Joint Stock Company "GROBIŅA"

(Unified registration number 40003017297)

NON-AUDITED

FINANCIAL STATEMENTS
FOR THE 3 MONTHS PERIOD ENDED
31 MARCH 2015

Dubeņi, Grobiņa district

Contents

General Information

Name of the Company	Joint stock company "Grobiņa"
Legal status of the Company	Public joint stock company
Registration number, place, date	40003017297 Riga, 12 July 2004
Address	Lapsu Street 3, Dubeņi, Grobiņa district Latvia, LV-3438
Names and legal addresses of related and associated companies (indicating the Company's percentual share in the equity of these companies)	Not applicable
Core Business Activities of the Company	Raising of other animals, NACE 01.49 Farm animal food production NACE 10.91 Owned or rented property rent or administration, NACE 68.20
Names and positions of the Board members:	
Chairman of the Board	Gundars Jaunsleinis
Member of the Board	Gunta Isajeva
Member of the Board	Andris Vītoliņš (until 2 April, 2015)
Member of the Board	Ireneusz Sajewicz (from 2 April, 2015)
Names and positions of the Council members:	duration in accordance with data from the Register of Enterprises
Chairman of the Council	Ojārs Osis
Member of the Council	Argita Jaunsleine
Member of the Council	Gunārs Laugalis
Member of the Council	Linda Elsberģe
Member of the Council	Silvija Neimane
Reporting year	01 January 2015 – 31 March 2015

Management Report

Core Business Activity

Core business activity of JSC "Grobiņa" is fur-farming of minks and animal feed producing.

Operations during the reporting year

In the first quarter of 2015 enterprise has worked with neto turnover of EUR 2,071,183, which is 36% more than in the first quarter of 2014, because in 1 year 2015 in 3 months were sold 40’969 mink skins for the average price of the skin 50.19 EUR / pcs, whereas in year 2014 in 3 months were sold 40’283 mink skins for the average price of the skin 37.54 EUR / pcs.Thus, profit for the first quarter of 2015 is 497 969 EUR for the first quarter and neto earning per share for the first quarter of 2015 is EUR 0,996, when in 2014 the same period net profit per share was 0.358 EUR.
All this confirms that this season the fur market has recovered and the sales prices returned to range what was in 2011-2013 years selling season, which proving the previously expressed view by JSC "Grobiņa" management, that the fur sales price decline is temporary. As previously informed, as at the end of the year 2014 the written agreement about the restructuring of liabilities with the largest JSC "Grobiņa" creditors was not concluded, JSC "Citadele banka" in January, 2015 made changes to the deadlines of the credits final settlement day, setting it 29.01.2015.

Consequently, JSC "Grobiņa" management submittted to JSC "Citadele banka" their proposals for restructuring liabilities. As a result, JSC "Citadele banka" affirmed their willingness to review the final settlement deadline if JSC "Grobiņa" management will realize its submitted restructuring plan of liabilities till 31.03.2015 both on the part of credit principal and the interest repayment
from the proceeds of The March auction this year - at least EUR 800 000, and also will and provide significant unsecured creditor debt reduction or restructuring and will attract the additional financial resources at least in amount 500 000 EUR. Consequently, JSC "Grobiņa" management during all 2015 1st quarter actively worked to comply the conditions laid down in that plan. JSC "Grobiņa" management actually executed submitted lieabilities restructuring plan ,because It was paid 800 000 EUR to JSC "Citadele banka" until 31.03.2015., and also there was reached agreements with the unsecured creditors on long- term debt restructuring.While regarding the long-term attraction of additional financial resources - JSC "Grobiņa" was concluded a preliminary agreement with the investment fund FlyCap about long term loan in amount of 1 million EUR. Consequently, JSC "Grobiņa" management objective is to reach an agreement with JSC "Citadele banka" for the long-term repayment graphics application of bank liabilities extinction,as a result of all public property auctions are announced revocation as well as with additional long-term financial fundraising of 1 million EUR - 2015 will stabilize the company cash flow and make 2014 the accumulated creditor debts. As a result, all public property auctions would announced as withdrawn, and also the additional long-term financial fundraising in amount 1 million EUR would stabilize the company cash flow in 2015 and make creditor debts accumulated in 2014.

Financial risk management

The Company's operations are exposed to various financial risks, including credit risk and interest rate fluctuation risks. The Company's management try to minimize potential negative effects of financial risks on the Company's financial position. In March 31, 2015, the Company's current liabilities exceeded current assets for EUR 357 700, -

Financial results

Total liquidity ratio = 0.919

Current liquidity ratio = 0.04

Quick liquidity ratio = 0.007

Specific weight of liabilities in the balance sheet =0.89

Inventory turnover ratio = 0.40

Asset turnover ratio = 0.11

Profit on sales (%) =24.04%

Return on equity (%) = 26.12 %

Events after the reporting period

As the JSC "Grobiņa" did all the bank accepted in the restructuring plan contained preconditions, AS "Citadele bank" management adopted a positive decision - to apply the long-term repayment schedules for the granted loans. Thus, the JSC "Grobiņa" in May 29, 2015 has entered into two agreements with AS "Citadele banka", including:
- The Agreement for the credit commitments to 20.02.2013. Credit contract No.2.1.17-13/07 on outstanding loan part EUR 3 559 666.67 reimbursement for up to 28.05.2022., In accordance with the payment schedule. Suitable loan annual interest rate is 4.5% fixed part + 6 month Euribor.
- The Agreement for the credit commitments to 20.02.2013. Credit contract No. 2.1.17-13/06 on outstanding loan part EUR 2 873 000 reimbursement for up to 28.05.2022., In accordance with the payment schedule. Suitable loan annual interest rate is 4.5% fixed part + 6 month Euribor.
Thus all in July 6,2015 after JSC "Citadele banka" announced in application the JSC "Grobiņa" real estate voluntary auctions will be withdrawn.
In addition, the JSC "Grobiņa" in May 25, 2015 has entered into a loan agreement with the limited partnership FlyCap Investment Fund I AIF on granting the loan in parts of amount € 1 000 000 according to procedures established in contract, which entered into force on signing of the above mentioned agreements with AS "Citadele banka". The loan is issued for a period up to 29.05.2020, with a fixed interest rate.

Future perspective

JSC "Grobiņa" management believes that the first quarter of 2015, implementing the commitments of the restructuring plan, within which attract additional financial resources, JSC "Grobiņa" will continue its work on community development strategies, focused on the increase in production volumes, while ensuring both the resulting product to high quality and low-cost price.
And since 2014 within the framework of breeding herd increased to 40 000 breeding females, Company's management in the next few years, plans to acquire up to 200,000 mink skins and reach the public turnover of up to EUR 10 000 000 - At these conditions the JSC "Grobiņa" with its products will achieve high competitiveness among the world leading industry and will work with high profit profitability.

Chairman of the Board__________________________Gundars Jaunsleinis

Member of the Board______________________________Gunta Isajeva

Member of the Board______________________________Ireneusz Sajewicz

26 May 2015

Statement of Management's resposibility

The Management of Joint Stock Company "Grobiņa" is responsible for the preparation of the Company's Financial Report.

The Management of Joint Stock Company "Grobiņa" confirms that the Financial Report for the three months of 2015 has been prepared in accordance with the requirements of the applicable laws and regulatons and gives a true and fair view on the JSC "Grobiņa" assets, liabilities, financial position and loss. The Management Report contains true information.

Internal risk control procedures are effective, risk management and internal control during the reporting year were performed in accordance with internal control procedures.

The Management of Joint Stock Company "Grobiņa" is responsible for the compliance with the requirements of laws and regulations of the Republic of Latvia.

Chairman of the Board__________________________ Gundars Jaunsleinis

Member of the Board______________________________ Gunta Isajeva

Member of the Board______________________________ Ireneusz Sajewicz

26 May 2015

BALANCE SHEET

ASSETS	31.03.2015. EUR	31.03.2014. EUR
II Tangible assets		
Land, building and construction	6,741,703	5,858,365
Equipment and machinery	588,176	103,838
Other fixed assets and equipment	729,203	691,167
Construction in progress	94,519	395,040
Advance payments for tangible assets	254,329	347,100
Total tangible assets	**8,407,930**	**7,395,510**
III Biological assets		
Breeding animals	5,598,399	6,418,426
Advance payments for breeding animals	4,000	4,000
Total biological assets	**5,602,399**	**6,422,426**
Total non-current assets	**14,010,329**	**13,817,936**
Current assets		
I Inventories		
Raw materials and consumables	208,757	637,707
Unfinished production	0	6,485
Finished production and goods for sale	3,669,909	1,990,094
Prepayments for goods	1,298	200
Total inventories	**3,879,964**	**2,634,486**
III Receivables		
Trade receivables	124,929	11,304
Other receivables	24,024	66,593
Prepaid expenses	8,727	9,376
Total receivables	**157,680**	**87,273**
III Cash (total)	**30,130**	**41,854**
Total current assets	**4,067,774**	**2,763,613**
Total assets	**18,078,103**	**16,581,549**

Chairman of the Board__________________________Gundars Jaunsleinis

Member of the Board______________________________Gunta Isajeva

Member of the Board______________________________Andris Vītoliņš

26 May 2015

BALANCE SHEET (continued)

EQUITY AND LIABILITIES	31.03.2015. EUR	31.03.2014. EUR
I *Equity*		
Share capital (equity)	711,436	711,436
Reserves:		0
d) other reserves	77,481	77,481
Total reserves	77,481	77,481
Retained earnings		0
a) retained earnings for the previous year	619,503	2,276,944
b) retained earnings for the reporting year	497,969	178,896
Total retained earnings	1,117,472	2,455,840
Total equity	**1,906,389**	**3,244,757**
II *Provisions*		
Other provisions	71,106	69,782
Total provisions	**71,106**	**69,782**
III Liabilities		
I Long-term liabilities		
Loans from credit institutions	6,432,667	6,561,223
Other loans	915,573	27,812
Trade payables	2,015,425	0
Further period income	2,199,191	1,844,580
Deferred tax liabilities	112,278	35,852
Total long-term liabilities	**11,675,134**	**8,469,467**
II Short-term liabilities		
Loans from credit institutions	8	254,006
Other loans	198,798	310,012
Prepayments received from customers	1,509,209	1,107,794
Trade payables	2,293,535	2,869,912
Taxes and state social insurance payables	292,216	145,420
Other payables	54,288	48,486
Further period income	71,713	57,643
Accrued liabilities	5,707	4,270
Total short-term liabilities	**4,425,474**	**4,797,543**
Total liabilities	**16,100,608**	**13,267,010**
Total equity and liabilities	**18,078,103**	**16,581,549**

Chairman of the Board__________________________Gundars Jauns

Member of the Board______________________________Gunta Isaje

Member of the Board______________________________Ireneusz Sa

26 May 2015

INCOME STATEMENT

	2015 EUR	2014 EUR
Net turnover	2,071,183	1,519,724
Cost of sales	1,318,833	1,067,924
Gross profit or loss	**752,350**	**451,800**
Sales expenses	40,599	41,038
Administrative expenses	99,694	124,988
Other operating income	25,481	23,061
Other operating expenses	10,488	13,991
Profit or loss from operations	**627,050**	**294,844**
Interest payable and similar expenses	126,746	113,591
Profit or loss before extraordinary items and taxes	**500,304**	**181,253**
Profit or loss before taxes	**500,304**	**181,253**
Other taxes	2,335	2,357
Profit or loss of the reporting year	**497,969**	**178,896**
Earnings (loss) per share (EPS)	**0.996**	**0.358**

Chairman of the Board__________________________Gundars Jauns

Member of the Board______________________________Gunta Isaje

Member of the Board______________________________Ireneusz Sa

26 May 2015

CASH FLOW STATEMENT (indirect method)

		2015 EUR	2014 EUR
I	***Cash flow from operating activities***		
1	Profit or loss before extraordinary items and taxes	**500,304**	**181,253**
	Adjustments:		
a)	depreciation costs of tangible assets;	123,595	55,871
b)	profit or loss from foreign currency exchange rate fluctuations;	0	7
c)	subsidies, grants, endowments, donations;	-23,904	-19,214
g)d	interest payable and similar expenses.	126,746	113,591
2	Profit or loss before corrections of changes in the balances of current assets and short-term liabilities	**726,741**	**331,508**
	Adjustments:		
a)	(increase)/decrease in biological assets;	1,111,373	-3,889,259
b)	(increase)/decrease in receivables balances;	996	-3,265
c)	(increase)/decrease in inventories balances;	-460,875	974,318
d)	increase/(decrease) in suppliers, contractors and other creditors payables balances.	-541,362	698,781
3	**Gross cash flow from operating activities**	**836,873**	**-1,887,917**
4	Interest payable	-126,746	-113,591
5	Immovable property tax expenses	-2,335	-2,357
6	**Cash flow before extraordinary items**	**707,792**	**-2,003,865**
7	**Net cash flow from operating activities**	**707,792**	**-2,003,865**
II.	***Cash flow from investing activities***		
1	Additions in tangible and intangible assets	-21,870	-783,825
8	**Cash flow from investing activities**	**-21,870**	**-783,825**
III.	***Cash flow from financing activities***		
1	Loans received	10	2,364,106
2	Subsidies, grants, endowments and donations received	23,904	19,214
3	Loans repaid	-723,484	-134,511
9	**Net cash flow from financing activities**	**-699,570**	**2,248,809**
IV.	***Result of foreign currency exchange rate fluctuation***	0	-7
V.	***Net cash flow in the reporting year***	**-13,648**	**-538,888**
VI.	***Cash and its equivalents at the beginning of the reporting year***	**43,778**	**580,742**
VII.	**Cash and its equivalents at the end of the reporting year**	**30,130**	**41,854**

Chairman of the Board__________________________Gundars Jaunsleinis

Member of the Board______________________________Gunta Isajeva

Member of the Board______________________________Ireneusz Sajewicz

26 May 2015

STATEMENT OF CHANGES IN EQUITY

	2015 EUR	2014 EUR
I. Share capital (equity)		
1. Amount in the balance sheet of the previous year	**711436**	**711436**
4. Amount in the balance sheet at the end of the reporting year	**711436**	**711436**
V. Reserves		
1. Amount in the balance sheet of the previous year	**77481**	**77481**
4. Amount in the balance sheet at the end of the reporting year	**77481**	**77481**
VI. Retained earnings		
1. Amount in the balance sheet of the previous year	**619503**	**2276944**
2. Correction of the amount in the balance sheet of the previous year	0	0
3. Increase/decrease in retained earnings	497969	178896
4. Amount in the balance sheet at the end of the reporting year	**1117472**	**2455840**
VII. Equity		
1. Amount in the balance sheet of the previous year	**1408420**	**3065861**
3. Amount in the balance sheet at the end of the reporting year	**1906389**	**3244757**

Chairman of the Board__________________________Gundars Jaunsleinis
Member of the Board______________________________Gunta Isajeva
Member of the Board______________________________Ireneusz Sajewicz

26 May 2015

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICY

I. General Principles

The financial statements of the Company have been prepared in accordance with the Law of the Republic of Latvia on Annual Reports, Regulations No.488 issued by the Cabinet of Ministers of the Republic of Latvia "Law on annual reports enforcement policies", Regulations No.481 issued by the Cabinet of Ministers of the Republic of Latvia "Regulations on the cash flow statement and statement of changes in equity content and preparation procedures".

Income statement has been prepared by turnover cost method.

Cash flow statement has been prepared using indirect method to calculate cash flow from operating activities.

Accounting policy, accounting and evaluation methods used by the Company have not been changed comparing with the previous reporting year.

Financial statements period is 3 month .

Accounting principles used

Items of the financial statements have been evaluated according to the following accounting principles:

1. Assumption, that a Company is a going concern.

2. The same evaluation methods are used as in the previous reporting year.

3. Evaluation is made with proper precaution, taking into account the folowing conditions:

- the report includes profit, that was acquired till the date of the balance sheet;
- all foreseeable risk amounts and losses that incurred during the reporting year or in the previous years have been taken into account even if they have been found out in the period between the date of balance sheet and the date, when annual report was signed;
- any value decrease and depreciated amounts have been calculated and taken into account regardless of whether the reporting year is finished with profit or loss.

4. Income and expenses related to the reporting year are taken into account regardless of the date of payment and the date of invoice receipt or issue. Expenses are reconciled with incomes in the reporting year.

5. Elements of the assets and liabilities items are evaluated separately.

6. Opening balances of the reporting year match closing balances of the previous year except the adjusted items.

7. All the items, that significantly affect evaluation and decision-making of the annual report users, are disclosed, non-significant items have been combined and the details are disclosed in the notes.

8. Business transactions are disclosed in the annual report, taking into account its economic contents and nature rather than legal form.

Subsequent events

Favorable or adverse events after the balance sheet date of the reporting year are disclosed in the financial statements by reflecting the adjustments in the amounts of the items or by adding new items. If by the time of the preparation of financial statements there has been adverse event that does not relate to the reporting year, but may significantly impact the financial statement users' assessment of Company's assets, liabilities, financial position, profit or loss and cash flow or decision-making in the future, the Management provides information about such events in the Management Report, disclosing the estimated financial impact of the event or informing that it can not be estimated.

Changes in accounting policies, accounting estimates, correction of errors and its disclosure in the financial statements

Accounting policies are changed only if the regulatory framework has changed or if the existing accounting policy no longer meets the true and fair view requirements of the law due to changed circumstances. If a change in accounting policy is caused by normative framework, the impact is disclosed in the financial statements in accordance with established transitional procedures. If the transitional procedures have not been established, the impact of change in accounting policy is evaluated to all respective items of the financial statements of the previous period. Changes in accounting policies are explained in the notes to the financial statements.
Information about the change in accounting estimates is provided in the notes to the financial statements.
Accounting estimates are changed only when subsequent events will change the circumstances that gave rise to the estimate so far, or if there is new information.

Error occurred and discovered during the reporting year or by the time of preparation of annual report is corrected before the financial statements are authorised for issue, adjusting the corresponding financial statement's items.

II. Recognition of revenues and net turnover

Net turnover is the total value of the goods (mink, polar fox and silver fox skins and fur skin products) sold and services provided within the year, subtracting discounts,value added tax and other taxes directly related to sales. Revenue from the product sale is recognized when the buyer has accepted the goods according to the terms and conditions of the goods delivery. Revenue from services provided is recognized at the time services are provided.

Other revenues are recognized as following:
- revenue from rent - at the time it occurs;
- revenues from fines and penalty payments - at the receipt time;
- revenues from insurance compensation - at the receipt time;
- revenues from dividends - when legal right appears;
- revenues from interest - on accrual basis of accounting.

In accordance with principle of accrual basis of accounting expences are recognizes in the period, in which they occur regardless of invoice payment date. Loan costs, which are assoicieted with loans are written-off in the period to which they relate and are shown in the caption "Interest payable and similar expenses".

III. Intangible and tangible assets

Intangible and tangible assets are recorded at purchase value less accumulated depreciation. The purchase value includes expenses, which are directly related to the purchase of the intangible or tangible asset. The purchase value of software licence includes costs of licence purchase and costs, that appeared by the time of implementing it in use. The value of intangible assets is expected to be included in the expenses within five years.

Land is not an object of depreciation. In respect of other assets the depreciation is calculated on a straight-line basis over the estimated useful life of the relevant intangible or tangible asset, in order to write-off the purchase value or the revaluation value of the intangible or tangible asset until its estimated residual value at the end of the useful life using the following rates defined by the Management:

	Depreciation % per year
Buildings and constructions	1.7%-8.5%
Technilogical equipment	5.3%-25%
Other equipment and facilities, motor vehicles	9.1%-33.33%

The initial value of construction in progress is increased by other direct costs incurred in relation to the object until the new object is put into operation. The initial value of the respective asset is not increased by the interest of the loans used for creation of the new asset in the periods when active development work regarding the construction in progress is not carried out. At the end of the reporting year the construction in progress is evaluated for impairment.

Subsequent costs are included in the balance sheet asset value or recognized as a separate asset only when there is a high probability that future economic benefits, related to this item, will flow to the Company and the costs of this item can be determined credibly. Such costs are written off during the remaining useful life of the tangible asset. When capitalizing the established costs of spare parts, the residual value of the replaced parts is written off in the income statement.

Current repair and maintenance costs of the tangible asset are recorded in the income statement in the period they appeared.

Profit or loss on tangible assets disposals are calculated as the difference between the book value and sales income, and the incomes from the respective tangible asset revaluation reserve written-off, these are recorded in the income statement in the period they appeared.

IV. Inventories

Inventories are recorded at the lower of product cost and market value. Inventories are measured using the FIFO method. Outdated, slow or damaged inventories are written-off. Inventories are recorded using continuous inventory method.

V. Trade receivables

Trade receivables are recorded in the balance sheet in the net value, initial costs less an allowance for any doubtful or uncollectible amounts. The allowance for any doubtful or uncollectible amounts is made in the cases, when the Management supposes, that the collection of these amounts is problematic.

VI. Foreign Currency Revaluation to euro

The accounting in the Company is made in euro. All transactions in the foreign currency are revaluated to euro according to the official exchange rate defined by the European Central Bank at the date of transaction.

Assets and liabilities in the foreign currency are revaluated to lats according to the official exchange rate defined by the European Central Bank at the last day of the reporting year. The profit or loss, that derive from the foreign currency exchange rate fluctuations, are disclosed in the income statement in the corresponding period.

VII. Cash and Cash Equivalents

Cash and cash equivalents for the cash flow statement’s purpose consist of the current accounts balances and short-term deposits with initial term up to 90 days.

VIII. Financial Risk Management

The Company's principal financial instrument is cash. The main purpose of this financial instrument is to ensure financing for the Company’s operations. The Company has various other financial instruments such as consumers and customers debts and other debtors, debts to suppliers and contractors and other creditors, which arise directly from its operations. The company may grant short-term loans to the Management and employees.

Financial risks

The main financial risks arising from the Company’s financial instruments are liquidity risk and credit risk.

Interest rate risk

The Company’s policy is to ensure that the majority of its borrowings are at fixed rate.

Credit risk

The Company is exposed to credit risk through its trade receivables, other receivables, as well as cash. The Company manages its credit risk by continuously assessing the credit history of customers and assigning credit terms on individual basis. In addition, receivable balances are monitored on an ongoing basis to ensure that the Company’s exposure to bad debts is minimised.

The partners in cash transactions are home and foreign financial institutions with a respective credit history.

Liquidity risk

The Company manages its liquidity risk by maintaining an appropriate financing.

IX. Subsidies

Subsidies received for specific types of capital investment are recognized as deferred income, which is gradually included in the revenues during the useful life of the tangible assets received or purchased with the subsidy. Subsidy to cover expenses is recognized in revenues in the same period when the relevant expenditure appeared, provided all the terms and conditions in respect of receiving the subsidy are fulfilled.

X. Loans

Initially loans are recognized in fair value less costs, related to the loan. In the subsequent periods loans are recorded as the depreciated purchase value, which is calculated using the effective interest rate on the loan. The difference between the amount of cash received excluding the expenses related to receiving the loan and the value of loan repayment is included gradually in the income statement.

XI. Taxes

The Corporate income tax costs of the reporting year are included in the financial statements basing on the Management’s calculations in accordance with the laws and regulations on taxes of the Republic of Latvia.

Deferred tax is calculated using the liability method on all temporary differences between assets and liabilities in the financial statements and its values for the tax calculation purposes. Deferred tax is calculated using the tax rates, that are in force at the date of the balance sheet, which are expected during the periods, when temporary differencies smooth out. Temporary differences primarily arise from the use of different rates of depreciation of the fixed assets, as well as tax losses that are transfered to subsequent tax periods. A diferred tax asset is recognized if there is a high probability, that a taxable profit will be acquired, which will be object to the deductible temporary differencies.

XII. Provisions

Provisions are recognized if the Company has present legal or practice obligation that was a result of past events, there is a high probability, that for the completion of the obligation economic benefits outflow will be necessary and the amount may be credibly estimated.

Provisions for unused annual leaves and state social insurance payments for unused leaves are calculated as total provisions for all employees taking into account each employee's average daily salary and accumulated leave days at the end of the reporting period.

XIII. Related parties

Related parties are considered to be participants of the Company, members of the Board, members of the Council, their close relatives and the companies, in which mentioned persons have control or significant influence.

XIV. Biological assets

The Company's biological assets are fur animals. The biological assets are measured at fair value. Fair value is determined by the cost calculation. The changes in the amount of biological assets, which results from the measurment at fair value less estimated impairment due to degeneration and increase in value due to reproduction and impairment due to skin production are included in the income statement of the reporting period. The skins produced are included in the inventories and initially measured at fair value according to the cost calculation.

XV. Investment properties

The Company has no investment property.

XVI. Accrued liabilities, contingencies

Accrued liabilities are certain amounts payable to suppliers and contructors for goods or services received in the reporting year which at the balance sheet date has not yet been billed according to supply, sales or business contracts or other reasons. These obligations amounts are calculated on the basis of the contract price and the supporting documents of actual receipt of goods or services. A contingent liability disclosures are provided in the notes to the financial statements and - where appropriate - in the Management report. The likely financial impact is indicated where possible and if any expected.
Contingent assets which may arise in connection with certain past events (eg, intention to conclude a contract or option), are not included in the balance sheet. If it is expected that the Company receives future economic benefits from contingent assets, the information is provided in the Management report.

XVII. Earnings per share

Earnings per share are determined by dividing the net profit or loss attributable to company shareholders by the weighted average number of shares during the reporting year.