions with the companies that are directly or indirectly subsidiaries of Ltd "LNK (Latvijas Novitātes Komplekss)" as following - Ltd "TTS (Transportation Technology Systems)", Ltd "Transporta aģentūra IRBE LNK", Ltd "AVIATEST", JSC "LNK Industries", as well as with other parties related to Company.

#### a) claims and liabilities

	December 31, 2014		December 31, 2013	
	Receivables	Payables	Receivables	Payables
<b>Related companies</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
JSC "LNK Industries"	1 737 877	385 648	2 784 694	2 365 812
Ltd "TTS (Transportation Technology Systems)"	1 639 888	84 235	1 789 329	222 058
Ltd "LNK (Latvijas Novitātes Komplekss)"	-	1 920	-	4 761
Ltd "Transporta aģentūra IRBE LNK"	-	-	-	791
Ltd "AVIATEST"	200	-	495 441	-
Ltd "ENFORT"	214 573	1 428	-	-
LNK Industries eesti filiaal AS	218 992	-	-	-
Other group companies	3 915	-	3 603	-
<b>Total</b>	<b>3 815 445</b>	<b>473 231</b>	<b>5 073 067</b>	<b>2 593 422</b>