

AS „RĪGAS KUĢU BŪVĒTAVA”

Financial information on 9 months of the year 2017

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Name of the company	AS “Rīgas kuģu būvētava”	
Legal status of the company	Joint stock company	
Number, place and date of registration	000304589, 5 December 1991, Companies register, Riga 40003045892, 26 August 2004, Commercial register, Riga	
Address	Gales street 2, Riga, LV-1015, Latvia	
Share capital of the Company	16 340 950 EUR	
Associates	AS “Tosmares kuģubūvētava” (49.72%) Reg.No.42103022837 Generala Baloza Street 42/44, Liepaja, Latvia SIA “Remars Granula” (49.80%) Reg.No.54103022521 Gales street 2, Riga, Latvia	
Type of operations	Building and repair of ships, yachts, catamarans, roll trailers and technological equipment; Port services; wood processing, manufacturing of furniture designed for various functional purposes etc.	
NACE code	3011, 3315	
Names and positions of the Board members	Einars Buks	Chairman of the Board from 07.08.2017
	Einars Buks	Member of the Board till 06.08.2017
	Janis Skvarnovics	Chairman of the Board till 25.05.2017
	Jekaterina Melnika	Member of the Board
	Ainars Tropins	Member of the Board from 07.08.2017
Names and positions of the Council	Vasilijs Melniks	Chairman of the Council
	Aleksandrs Cernavskis	Deputy Chairman of the Council
	Linards Baumanis	Member of the Council
	Valentina Andrejeva	Member of the Council
	Gaidis Andrejs Zeibots	Member of the Council
Financial period	1 January 2017 - 30 september 2017	
Auditor's name and address	SIA “Orients Audit & Finance” LZRA Licence No. 28 Gunara Astras street 8b, Riga, LV-1082 Latvia Natalija Zaiceva Sworn Auditor Certificate No. 182	

**AS „RĪGAS KUĢU BŪVĒTAVA” REPORT ON 9 MONTHS OF 2017
STATEMENT OF MANAGEMENT RESPONSIBILITIES**

The management of AS „Rīgas kuģu būvētava” (the Company) is responsible for preparation of the financial statements.

The financial statements are prepared in accordance with the source documents and present fairly the financial position of the Company as of 30 september 2017 and the results of its operations and cash flows for the period then ended. The management confirms that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements.

The management also confirms that the requirements of the legislation of the Republic of Latvia have been complied with and that the financial statements have been prepared on a going concern basis.

The management of the Company is also responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the management:

_____ Einars Buks	_____ Jekaterina Melnika	_____ Ainars Tropins
Chairman of the Board	Member of the Board	Member of the Board

Riga, 30 November 2017

**AS „RĪGAS KUĢU BŪVĒTAVA” REPORT ON 9 MONTHS OF 2017
PROFIT OR LOSS STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

	9 month 2017	9 month 2016
Notes	EUR	EUR
Net sales	11 445 927	15 139 129
Cost of sales	<u>(11 263 112)</u>	<u>(13 971 673)</u>
Gross profit (loss)	182 815	1 167 456
Distribution expenses	(3 590)	(8 585)
Administrative expenses	(771 099)	(700 281)
Other operating income	820 579	800 873
Other operating expenses	(704 842)	(638 498)
Interest and similar income	49 912	57 967
Interest and similar expenses	<u>(347 897)</u>	<u>(197 470)</u>
Profit (loss) before taxes	(774 122)	481 462
Corporate income tax	<u>0</u>	<u>0</u>
Net profit (loss) for the period	<u>(774 122)</u>	<u>481 462</u>
Profit (loss) per share	(0.060)	0.041

These financial statements were signed on 30 November 2017 on the Company's behalf by:

Einars Buks
(Member of the Board)

Jekaterina Melnika
(Member of the Board)

Ainars Tropins
(Member of the Board)

Marina Pudova
(Chief Accounting Officer)

AS „RĪGAS KUĢU BŪVĒTAVA” REPORT ON 9 MONTHS OF 2017

BALANCE SHEET AS OF 30 SEPTEMBER 2017

ASSETS	Notes	30.09.2017. EUR	30.09.2016. EUR	31.12.2016. EUR
Non-current assets				
Intangible assets:				
Other intangible assets		4 987	18 468	6 139
Total intangible assets		4 987	18 468	6 139
Fixed assets				
Immovable properties				
a) land, buildings and engineering structures		7 636 036	7 808 284	7 764 941
b) investment properties		453 617	465 363	468 283
Technological equipment and machinery		20 790 005	20 739 438	21 067 230
Other fixed assets		343 093	397 182	389 287
Fixed assets under construction		2 402 024	891 890	756 556
Advances for fixed assets		7 114	18 550	18 550
Total fixed assets		31 631 889	30 320 707	30 464 847
Non-current financial investments				
Investments in associates		4 830 590	4 830 590	4 830 590
Other securities and investments		235	235	235
Loans and non-current receivables		1 630 182	1 628 614	1 630 182
Total non-current financial investments		6 461 007	6 459 439	6 461 007
Total non-current assets		38 097 883	36 798 614	36 931 993
Current assets				
Inventories				
Raw materials and consumables		2 251 657	2 069 176	1 979 608
Work in progress		338 282	138 964	107 542
Advances for inventories		142 646	268 418	191 658
Total inventories		2 732 585	2 476 558	2 278 808
Account receivable				
Trade receivables		746 469	1 844 559	1 578 586
Receivables from associates		1 301 273	1 285 525	1 293 464
Other receivables		785 510	1 294 340	922 793
Deferred expense		12 585	5 969	9 986
Accrued income		2 799 689	2 885 670	3 435 816
Total receivables		5 645 526	7 316 063	7 240 645
Cash and bank		590	20 448	18 005
Total current assets:		8 378 701	9 813 069	9 537 458
TOTAL		46 476 584	46 611 683	46 469 451

**AS „RĪGAS KUĢU BŪVĒTAVA” REPORT ON 9 MONTHS OF 2017
BALANCE SHEET AS OF 30 SEPTEMBER 2017**

	Notes	30.09.2017. EUR	30.09.2016. EUR	31.12.2016. EUR
EQUITY, PROVISIONS AND LIABILITIES				
Equity				
Share capital		16 340 950	16 340 950	16 340 950
Non-current investments revaluation reserve		11 745 595	11 895 164	11 891 225
Reserves:				
Other reserves		266 962	266 962	266 962
Retained profit or uncovered losses brought				
Forward from previous years		2 623 040	2 453 233	2 453 233
Current year profit or losses		(774 122)	481 462	169 807
Total retained earnings		1 848 918	2 934 695	2 623 040
Total equity		30 202 425	31 437 771	31 122 177
Provisions:				
Other provisions		1 699	23 492	1 699
Total provisions		1 699	23 492	1 699
Non-current liabilities				
Loans from banks		829 749	1 900 000	0
Other borrowings		1 688 411	1 190 644	1 201 756
Deferred tax liabilities		2 752 048	2 685 427	2 752 048
Deferred income		512 158	584 277	566 247
Total non-current liabilities		5 782 366	6 360 348	4 520 051
Current liabilities				
Loans from banks		2 802 617	0	1 900 000
Other borrowings		52 228	536 001	534 132
Advances from customers		1 424 517	2 950 537	2 560 300
Trade payables		3 225 823	2 770 661	2 950 466
Payables to associates		443 956	492 347	551 343
Taxes and state social insurance payments		1 196 679	843 502	936 814
Other creditors		731 830	560 046	817 554
Deferred income		72 120	72 120	72 120
Unpaid dividends		18 617	25 680	18 617
Accrued liabilities		521 707	539 178	484 178
Total current liabilities:		10 490 094	8 790 072	10 825 524
		16 272 460	15 150 420	15 345 575
Total liabilities:		46 476 584	46 611 683	46 469 451

These financial statements were signed on 30 November 2017 on the Company's behalf by:

Einars Buks
(Member of the Board)

Jekaterina Melnika
(Member of the Board)

Ainars Tropins
(Member of the Board)

Marina Pudova
(Chief Accounting Officer)

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2017**STATEMENT OF CHANGES IN EQUITY**

	9 month 2017	9 month 2016
	EUR	EUR
Share capital		
Opening balance	16 340 950	16 340 950
Prior year adjustments	0	0
Increase/decrease in share capital	0	0
Closing balance	<u>16 340 950</u>	<u>16 340 950</u>
Stock (share) premium account		
Opening balance	0	0
Prior year adjustments	0	0
Increase/decrease in share capital	0	0
Closing balance	<u>0</u>	<u>0</u>
Long-term investment revaluation reserve		
Opening balance	11 891 225	12 056 273
Prior year adjustments	(145 630)	(161 109)
Closing balance	<u>11 745 595</u>	<u>11 895 164</u>
Fair value reserve of financial instruments		
Opening balance	0	0
Prior year adjustments	0	0
Closing balance	<u>0</u>	<u>0</u>
Reserves		
Opening balance	266 962	266 962
Prior year adjustments	0	0
Increase/decrease of the balance of the reserves	0	0
Closing balance	<u>266 962</u>	<u>266 962</u>
Retained earnings		
Opening balance	2 623 040	2 453 233
Prior year adjustments	0	0
Increase/decrease in retained earnings	(774 122)	481 462
Closing balance	<u>1 848 918</u>	<u>2 934 695</u>
Equity		
Opening balance	31 122 177	31 117 418
Prior year adjustments	0	0
Closing balance	<u>30 202 425</u>	<u>31 437 771</u>

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**AS „RĪGAS KUĢU BŪVĒTAVA” REPORT ON 9 MONTHS OF 2017
CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

	Notes	9 month 2017 EUR	9 month 2016 EUR
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Revenue from the sale of goods and provision of services		12 940 292	14 897 208
Payments to suppliers, employees, other expenses of principal activity costs		(14 218 685)	(14 540 193)
Gross cash flow generated from/(used in) operating activities		(1 278 393)	357 015
Interest payment		(160 871)	(127 804)
Net cash flow generated from /(used in) operating activities		(1 439 264)	229 211
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of fixed and intangible assets		(227 366)	(109 622)
Proceeds from sales of fixed assets and intangible assets		1 500	111
Loans issued			23 841
Interest received		7 207	18 543
Net cash flow generated from investing activities		(218 659)	(67 127)
CASH FLOW FROM FINANCING ACTIVITIES			
Loans received		1 754 713	-
Repayment of loans		(114 205)	(273 838)
Net cash flow (used in)/ generated from financing activities		1 640 508	(273 838)
Net foreign exchange gains/losses			2
Net increase /(decrease) in cash and cash equivalents		(17 415)	(111 752)
Cash and cash equivalents at the beginning of the financial year		18 005	132 200
Cash and cash equivalents at the end of the financial year		590	20 448

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