

JSC "TOSMARES KUĢUBŪVĒTAVA"
Financial statements of 6 months of the year 2017
(not audited)

Liepāja
2017

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General Information

Name of the company	Tosmares kuģubūvētava
Legal status of the company	Joint stock company
Number, place and date of registration	Register of the companies Nr. 210302283 Liepāja, January 03, 2000 Commercial register Nr. 42103022837 Liepāja, May 12, 2004
Address	Ģenerāļa Baloža iela 42/44 Liepāja, LV-3402 Latvia
Type of operations	NACE 3315: Construction and repair of technological equipment, ships, yachts, catamarans, containers, roltrailers; Port services
The Board	
Aleksandrs Vaļums	Chairman of the Board
Aleksandrs Murugovs	Member of the Board
Jekaterina Meļņika	Member of the Board
The Council	
Vasilijs Meļņiks	Chairman of the Council
Aleksandrs Čerņavskis	Vice-chairman of the Council
Jānis Skvarnovičs	Member of the Council (till 19.05.2017)
Henrik Kasesalu	Member of the Council
Larisa Artemenko	Member of the Council
Einars Buks	Member of the Council (from 19.05.2017)
Financial period	January 1, 2017 - June 30, 2017
Auditor's name and address	Natalija Zaiceva Certified auditor (LZRA Certificate. No. 138) "Orients Audit & Finance" Ltd LZRA Licence No. 28 Gunara Astras Street 8B Rīga, LV-1082 Latvia

Statement of the Management Responsibility

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

The Management certifies that proper accounting methods were applied to preparation of these financial statements on page 5 to page 19 and decisions and assessments were made with proper discretion and prudence. The accounting policies applied have been consistent with the previous period. The Management confirms that the financial statements have been prepared on going concern basis.

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

Chairman of the Board

A.Vaļums

Member of the Board

J.Meļņika

Member of the Board

A.Murugovs

August 31, 2017

Report of the Board

During the first 6 months of 2017 JSC "Tosmare kuģubūvētava" has performed repair of 17ship (in comparison with 6 months of 2016 - 17 ships) and catamaran hulls were 2 built (in 6 months of 2016 were built 2 catamaran hulls).

In 6 months of 2017 suppliers of products, services as well as materials for JSC "Tosmare kuģubūvētava" mostly were from Latvia, however there were also suppliers from Lithuania, Estonia and Western Europe as well. Regarding ship repair area the main Customers were from Russia, Lithuania, the Netherlands and the Customers for building of catamaran hulls were from Faroe Islands.

In 6 months of 2017 a total net turnover of JSC "Tosmares kuģubūvētava" was 2 005 829 EUR , of which the turnover from ship building was 82 240 EUR and ship repair 1 923 589 EUR (in comparison in 6 months of 2016 a total net turnover was 2 055 404 EUR , including ship building 512 141 EUR and ship repair 1 420 003EUR).

The Company has finished the report period with gross profit in the amount of 293 381 EUR (in 6 months of 2016 gross profit was 210 185 EUR), whereas a net profit in 6 months of 2017 was in the amount of 24 263 EUR (respectively in 6 months of 2016 there was a profit in the amount of 24 541 EUR).

JSC "Tosmares kuģubūvētava" operates in accordance with International Quality Control Standards - EN ISO 9001:2008. A Certificate of Quality Compliance was issued in 2013 and quality assurance systems is being improved constantly.

Taking into account the present marketing situation and possibilities of the Company, the Board will continue work in order to increase quantity of repaired and new built ships. In order to insure the above mentioned the Company will continue major overhaul of production building, the floating dock, gantry-cranes, tugs and other assets. Also some investments have been planned for purchase of several equipments.

The work regarding assignment of new orders for ship repair and ship building is being continued.

Chairman of the Board

A.Vaļums

Member of the Board

J.Meļņika

Member of the Board

A.Murugovs

August 31, 2017

PROFIT (LOSS) STATEMENT
for 6 months period of 2017 and 2016

	Notes	6 months 2017 EUR	6 months 2016 EUR
Net sales	(1)	2 005 829	2 055 404
Cost of sales	(2)	(1 712 448)	(1 845 219)
Gross profit		293 381	210 185
Distribution expenses	(3)	(32 552)	(1 861)
Administrative expenses	(4)	(244 040)	(187 338)
Other operating income	(5)	110 711	124 400
Other operating expenses	(6)	(61 443)	(57 903)
Interest and similar income		21 511	
Interest payments and similar costs	(7)	(63 305)	(62 942)
Profit before taxes		24 263	24 541
Corporate income tax	(8)		
Other taxes			
Net profit		24 263	24 541
Profit per share		0,005	0,007

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

Chairman of the Board	A.Vaļums
Member of the Board	J.Meļņika
Member of the Board	A.Murugovs

August 31, 2017

BALANCE SHEET

on June 30, 2017 and December 31, 2016 and June 30, 2016

	Notes	2017.06.30 EUR	2016.12.31 EUR	30.06.2016 EUR
ASSETS				
Non-current assets				
Intangible assets				
Other intangible assets	(9)	77	143	209
Total intangible assets		77	143	209
Fixed assets				
Land and buildings	(9)	2 392 907	2 326 914	2 302 099
Equipment and machinery	(9)	3 321 827	3 392 993	3 549 477
Other fixed assets	(9)	10 470	13 225	13 829
Fixed assets under construction	(9)	215 274	182 349	133 681
Total fixed assets		5 940 478	5 915 481	5 999 086
Investment property			142 547	
Other loans and non-current receivables		53 475	53 475	143 832
Total non-current assets		5 994 030	6 111 646	6 143 127
Current assets				
Inventories				
Raw materials and consumables	(10)	543 461	552 931	556 986
Finished goods and work in progress	(11)	452 653	452 653	1 342 653
Work in progress		895 919	895 919	
Advances paid for materials		2 907	4 020	1 361
Total inventories		1 894 940	1 905 523	1 901 000
Account receivables				
Trade receivables	(12)	870 935	1 016 567	821 296
Other receivables	(13)	511 698	45 823	134 115
Related company's debt	(14)	462 392	551 344	481 424
Expenses of future periods	(15)		4 776	
Accrued income	(16)	747 258	617 017	133 818
Total receivables		2 592 283	2 235 527	1 570 653
Cash and bank	(17)	15 954	35 059	159 536
Total current assets:		4 503 177	4 176 109	3 631 189
Total assets		10 497 207	10 287 755	9 774 316

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

BALANCE SHEET

on June 30, 2017 and December 31, 2016 and June 30, 2016

	Notes	2017.06.30 EUR	2016.12.31 EUR	30.06.2016 EUR
<u>EQUITY, PROVISIONS AND LIABILITIES</u>				
Equity				
Share capital	(18)	4 484 756	4 484 756	4 484 756
Non-current investments revaluation reserve	(19)	1 242 146	1 277 840	1 311 479
Reserves:				
other reserves	(20)	73 267	73 267	73 267
Retained earnings:				
previous year's retained earnings		130 316	106 053	108 695
current year's profit		106 053	84 154	84 154
		24 263	21 899	24 541
Total equity		5 930 485	5 941 916	5 978 197
Provisions				
Other provision	(21)	58 561		59 940
Total provisions		58 561	0	59 940
Liabilities				
Non-current liabilities				
Other borrowings	(22)	1 500 000	1 601 944	1 500 000
Leasing liabilities	(23)	84 469		452 852
Deferred income tax liabilities	(24)	596 457	596 457	583 432
Taxes and social insurance payments		46 275		
Next period income	(25)	203 466	224 127	244 788
Total non-current liabilities		2 430 667	2 422 528	2 781 072
Current liabilities				
Other borrowings	(26)	22 750		22 750
Leasing liabilities	(27)	371 693	428 032	107 205
Advances from customers	(28)	159 940	201 503	3 200
Trade payables	(29)	1 048 275	908 850	610 869
Payables to related companies		4 686		78 565
Taxes and social insurance payments	(30)	338 005	195 555	84 560
Other liabilities	(31)	90 817	86 982	85 195
Deferred income		41 322	41 322	41 322
Dividends unpaid		6	6	6
Accrued liabilities			61 061	
Total current liabilities:		2 077 494	1 923 311	955 107
Total liabilities:		4 508 161	4 345 839	3 736 179
<u>Total equity, provisions and liabilities</u>		10 497 207	10 287 755	9 774 316

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Chairman of the Board	A.Vaļums
Member of the Board	J.Meļņika
Member of the Board	A.Murugovs

August 31, 2017

CASH FLOW STATEMENT

for 6 month of 2017 and 2016 (according to direct method)

	6 months of 2017 EUR	6 months of 2016 EUR
Cash flow from operating activities		
Sales and service income	2 063 725	2 196 173
Cash to suppliers, personnel and others primary activity costs	(2 025 317)	(2 097 384)
Gross cash flow generated from operating activities	38 408	98 789
Interest paid	(54 107)	(57 002)
Corporate income tax paid		
Cash flow before extraordinary items	(15 699)	41 787
Net cash flow generated from operating activities	(15 699)	41 787
Cash flow from investment activity		
Acquisition of fixed and intangible assets	(26 592)	(25 733)
Proceeds from sales of fixed assets and intangible assets		
Net cash flow generated from investing activities	(26 592)	(25 733)
Cash flow from financing activities		
Loans received	74 000	
Expenses on repayment of loan		
Leased assets redemption expenses	(50 814)	(51 053)
Net cash flow generated from financing activities	23 186	(51 053)
Net foreign exchange gains/losses		
Net increase / (decrease) in cash and cash equivalents	(19 105)	(34 999)
Cash and cash equivalents at the beginning of the financial year	35 059	194 535
Cash and Cash equivalents at the end of the financial year	15 954	159 536

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

Chairman of the Board	A.Vaļums
Member of the Board	J.Meļņika
Member of the Board	A.Murugovs

August 31, 2017

STATEMENT OF CHANGES IN EQUITY
for 6 months period of 2017 and 2016

	Share capital	Revaluation reserve of Non-current investments	Retained earnings	Other reserves	Total
	EUR	EUR	EUR	EUR	EUR
Balance as at 31.12.2015.	4 484 756	1 338 520	84 154	73 267	5 980 697
Revaluation reserve		*(27 041)			(27 041)
Profit or losses for the financial year			24 541		24 541
Balance as at 30.06.2016.	4 484 756	1 311 479	108 695	73 267	5 978 197
Balance as at 31.12.2016	4 484 756	1 277 840	106 051	73 267	5 941 914
Revaluation reserve		*(35 694)			(35 694)
Profit or losses for the financial year			24 263		24 263
Balance as at 30.06.2017.	4 484 756	1 242 146	130 314	73 267	5 930 483

*A decrease in the revaluation reserve
for the estimated depreciation

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

Chairman of the Board	A.Vaļums
Member of the Board	J.Meļņika
Member of the Board	A.Murugovs

August 31, 2017

NOTES

ACCOUNTING POLICIES

(1) General principles

Financial statements are prepared in accordance with the Laws of the Latvian Republic "On Accounting" and "On the Annual reports and consolidated annual reports", and the Regulations of Cabinet of Ministers No.775 "Provisions of Law enforcement on Annual reports and consolidated annual reports", which are applicable as from January 1, 2016,

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

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

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

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

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

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

(2) Income recognition and net sales

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

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

Other income are recognized as following:

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

(3) Long-term agreements

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

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

(4) Nemateriālie ieguldījumi

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

(5) Fixed assets and low-grade material

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

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

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

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

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

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

(6) Non-current investments in leased fixes assets

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

(7) Rent with ransom (financial leasing)

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

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

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

(9) Inventories

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

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

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

(10) Accounts receivable

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

(11) Other investments

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

(12) Cash and cash equivalents

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

(13) Accrued liabilities for unused annual leave

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

(14) Corporate income tax

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

(15) Deffered tax

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

(16) Grants

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

(17) Use of calculations

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

(18) Related parties

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

Notes to Income Statement

(1) Net sales	EUR	EUR
	<u>6 months of 2017</u>	<u>6 months of 2016</u>
Income from ship building	82 240	512 141
Income from ship repair services	1 923 589	1 420 003
Other income		123 260
Total	<u>2 005 829</u>	<u>2 055 404</u>
By location		
Income from sales of service in Latvia	26 372	23 864
Income from sales of service in		
Fareo Islands	83 263	423 664
Russia	697 867	672 155
Lithuania	105 737	145 633
Virgin Islands		249 670
Denmark		3 200
Cyprus	165 000	50 818
Netherlands	120 730	232 206
Liberia		9 000
Germany	126 276	12 323
Gibraltar		30 442
Estonia	349 916	
Cambodia		9 038
Norway		89 877
Panama	159 776	103 514
Belize	54 382	
Belgium	4 392	
Dominica	57 724	
Marshall Islands	54 394	
	<u>2 005 829</u>	<u>2 055 404</u>
(2) Cost of sales		
Material purchase costs	226 115	289 399
Employees salary	535 228	547 080
Social insurance costs	122 094	123 696
Electricity costs	178 639	157 360
Depreciation of fixed assets	182 184	214 377
Contagent's services	250 199	358 121
Services from outside	24 497	32 780
Current overhaul of buildings	18 051	10 203
Security	52 526	49 976
Services of other Companies	42 167	19 793
Lease payment	28 311	14 784
Other costs	27 194	2 407
Real estate tax for land	7 245	7 245
Real estate tax for buildings	17 998	17 998
Total	<u>1 712 448</u>	<u>1 845 219</u>
(3) Distribution expenses		
Media advertising expenditures		218
Business trips	32 552	1 643
Total	<u>32 552</u>	<u>1 861</u>
(4) Administrative expenses		
Communication costs	734	811
Reward for the board and council	147 653	130 026
Social insurance costs	33 696	29 748
Office maintenance costs	3 152	4 053
Stock exchange costs	5 034	4 749
Lawyer's services	2 800	
Transport costs, business trips	16 386	11 540
Bank services	2 056	1 511
Representation expenses	30 029	2 467
Other costs	2 500	2 433
Total	<u>244 040</u>	<u>187 338</u>

(5) Other operating income	EUR	
	6 months of 2017	6 months 2016
Income from realization of materials	11 384	2 397
Income from rent	51 235	34 898
Income from tugboat's services	22 523	24 524
Other income	25 569	62 581
Total	110 711	124 400

(6) Other operating expenses	EUR	
	6 months of 2017	6 months 2016
Fixed assets exclusion expenses		1 138
Material purchase expenses	4 972	1 025
Personnel expenses (material assistance)	400	
Tugboat's services expenses	55 061	47 622
Losses from exchange rate fluctuations	852	34
Donations		3 360
Property maintenance	158	4 724
Total	61 443	57 903

(7) Interest and similar expenses	EUR	
	6 months of 2017	6 months 2016
Interest charge	53 858	56 752
Penalties paid	9 447	6 190
Total	63 305	62 942

(8) Intangible assets and fixed assets	Other intangible assets (software)	Lands and buildings	Equipment and machines	Other fixed assets	Investment property	Fixed assets aunder construction	
	EUR	EUR	EUR	EUR		EUR	EUR
Cost/revaluation							
2016.12.31	10 466	3 894 416	5 797 482	136 880	237 984	182 349	10 259 577
Additions						100 125	100 125
Disposals				793			793
Revaluation		237 984	67700		(237 984)	67 200	305 184
2017.06.30	10 466	4 132 400	5 865 182	136 087	0	215 274	10 053 725
Depreciation							
2016.12.31	10 323	1 567 502	2 404 489	123 655	95 437		4 201 406
Calculated	66	76 554	103 172	2 392			182 184
Disposals				430			430
Relocated*		95 437	35 694		(95 437)		35 694
2017.06.30	10 389	1 739 493	2 543 355	125 617	0		4 383 160
2016.12.31	275	2 326 914	3 392 993	13 225	142 547	182 349	6 058 303
2017.06.30	77	2 392 907	3 321 827	10 470	0	215 274	5 940 555

*Depreciation in the first 6 months of the Reporting Period for which the long-term investment revaluation reserve is being reduced.

Cadastral value

Cadastral value of freehold land as at June 30, 2017 is EUR 966 006, cadastral value for the building is EUR 1 550 784.

(10) Raw materials and consumables	EUR	EUR
	<u>6 months of 2017</u>	<u>6 months 2016</u>
Metal	274 765	278 353
Abrasive	5 634	3 173
Pipes	98 260	106 289
Non-ferrous metals	49 479	50 398
Products of technical rubber	35 464	36 191
Other expenses	79 859	82 582
Total	<u>543 461</u>	<u>556 986</u>
(11) Finished goods		
Yacht's hull		890 000
Equipment for yacht	452 653	452 653
Total	<u>452 653</u>	<u>1 342 653</u>
(12) Trade receivables		
Book value of trade receivables	870 935	821 296
Net worth of trade receivables	<u>870 935</u>	<u>821 296</u>
(13) Other receivables		
In budget advance paid and overpaid VAT tax	31 999	19 912
Corporate income tax advance payments	13 802	9 911
Advance payments for services	30 429	50 817
Other receivables	435 468	53 475
Total	<u>511 698</u>	<u>134 115</u>
(14)		
AS "Rīgas kuģu būvētava" debt for the loan	462 392	481 424
Total	<u>462 392</u>	<u>481 424</u>
For the use of the loan is paid 6% per annum.		
(16) Accrued income	EUR	EUR
	<u>6 months of 2017</u>	<u>6 months 2016</u>
Shipbuilding	69 000	
Ship repair	678 258	133 818
Total	<u>747 258</u>	<u>133 818</u>
(17) Cash and Bank		
Cash at bank on current accounts	15 954	159 536
Total	<u>15 954</u>	<u>159 536</u>

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

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

The join-stock company is public and its shares counts among the stock exchange. All shares give equal rights to receipt of dividends, receipt of liquidation quotas and right to vote in the shareholders meeting. One share gives the right to 1 vote in the shareholders meeting. The Company has no shares that are held by the Company itself or anyone else in its assignment.

Modifications in Statues:

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

	EUR	
	6 months of 2017	6 months 2016
Investment revaluation of floating dock was on December, 2011	1 242 146	1 311 479
Total	1 242 146	1 311 479

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

As of 30 June 2017, the revaluation reserve is reduced by an amount equal to the difference between the depreciation calculated on the basis revaluated value of the floating dock and

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

(18) Other reserves

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

	73 267	73 267
Total	73 267	73 267

(19) Other provisions

Provisions for annual leave

	58 561	59 940
Total	58 561	59 940

(20) Other borrowings

Total	1 500 000	1 500 000
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Loan is received from the legal person with 6 % annual rate with the deadline of return in 2019.

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

(21) Non-current leasing liabilities

Overhead cranes		330 507
Automobile	84 469	122 345
Total	84 469	452 852

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

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

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

(22) Deferred tax liabilities

	EUR	
	6 months of 2017	6 months 2016
Deferred tax liabilities at the beginning of year	596 457	583 432
Deferred tax liability from revaluation reserve of floating dock		
Deferred tax liability increase in the financial year		
Liabilities in the end of a period	596 457	583 432

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

Revenue as a result of the reverse leasing	203 466	244 788
Total	203 466	244 788

(24) Other borrowings

Interests unpaid	22 750	22 750
Total	22 750	22 750

(25) Current leasing liabilities

Automobile	41 188	39 344
Overhead cranes	330 507	67 861
Total	371 695	107 205

(26) Advances from customers

Ship building		
Ship repair	159 940	3 200
Other		
Total	159 940	3 200

(27) Trade payables

Debts for materials	143 773	95 779
Debts for services	279 483	118 546
Debts for ship building and ship repair	567 102	358 476

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Debts for fixed assets	57 917	38 068
Total	1 048 275	610 869

(28) Movement of tax liabilities for 6 months of 2017

	01.01.2017.	Calculated 2017	Calculated penalty and delay fees	(Paid) / repaid	Transferred to other taxes	2017.06.30	
	EUR	EUR	EUR	EUR		EUR	EUR
Value added tax	(24 905)	(127 921)				120 827	(31 999)
Personal income tax	(7 919)		594	(2 169)		(4 308)	(13 802)
Social insurance payments	74 985	236 948	186	(46 588)		(67 359)	198 172
Corporate income tax	106 853	134 749	2 500	(32 988)		(49 160)	161 954
Real estate tax (land)	3 623	7 245	350	(4 948)			6 270
Real estate tax (building)	8 999	17 997	869	(11 549)			16 316
Natural resources tax	1 042	2 728		(2 202)			1 568
Risk duty	53	288	1	(349)			(7)
Total	162 731	272 034	4 500	(100 793)		0	338 472

Tax debt	195 555	384 280
Tax overpayment	(32 824)	(45 808)

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(29) Other liabilities	EUR	
	6 months of 2017	6 months 2016
Salaries	90 101	84 236
Retention from salaries	716	711
Other liabilities		248
Total	90 817	85 195

Chairman of the Board

A.Vaļums

Member of the Board

J.Meļņika

Member of the Board

A.Murugovs

August 31, 2017