

Name of the company **Akciju sabiedrība "LATVIJAS TILTI"**  
United registration No: **50003030441**  
Address: **15 Jana Dalina Street, Riga, LV-1013**  
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 September 30, 2016**



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## GENERAL INFORMATION

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Name of the Company	<b>Akciju sabiedrība "LATVIJAS TILTI"</b>
Legal status of the Company	Joint Stock Company
Main shareholder	Ltd "LNK (Latvijas Novitātes Komplekss)", unified reg. No 40003000252 - 89.96%
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 Jana Dalina Street, Riga, LV-1013, Latvia, phone (+371) 67251372
Banks	Danske Bank A/S Latvia branch LV14MARA2041000027840 (EUR) LV30MARA2041000027843 (EUR) 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, 2016 - September 30, 2016</b>
Participation in other companies	Joint Stock Company "Transport Systems", Latvia – 12.5 % Partnership "LNK INDUSTRIES Partnership", Latvia – 33 % Ltd "LT PILING" -49 % 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	Irina Maksimenko, 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 September 30, 2016

<b>Name and Surname</b>	<b>Position</b>
Artjoms Milovs	Chairman of the Council
Vadims Milovs	Vice Chairman of the Council
Andrejs Subočs	Council Member
Jevgenijs Locovs	Council Member
Davids Lipkins	Council Member

### **THE BOARD**

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

as at September 30, 2016

<b>Name and Surname</b>	<b>Position</b>
Genadijs Kamkalovs	Chairman of the Board till 16.06.2016
Valērijs Gorjuns	Chairman of the Board from 17.06.2016
Valērijs Gorjuns	Board Member till 16.06.2016
Vadims Kolosovs	Board Member from 17.06.2016
Regīna Vitrjaka	Board Member
Igors Goļcovs	Board Member
Andrejs Bočkarjovs	Board Member
Romāns Maizenbergs	Board Member

## MANAGEMENT REPORT

### Types of activities

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

### Company activity during the reporting period

In 9-month period of 2016 the Company's net sales amounted to 7 137 838 EUR. In reporting period works are started on the construction objects: "Dredging of Malkų Bay down to 14.5 m, including the Installation of the Seawall – the Reconstruction of the Quay at Malkų Bay Botanical Reserve and the Part of the Coastal Protection Structure of Quay No 145 in Perkelos Str. 10, Klaipeda", "Reconstruction of carriage way's pavement in sections 20.06 to 23.84 km and 36.49 to 38.57 km of the state main road A10 Riga - Ventspils", "Reconstruction of the Riga bypass (Salaspils — Babite) 0.30–2.38 km section of the A5 National main road and the right bank drainage system of the Riga HPP" and "Short-term fertilizer storage and handling complex in Freeport of Riga". Works on following construction objects continue: "The reconstruction of piers No 66 and No 67, extending along piers 66a - 67a. Phase III construction - reconstruction of pier No 66 with local engineering networks. Phase IV construction - railway advancement on piers No 66, 66a, 67a, and 67" in Klaipeda, Lithuania and " "Reconstruction of the Berth 101, 24 Nemunas Street, Klaipeda", "Reconstruction of the Berth 102, 24 Nemunas Street, Klaipeda", "Reconstruction of the Berth 103, 24 Nemunas Street, Klaipeda", "Reconstruction of the Berth 104, 24 Nemunas Street, Klaipeda" Construction Works of Stage II (up to 16.5 m)". Works were completed on construction objects "Ventspils Free Port piers No 19, 20, 21, 22 and 23 reconstruction", "New construction of two-level crossroad over railway and Nemuno street, Nemuno street 24, Klaipeda" in Lithuania and "State main road No 2 Tallinn - Tartu - Veru - Lugana Moigu Vaida from 5.5 to 20.8 km: Assaku motorway tunnel, Tankla motorway tunnel" in Estonia.

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 2016 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 akciju sabiedrība "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.

### Financial result indicators

	2016	2015
	September 30	September 30
Liquidity		
- current assets / short-term liabilities	1,67	1,60
Solvenicies		
- liabilities / the total of the balance	0,58	0,68
- liabilities / own capital	1,38	2,17
Effectiveness		
- net turnover / the total of assets	0,51	0,56
Profitability		
- (Net profit / net turnover)*100	0,05	0,04
- (Net profit / the total of assets)*100	0,02	0,03



## PROFIT AND LOSS STATEMENT

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	September 30, 2016	September 30, 2015
	EUR	EUR
Net turnover	7 137 838	10 439 072
Manufacturing cost of products sold	(6 852 679)	(10 408 328)
<b>Gross profit</b>	<b>285 159</b>	<b>30 744</b>
Cost of sales	(10 842)	(7 699)
Administration costs	(340 319)	(357 686)
Other incomes from Company's business activity	306 244	787 304
Other expenses for Company's business activity	(111 307)	(93 175)
Other interest-bearing income, and similar incomes	3 404	256
Interest payments and similar expenses	(106 450)	(335 347)
<b>Profit or loss before extraordinary items and taxes</b>	<b>25 889</b>	<b>24 397</b>
<b>Profit or loss before taxes</b>	<b>25 889</b>	<b>24 397</b>
Other taxes	(22 510)	(19 750)
<b>Profit or loss for reporting period after taxes</b>	<b>3 379</b>	<b>4 647</b>
Rate "Earnings per share" (EPS)	0,004	0,005

## NON-AUDITED BALANCE SHEET

	September 30, 2016	September 30, 2015
<b>ASSETS</b>		
<b>LONG-TERM INVESTMENTS</b>	<b>EUR</b>	<b>EUR</b>
<b>INTANGIBLE INVESTMENTS</b>		
Licenses and other intangible investments	15 722	19 574
<b>Subtotal intangible investments</b>	<b>15 722</b>	<b>19 574</b>
<b>FIXED ASSETS</b>		
Plots, buildings, constructions and perennial greenery	1 489 960	1 444 954
Equipment and machinery	3 365 888	4 103 020
Other fixed assets and inventory	1 227 057	1 539 818
Cost of fixed assets formation and unfinished construction objects	212 888	256 406
Advance for fixed assets	-	10 160
<b>Subtotal fixed assets</b>	<b>6 295 793</b>	<b>7 354 358</b>
<b>INVESTMENT PROPERTY</b>		
Buildings and constructions	985 747	1 089 070
<b>Subtotal investment property</b>	<b>985 747</b>	<b>1 089 070</b>
<b>LONG-TERM FINANCIAL INVESTMENTS</b>		
Participation in related enterprises' capital	10 000	61 000
Participation in associated enterprises' capital	57 893	16 008
Own stock and shares	2 864	2 864
<b>Subtotal long-terms financial investments</b>	<b>70 757</b>	<b>79 872</b>
<b>Total intangible investments</b>	<b>7 368 019</b>	<b>8 542 874</b>
<b>CURRENT ASSETS</b>		
<b>INVENTORIES</b>		
Raw materials, basic materials and auxiliary materials	2 036 886	1 416 819
Unfinished orders	62 457	478 202
Finished products and goods for sale	220 336	236 560
Prepayments for goods	53 288	10 971
<b>Subtotal inventories</b>	<b>2 372 967</b>	<b>2 142 552</b>
<b>DEBTORS</b>		
Trade receivables	2 731 097	4 287 530
Other debtors	486 265	377 264
Deferred expenses	157 615	57 626
Related companies debts	503 221	2 445 918
Accumulated debtors	413 689	374 803
<b>Subtotal debtors</b>	<b>4 291 887</b>	<b>7 543 141</b>
<b>CASH</b>	<b>50 080</b>	<b>277 110</b>
<b>Total current investments</b>	<b>6 714 934</b>	<b>9 962 803</b>
<b>TOTAL ASSETS</b>	<b>14 082 953</b>	<b>18 505 677</b>



## NON-AUDITED BALANCE SHEET

	September 30, 2016	September 30, 2015
<b>LIABILITIES</b>		
	EUR	EUR
<b>OWN CAPITAL</b>		
Stock or share capital (equity capital)	939 400	954 747
Reserves:		
a) statutory reserves	58 008	42 661
Undistributed profit:		
a) undistributed profit for preceding years	4 914 358	4 844 703
b) undistributed profit for reporting year	3 379	4 647
<b>Subtotal own capital</b>	<b>5 915 145</b>	<b>5 846 758</b>
<b>LIABILITIES</b>		
<b>LONG-TERM LIABILITIES</b>		
Borrowings from credit institutions	3 200 732	4 605 716
Other borrowings	368 616	1 553 375
Debts to related companies	272 372	-
Provisions for deferred taxes	314 117	270 489
<b>Subtotal long-term liabilities</b>	<b>4 155 837</b>	<b>6 429 580</b>
<b>SHORT-TERM LIABILITIES</b>		
Other borrowings	497 503	240 271
Prepayments received from purchasers	552 302	83 560
Debts to suppliers and contractors	2 535 951	4 543 921
Debts to related companies	54 465	641 404
Taxes and social insurance payments	97 407	181 798
Other creditors	158 872	111 653
Accumulated liabilities	115 471	426 732
<b>Subtotal short-term liabilities</b>	<b>4 011 971</b>	<b>6 229 339</b>
<b>Total liabilities</b>	<b>8 167 808</b>	<b>12 658 919</b>
<b>TOTAL OWN CAPITAL AND LIABILITIES</b>	<b>14 082 953</b>	<b>18 505 677</b>





## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Equity capital	Statutory reserves	Undistributed profit	Own capital total
	EUR	EUR	EUR	EUR
<b>December 31, 2014</b>	<b>954 747</b>	<b>42 661</b>	<b>4 844 703</b>	<b>5 842 111</b>
Profit for reporting period	-	-	4 647	4 647
Distribution of profit	-	-	-	-
<b>September 30, 2015</b>	<b>954 747</b>	<b>42 661</b>	<b>4 849 350</b>	<b>5 846 758</b>
<b>December 31, 2015</b>	<b>939 400</b>	<b>58 008</b>	<b>4 914 358</b>	<b>5 911 766</b>
Profit for reporting period	-	-	3 379	3 379
Distribution of profit	-	-	-	-
<b>September 30, 2016</b>	<b>939 400</b>	<b>58 008</b>	<b>4 917 737</b>	<b>5 915 145</b>

## CASH FLOW STATEMENT

	2016 9-month period EUR	2015 9-month period EUR
<b>Cash flow from operating activities</b>		
<b><i>Profit or losses before extra ordinary items and taxes</i></b>	25 889	24 397
<b><i>Adjustments:</i></b>		
- depreciation costs of capital assets	993 112	1 101 355
- write-off of purchase of capital assets and non-material investment value	137 881	26 217
- profit or losses due to fluctuations of foreign currencies	(5)	(58 775)
- other interest receivable and similar income	(3 404)	(256)
- <b>interest payable and similar expenses</b>	71 160	125 340
<b><i>Profit or losses before current assets and short-term liabilities surplus change impact adjustments</i></b>	<b>1 224 633</b>	<b>1 218 278</b>
<b><i>Adjustments:</i></b>		
- debtor debt surplus increase (-) or decrease (+)	349 544	5 125 519
- accumulation surplus increase (-) or decrease (+)	(1 164 525)	41 933
- increase (+) or decrease (-) of debts to be paid to suppliers, contractors and other creditors	(202 636)	(3 923 508)
<b><i>Gross cash flow from operating activities</i></b>	<b>207 016</b>	<b>2 462 222</b>
Real estate tax	(22 510)	(19 750)
<b><i>Cash flow before extraordinary items</i></b>	<b>184 506</b>	<b>2 442 472</b>
<b><i>Net cash flow from operating activities</i></b>	<b>184 506</b>	<b>2 442 472</b>
<b>Cash flow from investing activities</b>		
Participation in related enterprises' capital	-	(51 000)
Purchase of capital assets and non-material investments	(518 005)	(564 710)
Income from sales of capital assets and non-material investments	1 756	-
<b>Net cash flow used investing activities</b>	<b>(516 249)</b>	<b>(615 710)</b>
<b>Cash flow from financing activities</b>		
Borrowings received	-	250 000
Borrowings repaid	-	(250 000)
Interest paid	(71 160)	(125 340)
Proceeds on borrowings	1 115 613	(1 167 806)
Paid on financial lease contracts	(700 830)	(913 826)
<b>Net cash flow from financing activities</b>	<b>343 623</b>	<b>(2 206 972)</b>
<b>Result of foreign currency exchange rate fluctuations</b>	<b>5</b>	<b>58 775</b>
<b>Reporting period net cash flow</b>	<b>11 885</b>	<b>(321 435)</b>
<b>Cash and its equivalent at the beginning of the reporting period</b>	<b>38 195</b>	<b>598 545</b>
<b>Cash and its equivalents at the end of the reporting period</b>	<b>50 080</b>	<b>277 110</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:**

	2016	2015
	September 30	September 30
	EUR	EUR
<b>Net turnover</b>		
Incomes from construction	6 160 385	10 153 539
Incomes from sale of services and building constructions	977 453	285 533
<b>TOTAL:</b>	<b>7 137 838</b>	<b>10 439 072</b>
<b>Production costs</b>	<b>EUR</b>	<b>EUR</b>
Material costs (raw materials, materials, public services)	3 094 529	4 091 715
Wages	1 250 080	1 315 664
Social tax	304 201	321 383
Public services	468 817	1 517 774
Other costs	1 735 052	3 161 792
<b>TOTAL:</b>	<b>6 852 679</b>	<b>10 408 328</b>
<b>Selling costs</b>	<b>EUR</b>	<b>EUR</b>
Transport services	10 842	5 492
Media advertising expenses	-	2 207
<b>TOTAL:</b>	<b>10 842</b>	<b>7 699</b>
<b>Administrative costs</b>	<b>EUR</b>	<b>EUR</b>
Administration wages, social tax	84 009	89 009
Communications costs	17 495	22 734
Office expenses	50 908	49 589
Professional service costs	50 493	34 309
Banking services	2 528	997
Motor transport maintenance costs	19 326	27 947
Other administrative costs	115 560	133 101
<b>TOTAL:</b>	<b>340 319</b>	<b>357 686</b>
<b>Other incomes from the enterprise economic activity</b>	<b>EUR</b>	<b>EUR</b>
Incomes from selling current assets and fixed assets	94 235	28 417
Incomes from services	209 588	688 593
Net income from exchange rate fluctuations	23	58 775
Other incomes	2 398	11 519
<b>TOTAL:</b>	<b>306 244</b>	<b>787 304</b>

**NOTES TO THE FINANCIAL STATEMENTS**

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

	2016	2015
	September 30	September 30
	EUR	EUR
<b>Other expenses from the Company economic activity</b>		
Costs associated with the implementation of EU projects	-	1 105
Other costs	111 307	92 070
<b>TOTAL:</b>	<b>111 307</b>	<b>93 175</b>
<hr/>		
<b>Other interest-bearing income, and similar incomes</b>	<b>EUR</b>	<b>EUR</b>
Interest receivable	3 404	171
Other income	-	85
<b>TOTAL:</b>	<b>3 404</b>	<b>256</b>
<hr/>		
<b>Interest payments and similar expenses</b>	<b>EUR</b>	<b>EUR</b>
Interest expenses	71 160	125 340
Penalties paid	35 290	210 007
<b>TOTAL:</b>	<b>106 450</b>	<b>335 347</b>
<hr/>		
<b>Other taxes</b>	<b>EUR</b>	<b>EUR</b>
Estimated land real estate tax	4 417	4 417
Estimated building and construction real estate tax	18 093	15 333
<b>TOTAL:</b>	<b>22 510</b>	<b>19 750</b>
<hr/>		

## 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	30.09.2015.	37 826	2 229 831	9 611 402	3 015 780	256 406
Depreciation		18 252	784 877	5 508 382	1 475 962	-
Residual value	30.09.2015.	<b>19 574</b>	<b>1 444 954</b>	<b>4 103 020</b>	<b>1 539 818</b>	<b>256 406</b>
Acquisition value	30.09.2016.	40 506	2 424 463	9 639 499	2 958 155	212 888
Depreciation		24 784	934 503	6 273 611	1 731 098	-
Residual value	30.09.2016.	<b>15 722</b>	<b>1 489 960</b>	<b>3 365 888</b>	<b>1 227 057</b>	<b>212 888</b>

#### Investment property

		Buildings and constructions EUR	Costs of investment property foundation EUR
Acquisition value	30.09.2015.	1 563 784	-
Depreciation		474 714	-
Residual value	30.09.2015.	<b>1 089 070</b>	-
Acquisition value	30.09.2016.	1 563 784	-
Depreciation		578 037	-
Residual value	30.09.2016.	<b>985 747</b>	-

#### Long-term financial investments

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

	Purchase price - share of participation	
	EUR	%
OU "LT EHITUS"	10 000	100
Ltd "LT PILING"	49 000	49
AS "Transport Systems", Latvia	8 893	12,5
Partnership "LNK INDUSTRIES Partnership", Latvia	-	33
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.

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 2015 year.





## NOTES TO THE FINANCIAL STATEMENTS

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

	2016	2015
	September 30	September 30
	EUR	EUR
<b>Trade receivables</b>		
Debts of purchasers and customers	2 132 910	3 238 080
Delayed payments	598 187	1 049 450
	<b>2 731 097</b>	<b>4 287 530</b>
<b>Other debtors</b>		
Other debtors	242 086	549
Prepayments for work and services	-	270 770
Short-term debts	632	632
Overpaid tax	243 547	105 313
	<b>486 265</b>	<b>377 264</b>
<b>Deferred expenses</b>		
Insurance premiums	125 692	33 547
Others	31 923	24 079
	<b>157 615</b>	<b>57 626</b>
<b>Accumulated incomes</b>		
Trade receivables	413 689	374 803
	<b>413 689</b>	<b>374 803</b>
<b>Money</b>		
Cash on hand	37 092	37 221
Cash in bank	12 988	239 889
<b>Cash total:</b>	<b>50 080</b>	<b>277 110</b>



## NOTES TO THE FINANCIAL STATEMENTS

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

	2016	2015
	September 30	September 30
	EUR	EUR
<b>Liabilities</b>		
<b>Loans from banks</b>		
<b>Non-current</b>		
AS Danske Bank overdraft balance	3 200 732	4 605 716
	<b>3 200 732</b>	<b>4 605 716</b>
<b>Other borrowings</b>		
<b>Non-current</b>	EUR	EUR
Liabilities according to the finance lease agreements, payable from 2 to 5 years	368 616	1 553 375
	<b>368 616</b>	<b>1 553 375</b>
<b>Current</b>		
Liabilities according to the finance lease agreements, payable within 1 year	497 503	240 271
	<b>497 503</b>	<b>240 271</b>
<b>Liabilities to suppliers and contractors</b>	EUR	EUR
Liabilities to suppliers and contractors	2 449 120	3 245 214
Delayed payments	86 831	1 298 707
	<b>2 535 951</b>	<b>4 543 921</b>
<b>Taxes and social insurance payments</b>	EUR	EUR
State social insurance obligatory premiums	51 350	37 508
Personal income tax	17 208	9 382
Other taxes	28 848	134 908
	<b>97 406</b>	<b>181 798</b>
<b>Other liabilities to creditors</b>	EUR	EUR
Settlements on wages	145 647	97 950
Other liabilities	13 225	13 703
	<b>158 872</b>	<b>111 653</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

	2016	2015
	September 30	September 30
	202	272
	<b>202</b>	<b>272</b>

#### Remuneration for Management Board

##### Members of Council

- estimated wages and salaries

	-	7 112
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- wages and salaries paid

	-	8 887
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##### Members of Board

- estimated wages and salaries

	100 938	86 995
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- wages and salaries paid

	72 097	62 779
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### Transactions with related parties

The parent shareholder of the Company, who owns 89,96% of shares, is Ltd "LNK (Latvijas Novitātes Komplekss)", which is registered in Latvia. In 9-month period of 2016 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", AS "LNK Industries", as well as with other parties related to Company.

#### a) claims and liabilities

	September 30, 2016		September 30, 2015	
	Receivables	Payables	Receivables	Payables
	EUR	EUR	EUR	EUR
<b>Related companies</b>				
AS "LNK Industries"	54 490	38 990	697 202	55 038
Ltd "TTS (Transportation Technology Systems)"	18 530	258 209	142 429	478 538
Ltd "LNK (Latvijas Novitātes Komplekss)"	-	1 016	-	1 586
Ltd "Transporta aģentūra IRBE LNK"	-	4 416	-	-
Ltd "LT Piling"	316 598	-	362 088	99 350
Ltd "AVIATEST"	-	-	658 845	-
Ltd "ENFORT"	30 767	15 186	18 080	-
LNK Industries eesti filiaal AS	76 158	4 675	560 596	2 479
Other group companies	6 678	4 345	6 678	4 413
<b>Total</b>	<b>503 221</b>	<b>326 837</b>	<b>2 445 918</b>	<b>641 404</b>