DOVRE FORVALTNING UAB

Interim financial statements for 30 June 2016

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INFORMATION ABOUT THE COMPANY

Dovre Forvaltning UAB
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Registration No.: 302589746

The Board
Stig Roar Myrseth
Andrius Balciunas
Egle Domataite

The Management

Stig Roar Myrseth, Director

Account manager:

IMG Numeri UAB, company code 300602458

Banks
Swedbank, AB
DNB bankas AB
DNB Bank ASA

(all amounts are expressed in euros unless specified otherwise)

Company code: 302589746
Registered at: Konstitucijos av. 7, 19a, Vilnius

STATEMENT OF FINANCIAL POSITION

Items	Note No.	30-06-2016	31-12-2015
ASSETS			
Non-current assets			
Non-current intangible assets	5	12 734	16 226
Non-current tangible assets	5	7 447	6 253
Total non-current assets:		**20 181**	**22 479**
Current assets			
Other assets		4 667	3 417
Trade and other receivables	7	57 853	41 480
Cash and cash equivalents	8	333 270	245 028
Total current assets		**395 790**	**289 925**
TOTAL ASSETS:		**415 971**	**312 404**

EQUITY AND LIABILITIES			
Equity	9		
Authorised (subscribed) capital		418 008	407 006
Share premium		189 038	-
Accumulated loss		(271 315)	(141 852)
Total equity		**335 731**	**265 154**
Amounts payable and liabilities			
Other amounts payable and liabilities	10	80 240	47 250
Total amounts payable and liabilities		**80 240**	**47 250**
TOTAL EQUITY AND LIABILITIES:		**415 971**	**312 404**

The accompanying notes presented in pages 8 - 29 are an integral part of these financial statements.

These financial statements were signed and approved on 20 July 2016.

Stig Roar Myrseth
Director

Vidmantas Liepuonius
IMG NUMERI UAB
Director

(all amounts are expressed in euros unless specified otherwise)

Company code: 302589746
Registered at: Konstitucijos av. 7, 19a, Vilnius

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Items	Note No.	30-06-2016	30-06-2015
Management and client servicing operations income	1	180 805	180 860
Management and client servicing operations expenses	2	(83 408)	(40 313)
GROSS PROFIT		**97 397**	**140 547**
General administrative expenses	3	(233 646)	(195 366)
LOSS FROM OPERATING ACTIVITIES		**(136 249)**	**(54 819)**
Finance income	4	6 786	5 428
Finance expenses	4	-	-
LOSS BEFORE TAX		**(129 463)**	**(49 391)**
Income tax	6	-	-
NET LOSS		**(129 463)**	**(49 391)**

Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		**(129 463)**	**(49 391)**

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STATEMENT OF CHANGES IN EQUITY

Items	Note No.	Share capital	Share premium	Legal reserve	Retained earnings (loss)	Total:
Balance at 31 December 2014		**345 575**	**-**	**-**	**(129 083)**	**216 492**
Net loss for the year		-	-	-	(139 381)	(139 381)
Reduction of share capital to cover retained loss	9	(209)	-	-	-	(209)
Monetary contributions to share capital	9	(126 612)	-	-	126 612	-
Balance at 31 December 2015		188 252	-	-	-	188 252
Net loss for the year		**407 006**	**-**	**-**	**(141 852)**	**265 154**
Share capital conversion to euros		-	-	-	(129 463)	(129 463)
Reduction of share capital to cover retained loss	9	-	-	-	-	-
Monetary contribution to share capital		11 002	189 038	-	-	200 040
Balance at 30 June 2016		**418 008**	**189 038**	**-**	**(271 315)**	**335 731**

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Registered at: Konstitucijos pr. 7, 19A, Vilnius

STATEMENT OF CASH FLOWS

Items	Note No.	30-06-2016	31-12-2015
CASH FLOW FROM OPERATING ACTIVITIES			
Net earnings (loss)		(129 463)	(49 391)
Adjustments:			
Depreciation and amortisation	5	5 541	6 672
Decrease in trade and other amounts receivable		(16 373)	4 669
Decrease in other current assets		(1 250)	5 574
(Decrease) increase in other amounts payable		32 990	(2 630)
Elimination of financial and investing activity results		(6 780)	(4 781)
Cash flows from operating activities		**(115 335)**	**(39 887)**
Income tax paid		-	-
Net cash flows from operating activities		**(115 335)**	**(39 887)**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Acquisition of non-current intangible and tangible assets	5	(3 243)	(2 759)
Revenue from sale of non-current assets		11 973	-
Loans granted		-	-
Loans recovered		-	-
Interest received		6	647
Net cash flows from investing activities		**8 736**	**(2 112)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares		200 040	188 043
Interest paid		-	-
Net cash flows from financing activities		**200 040**	**188 043**
Effect of changes in exchange rates on cash balance		**(5 199)**	**4 133**
Net increase in cash and cash equivalents		**88 272**	**150 177**
Cash and cash equivalents at the beginning of the year		**245 028**	**174 720**
Cash and cash equivalents at the end of the year		**333 270**	**324 897**

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These financial statements were signed and approved on 20 July 2016.

Stig Roar Myrseth
Director

Vidmantas Liepuonius
IMG NUMERI UAB
Director

I. GENERAL PART

Dovre Forvaltning UAB (hereainafter – the Company) is a private company registered with the Register of Legal Entities of the Republic of Lithuania on 3 February 2011, Company's code - 302589746. The Company provides investment fund management services. The Company is domiciled at Konstitucijos pr. 7, 19a, Vilnius. In 2016 and 2015 the Company did not have any branches.

Operating licence No. VĮK-018, issued on 28 July 2011 by the Securities Commission of the Republic of Lithuania.

As at 30 June 2016 the Company's shares owned by sole shareholder The Nordic Group, c.c. 999 564 976, which owned 126 669 ordinary shares, each of EUR 3.30 in nominal value which represents 100 % of voting shares and 100 % of the authorized capital of the Company.

As at 30 June 2016 the Company's authorised capital is equal to EUR 418,008.

Shares of Dovre Forvaltning UAB are owned by:

- Trinity Capital UAB, company code 302682894, holds 40,708 registered ordinary shares of the Company, each of EUR 3.30 in nominal value which represents 33.01% of non-voting shares, and 33.01% of the authorised capital of the Company.
- AS Liberty Holdings, company code 997702085, holds 40,708 registered ordinary shares of the Company, each of EUR 3.30 in nominal value which represents 33.01% of non-voting shares, and 33.01% of the authorised capital of the Company.
- AS Selvaag Invest, company code 935499240, holds 41,919 registered ordinary shares of the Company, each of EUR 3.30 in nominal value which represents 33.98% of non-voting shares, and 33.98% of the authorised capital of the Company.

As at 31 December 2015 the Company's authorised capital is equal to EUR 407,006.

Dovre Forvaltning UAB does not have any subsidiaries or associates.

As at 30 June 2016 the Company had 7 employees (10 as at 31 December 2015).

II. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

Compliance with the established standards

The present financial statements were prepared in accordance with Lithuanian legal acts governing financial accounting and the preparation of financial statements, and the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The management of the Company approved the present financial statements on 20 July 2016. Shareholders of the Company have a right to approve the present financial statements, refuse to approve them, and require that new financial statements are drawn up.

Basis for measurement

The financial statements of the Company have been prepared under the historical cost convention.

Functional currency and foreign currency transactions

The Company manages its accounts and presents all amounts in the present financial statements in the national currency of the Republic of Lithuania – Euros. From 1 January 2015 Euro is the official national currency of Lithuania and the functional currency of the Company.

All transactions in foreign currency are initially accounted at the functional currency as of the day of the transaction. Monetary foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date. All non-monetary liabilities and assets measured under the historical cost convention are translated according to the exchange rate effective at the date of the transaction.

Use of estimates and judgements

When drawing up the financial statements according to the IFRS as adopted by EU the management must use, on the basis of the accepted assumptions, accounting estimates that affect the selection of accounting principles and the amounts of the assets, liabilities, income and expenses presented in the financial statements. The factual results may differ from the accounting estimates made. The accounting estimates and related assumptions are reviewed on a regular basis.

The effect of the changes in estimates is recognised in the period in which the estimate is reviewed, and in the forthcoming periods, if the estimate also affects the future periods. An estimate may need to be reviewed repeatedly in view of a change in the circumstances underlying the estimate, or new information becomes available or more experience acquired.

The information about the material areas that are related to the uncertainties for the purpose of the application of the accounting policy, and which have an impact upon the amounts in the financial statements is presented in the following note:

- Note 6 – Deferred tax asset.

III. ACCOUNTING POLICY

The accounting policy as further described was consistently applied to all periods presented in the present financial statements.

Intangible assets

Intangible assets are initially recognised at acquisition cost. Intangible assets are recognised when it is probable that the Company will generate in the future an economic benefit from the assets and provided that value of the assets may be reliably measured. Subsequently to initial recognition the intangible assets are accounted for at acquisition value less the accumulated amortisation and the impairment loss, if any. The initial value of intangible assets is represented by its acquisition price including the not refundable acquisition taxes and all other costs directly attributable to the preparation of the asset for the use and the transfer of it to its location of use. Intangible assets are amortised applying the straight-line (linear) method for the estimated useful life, which is 3 years.

Tangible assets

An asset is considered to be a tangible asset when its useful life is longer than 1 year, and the acquisition value exceeds EUR 290. Following the initial recognition the tangible assets are accounted for at acquisition value less the accumulated depreciation and the impairment loss, if any.

When the assets are disposed of or written off, their acquisition value and accumulated depreciation in the accounts is eliminated, and the profit or loss from the sale is carried through profit or loss. The initial value of non-current tangible assets is represented by its acquisition price including not refundable acquisition taxes and all other costs directly attributable to the preparation of the asset for the use and the transfer to its location of use. The expenses such as repair or operation incurred after the non-current tangible asset is put into operation are normally accounted through profit or loss in the period in which they were incurred. In the cases where it may be expressly demonstrated that the expenses will increase the economic benefit from the use of the tangible assets and/or extend the expected useful life, the expenses are capitalised by adding them to the acquisition value of the non-current tangible assets.

The depreciation of the tangible assets shall be computed using the straight-line method by writing-off the acquisition cost of each individual asset within the estimated asset's useful life. The depreciation for the main groups of non-current tangible assets shall be computed by applying the following estimated useful life of the respective tangible asset group:

office equipment:

- computer hardware: 3 years,
- furniture, inventory: 6 years
- other assets: 4 years.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes party of a financial instrument contract. For the purpose of initial recognition financial assets and financial liabilities are measured at fair value. For the purpose of initial recognition transaction costs that directly relate to the acquisition or an issue of a financial asset (except the financial assets and the financial liabilities presented at fair value through profit or loss) are added or deducted, respectively, from the fair value of the financial assets or financial liabilities. The transaction costs directly attributable to financial assets or financial liabilities presented at fair value through profit or loss, are immediately recognised in profit or loss.

Financial assets

According to IAS 39 "Financial Instruments: Recognition and Measurement" the Company's financial assets are classified as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets, as appropriate. All purchases and sales of financial assets are recognised on the trade date. When financial assets are recognised initially, they are measured at cost, which equals actual amount paid including directly attributable transaction costs.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recorded at the fair value of the consideration given. Loans and receivables are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Allowance for doubtful receivables is evaluated when the indications leading to the impairment of accounts receivable are noticed and the carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised (written off) when they are assessed as uncollectible.

Cash and cash equivalents

Cash includes cash on hand and cash in bank accounts. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and in current bank accounts.

Effective interest rate method

The effective interest rate method is a method for the calculation of the amortised cost of a financial asset, and the method for the distribution of interest income through a defined period. The effective interest rate is an interest rate that precisely discounts the estimated future cash flows (including all fees paid and received that are an inseparable part of the effective interest rate, transaction costs and other premiums or discounts) to the net initial recognition carrying amount within the estimated period of validity of the financial assets, or (if applicable), within a respectively shorter period.

Impairment of financial assets

The financial assets are checked for impairment as of each date of the statement of financial position. When it becomes evident that it is probable that the Company will not collect all amounts due according to the contractual terms of loans and receivables, impairment is recognised in the statement of profit or loss. The reversal of impairment losses previously recognised is recorded when the decrease in impairment loss can be justified by an event occurring after the write-down. Such reversal is recorded in the statement of profit or loss. However, the increased carrying amount is only recognised to the extent it does not exceed the amortised costs that would have been had the impairment not been recognised.

The impairment of other amounts receivable is recognised in view of specific evidence (such as a probability of insolvency, or significant financial difficulties of the debtor) that the Company will not collect all amounts due according to the contractual terms of loans and receivable. The carrying amount of amounts receivable is reduced using the impairment account. The impaired debts shall not be recognised when they are recognised to be uncollectable.

Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass through’ arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Financial liabilities are attributed to the financial liabilities "whose fair value changes are recognised through profit or loss", or "other financial liabilities".

Financial liabilities whose fair value changes are recognised through profit or loss

A financial liability is classified "at fair value though profit or loss", when the financial liability is held as available for sale or is attributed to financial liabilities "at fair value through profit or loss".

Other financial liabilities

Other financial liabilities (including loans and trade and other amounts payable) in subsequent periods are measured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

The Company terminates the recognition of financial liabilities if, and only if, the financial liabilities of the Company have been fulfilled, revoked or the term of their validity expires. The difference between the financial liability's derecognition value and the consideration paid and the payment obligation is recognised in profit or loss.

Share capital and reserves

The share capital is accounted according to the provisions of the Articles of Association of the Company. The amount paid by which the sale price of the shares issued exceeds their nominal value is carried as share premium account.

The reserves are formed by allocating the profit of the reporting year according to the decision of the meeting of shareholders in accordance with laws and regulations of the Republic of Lithuania, also the Articles of Association of the Company.

According to the Law on Companies of the Republic of Lithuania entities are obligated to transfer to the legal reserve, each year, not less than 5% of the net profit computed in accordance with the accounting principles effective in the Republic of Lithuania until the legal reserve accounts of 10% of the authorised capital of the entity. The legal reserves are not available for distribution and may be used to cover loss only.

Employee benefits

The Company does not have any defined benefit or employee incentive plans, or plans for share-based payments. Short-term benefits for employees are recognised as current costs in the period in which the employees provide services. The benefits include salaries, social insurance benefits, bonuses, paid holidays, etc.

Provisions

Provisions are recognised in the statement of financial position when as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The provision for liabilities are calculated by discounting the estimated future cash flows to their present value applying a pre-tax discount rate reflecting the realistic market assumptions concerning the time value of money and the risk related to the obligations.

Revenue

Revenue is recognised on accrual basis; income is recorded in the accounting when earned. The services are considered to have been provided when the following conditions are met:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the amount of such revenue can be measured reliably;
- the transaction is completed, or the degree of its completion may be reliably measured by the balance sheet date;
- the economic benefit from the service transaction may be reasonably expected;
- the costs related to the service provision transaction or its completion may be reliably measured.

Financial revenues are represented by the interest income from loans and amounts receivable. The interest income is recognised applying the effective interest rate method.

Foreign exchange gains or losses arising on financial assets and financial liabilities are presented at fair value as income or expenses from financial activities depending on whether the foreign exchange changes are in the net profit or net loss position.

Expenses

Expenses are recognised in the accounting following the accrual and comparative principle.

Management expenses are considered to include only the part of the expenses of the previous and the reporting year which is attributable to the income earned in the reporting period irrespective of the time of spending the money. Expenses that are not related to the particular income earned shall be recognised as costs for the period in which they were incurred.

Administrative expenses are considered to include the personnel expenses, premises maintenance, communications and other costs such as amortisation and depreciation.

Financial expenses are represented by interest for indebtedness. The interest expenses are recognised applying the effective interest rate method.

Finance and operating lease

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Finance lease

The Company recognise finance leases as assets and liabilities in the statement of financial position at amounts equal at the inception of the lease to the fair value of the leased property or, if lower, to the present value of the minimum lease payments. The rate of discount used when calculating the present value of minimum payments of financial lease is the interest rate of financial lease payment, when it is possible to determine it, in other cases, Company's incremental interest rate on borrowings applies. Directly attributable initial costs are included into the asset value. Lease payments are apportioned between the finance charges and reduction of the lease liability. The finance charges are determined so as to achieve a constant rate of interest on the remaining balance of the liability.

The depreciation is accounted for finance lease assets and it also gives rise to financial expenses for each accounting period. The depreciation policy for leased assets is consistent with that for depreciable assets that are owned. The leased assets cannot be depreciated over the period longer than lease term, unless the Company, according to the lease contract, gets transferred their ownership after the lease term is over.

If a sale and leaseback transaction results in a finance lease, any gain on the sale in excess of the carrying value is not recognized immediately as income. It is deferred and amortized over the lease period.

Operating lease

Leases where the lessor retains all the risk and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

The gains from discounts provided by the lessor are recognised as a decrease in lease expenses over the period of the lease using the straight-line method.

Taxes

In 2016 and 2015, the following taxes were computed and paid by the Company:

- social insurance contributions from the income related to employment relations – 30.98%,
- Guarantee fund fee – 0.2%,
- Income tax – 15%.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Income tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Since 1 January 2010 the applied income tax rate for the companies of the Republic of Lithuania is 15%.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such deferred assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered by the Company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the reporting period, to recover or to settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority the Company intends to settle its current tax assets and liabilities on a net basis.

Income and deferred tax for the period

Income and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other profit or loss and other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss.

Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in the financial statements but described in the Notes to the financial statements when an inflow or economic benefit is probable.

Subsequent events

Events that are subsequent to the financial statements date and provide additional information about the Company’s position at the date of the statement of financial position (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are disclosed in the notes to financial statements when material.

Related party

A related party is a person or entity that complies with any of the following conditions: a. A person or a close member of that person's family is related to a reporting entity if that person:

i. has control or joint control of the reporting entity;

ii. has significant influence over the reporting entity; or

iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to a reporting entity if any of the following conditions applies:

i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

iii. Both entities are joint ventures of the same third party.

iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

vi. The entity is controlled or jointly controlled by a person identified in (a).

vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

IV. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Initial application of new amendments to the existing Standards and Interpretation effective for current financial period:

The following amendments to the existing standards and new interpretation issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for current financial period:

- Amendments to various standards "Improvements to IFRSs (cycle 2011-2013)" resulting from the annual improvement project of IFRS (IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 18 December 2014 (amendments are to be applied for annual periods beginning on or after 1 January 2015),
- IFRIC 21 "Levies" adopted by the EU on 13 June 2014 (effective for annual periods beginning on or after 17 June 2014).

The adoption of these amendments to the existing standards and interpretation has not led to any material changes in the Entity's financial statements.

Amendments to the existing Standards issued by IASB and adopted by the EU but not yet effective:

At the date of authorisation of these financial statements the following amendments to the existing standards issued by IASB and adopted by the EU were in issue but not yet effective:

- Amendments to IFRS 11 "Joint Arrangements" – Accounting for Acquisitions of Interests in Joint Operations – adopted by the EU on 24 November 2015 (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IAS 1 "Presentation of Financial Statements" – Disclosure Initiative - adopted by the EU on 18 December 2015 (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" – Clarification of Acceptable Methods of Depreciation and Amortisation – adopted by the EU on 2 December 2015 (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" – Agriculture: Bearer Plants - adopted by the EU on 23 November 2015 (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IAS 19 "Employee Benefits" – Defined Benefit Plans: Employee Contributions – adopted by the EU on 17 December 2014 (effective for annual periods beginning on or after 1 February 2015),
- Amendments to IAS 27 "Separate Financial Statements" – Equity Method in Separate Financial Statements – adopted by the EU on 18 December 2015 (effective for annual periods beginning on or after 1 January 2016).
- Amendments to various standards "Improvements to IFRSs (cycle 2010-2012)" resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 17 December 2014 (amendments are to be applied for annual periods beginning on or after 1 February 2015),
- Amendments to various standards "Improvements to IFRSs (cycle 2012-2014)" resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 15 December 2015 (amendments are to be applied for annual periods beginning on or after 1 January 2016).

New Standards and amendments to the existing Standards issued by IASB but not yet adopted by the EU:

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except from the following new standards and amendments to the existing standards, which were not endorsed for use in EU (the effective dates stated below is for IFRS in full):

- IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2018),
- IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016) - the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard,
- IFRS 15 "Revenue from Contracts with Customers" and further amendments (effective for annual periods beginning on or after 1 January 2018),
- IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019),
- Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures" –

Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016),

- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date was deferred indefinitely until the research project on the equity method has been concluded),
- Amendments to IAS 12 "Income Taxes" – Recognition of Deferred Tax Assets for Unrealised Losses (effective for annual periods beginning on or after 1 January 2017).

The Company anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the financial statements of the Company in the period of initial application.

V. MEASUREMENT OF FAIR VALUE

Fair value is defined as the amount for which a financial asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, except in the cases of forced or liquidation sale. Fair values are established on the basis of quoted market prices and the discounted cash flow method.

The fair values are presented in three levels of the fair value hierarchies on the basis of the variables used in the valuation methods:

- Level 1: prices quoted at active markets of comparable assets or liabilities (unadjusted);
- Level 2: other variables except the quoted prices of assets and liabilities included in Level 1 that are observed directly (i.e., as prices), or indirectly (i.e., derived from prices);
- Level 3: variables of assets and liabilities not based on the observable market data (non-observable variables).

Where for the purpose of measuring the fair value of assets or liabilities the variables may be attributed to the different levels of the fair value hierarchy, the hierarchy level of the fair value to which the entire fair value established is attributed shall be established on the basis of the lowest level variable material for the measurement of the entire fair value.

The principal financial assets and liabilities of the Company that are not reflected at fair value are trade and other amounts receivable, and trade and other amounts payable.

The Company does not have any trade or other amounts receivable, or trade or other amounts payable with the effective payment term longer than one year. Therefore, in the opinion of the Company's management, the residual values of trade and other amounts receivable, trade and other amount payable are approximate to their fair values, since the effect of discounting is immaterial.

VI. NOTES TO THE FINANCIAL STATEMENTS

Note 1 Management and client servicing operations income

Items	Note No.	30-06-2016	30-06-2015
Assets management fee		139 292	180 860
Assets distribution fee		41 513	-
Total:		**180 805**	**180 860**

The Company's income is derived from the income from assets management and assets distribution fee.

Note 2 Management and client servicing operations expenses

Items	Note No.	30-06-2016	30-06-2015
Commission fee to intermediaries		17 660	19 212
Other operating expenses		65 748	21 101
Total:		**83 408**	**40 313**

Note 3 General administrative expenses

Items	Note No.	30-06-2016	30-06-2015
Salary		113 752	92 400
Taxes paid by the employer		34 521	27 686
Office rent and maintenance expenses		11 999	11 858
Tax expenses		13 613	8 685
Audit and accounting expenses		9 649	8 029
Business travel costs		20 049	6 539
Bank fee costs		7 066	3 890
Depreciation and amortisation		5 541	6 672
Advertisement and advertising costs		2 312	9 808
Representation expenses		2 399	4 439
Other employee-related expenses		2 917	1 942
Surveys and consultations		1 776	4 505
Transportation and communication services		3 415	3 146
Legal and translation services		1 944	4 125
Office expenses		343	162
Post expenses		234	255
Computer maintenance		959	405
Other costs		1 157	820
Total:		**233 646**	**195 366**

Note 4 Income and expenses from financial activities

Recognised through profit or loss

Items	Note No.	30-06-2016	30-06-2015
Interest income from loans and amounts receivable		6	201
Total income from financing activities:		**6**	**201**
Interest expense of financial liabilities measured at amortised cost		-	-
Foreign exchange loss on net basis		6 780	5 227
Total expense from financing activities:		**6 780**	**5 227**
Financial expenses through profit or loss at net value:		**6 786**	**5 428**

Note 5 Non-current tangible and intangible assets

	Items	Tangible Assets	Intangible Assets
a)	**Acquisition cost**		
	31 December 2015	**23 660**	**42 056**
	Changes in the financial year: - additions - assets transferred to other persons	 3 243 (11 973)	 - -
	30 June 2016	**14 930**	**42 056**
b)	**Depreciation (amortisation) and impairment**		
	31 December 2015	**17 407**	**25 830**
	Changes in the financial year: - depreciation (amortisation) in the financial year -assets transferred to other persons depreciation (amortization)	 2 049 (11 973)	 3 492 -
	30 June 2016	**7 483**	**29 322**
c)	**Carrying value**		
	Carrying value as at 31 December 2015 (a)-(b)	**6 253**	**16 226**
	Carrying value as at 30 June 2016 (a)-(b)	**7 447**	**12 734**

Note 6 Deferred tax assets

The deferred tax asset is recognised if the realisation of the related tax benefit is likely to be realised in the foreseeable future. As at 30 June 2016 the Company did not recognise the deferred tax asset, as management of the Company estimates that its realisation in the near future is not likely.

Note 7 Trade and other receivables

Items	Note No.	30-06-2016	31-12-2015
Amounts receivable for fund management		57 818	41 478
Other amounts receivable		35	2
Total amounts receivable		**57 853**	**41 480**
Impairment		**-**	**-**
Total amounts receivable at net value		**57 853**	**41 480**

Note 8 Cash and cash equivalents

Items	Note No.	30-06-2016	31-12-2015
Cash at bank		333 270	245 028
Total:		**333 270**	**245 028**

Note 9 Share capital and reserves

Authorised capital

As at 30 June 2016, the authorised capital of the Company was comprised of 126,669 registered ordinary shares (in 2015 – 123,335 registered ordinary shares), the nominal value of each being EUR 3.30 (EUR 3.30 in 2015). All shares of the Company are fully paid-up. The Company does not have any other shares except the ordinary registered shares referred above.

During 2016, shareholders increased share capital by EUR 11,002 issuing 3 334 new ordinary shares. Shares were paid by cash contribution.

Legal reserve

As at 30 June 2016, the Company did not have any legal reserves. According to the relevant requirements of laws of the Republic of Lithuania the Company is obliged to form a legal reserve. The Company is obliged, every year, to transfer to the legal reserve 5% of its net profit calculated according to the requirements of legal acts of the Republic of Lithuania governing financial accounting, until the legal reserve account for 10% of the authorised capital. The legal reserve may not be distributed for dividends and is formed exclusively with the purpose of covering the future loss. The portion of the legal reserve above 10% of the authorised capital may be or not reappropriated when distributing the profit of the next financial year.

Note 10 Other amounts payable and liabilities

Items	Note No.	30-06-2016	31-12-2015
Vacation reserve		47 767	33 016
Accrued expenses		5 484	8 468
Trade payables		26 989	5 766
Total:		**80 240**	**47 250**

Note 11 Financial risk management

The Company faces the following financial risks:

- credit risk;
- liquidity risk;
- market risk.

This Note to the financial statements includes information on the impact of the risks upon the Company, its objectives, policy and processes related to the risk assessment and management, also the information on capital management. The quantitative disclosures are presented in other Notes to the financial statements.

The Board of the Company is responsible for the development and the maintenance of the risk management structure. The risk management policy of the Company is designed for the identification and the analysis of the risks that the Company faces, the implementation and the supervision of the respective limits and controls. The risk management policy and the risk management systems are revised on a regular basis to be adjusted to the developments of the market conditions and the operations of the Company. The Company seeks to develop a disciplinary and constructive risk management policy according to which all employees are well aware of their functions and obligations.

Credit risk

Credit risk is a risk that the Company will suffer financial loss in case the other party fails to fulfil its obligations. The Company is employing a number of measures designed to continuously ensure that transactions are concluded with reliable clients and the transaction amounts do not exceed the approved credit risk limit. The Company does not grant any guarantees in respect of obligations of other parties. The largest credit risk is represented by the carrying amount of each unit of financial assets, including the derivative financial instruments in the statement of financial position, if any. Therefore the Company’s management believes that the maximum risk is equal to the amounts receivable less the recognised impairment loss as of the statement of financial position date.

Maximum assumed credit risk amount:

The Table below shows the largest credit risk exposures of the Company irrespective of the security measures:

Items	30-06-2016	31-12-2015
Trade and other receivables	57 853	41 480
Cash and cash equivalents	333 270	245 028
Total:	**391 123**	**286 508**

As at 30 June 2016, the Company's cash and cash equivalents totalled EUR 333 thousand (in 2015 – EUR 245 thousand) which reflect the maximum credit risk of the Company related to the asset concerned. Cash and cash equivalents are held at banks and financial institutions (counterparties) assigned by the rating agency a rating from A1 to AA+.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to fulfil its financial liabilities when due. The Company’s policy is to maintain sufficient cash and cash equivalents enabling the Company to fulfil its obligations under ordinary or complex conditions without incurring unacceptable loss or risking its reputation.

The table below shows the largest liquidity risk exposures of the Company irrespective of the security measures:

Items	Carrying amount	Contractual cash flows				
		Total	Up to 3 months	3-12 months	1-5 years	After 5 years
Trade and other receivables	57 853	57 853	57 853	-	-	-
Cash and cash equivalents	333 270	333 270	333 270	-	-	-
Balance as at 30 June 2016	**391 123**	**391 123**	**391 123**	**-**	**-**	**-**
Trade and other receivables	41 480	41 480	41 480	-	-	-
Cash and cash equivalents	245 028	245 028	245 028	-	-	-
Balance as at 31 December 2015	**286 508**	**286 508**	**286 508**	**-**	**-**	**-**

Contractual payment terms according to the financial liabilities including accrued interest as at 30 June 2016 and 31 December 2015:

Items	Carrying amount	Contractual cash flows				
		Total	Up to 3 months	3-12 months	1-5 years	After 5 years
Trade payables	26 989	26 989	26 989	-	-	-
Other current liabilities	5 484	5 484	5 484	-	-	-
Vacation reserve	47 767	47 767	47 767	-	-	-
Guarantees awarded by the Company (off-balance-sheet liability)	-	-	-	-	-	-
Balance as at 31 December 2015	**80 240**	**80 240**	**80 240**	**-**	**-**	**-**

Trade payables	5 766	5 766	5 766	-	-	-
Other current liabilities	8 468	8 468	8 468	-	-	-
Vacation reserve	33 016	33 016	33 016	-	-	-
Guarantees awarded by the Company (off-balance-sheet liability)	-	-	-	-	-	-
Balance as at 31 December 2014	**47 250**	**47 250**	**47 250**	**-**	**-**	**-**

Market risk

Market risk is a risk that changes in the market prices such as foreign exchange rates or interest rates will affect the performance of the Company or the value of the financial instruments held thereby. The purpose of the market risk management is to manage the open risk exposures with a view to maximizing the return.

Foreign exchange risk:

The principal foreign exchange risk that the Company faces arises from the fact that the Company executes transactions in foreign currency. The risk management policy of the Company provides for a requirement to reconcile the cash flows from highly probable future transactions in each foreign currency. The Company does not use any financial instruments facilitating the management of foreign currency risk.

Major part of the Company's revenues is generated and part of the expenditure is incurred in Norwegian krone (NOK). The Table below shows the concentration of the Company's assets and liabilities by currencies.

Items	30-06-2015			31-12-2015		
	NOK	EUR	Total	NOK	EUR	Total
Cash in bank and at hand	178 998	154 272	333 270	235 678	9 350	245 028
Amounts receivable	57 818	35	57 853	41 478	2	41 480
Total financial assets	**236 816**	**154 307**	**391 123**	**277 156**	**9 352**	**286 508**
Amounts payable and liabilities	20 133	60 107	80 240	3 807	43 443	47 250
Total financial liabilities	**20 133**	**60 107**	**80 240**	**3 807**	**43 443**	**47 250**

Interest rate risk:

As at 30 June 2016 and 31 December 2015, the Company did not have any financial assets or financial liabilities sensitive to changes in interest rates. Moreover, the Company did not have any derivative financial instruments the purpose whereof would be to manage the interest rate fluctuation risk.

Capital adequacy:

The Company has assumed an obligation to maintain the equity not less than 50% of the share capital as required by the Law on Companies of the Republic of Lithuania. The Company is obliged to comply with the operational risk prudential requirements – the capital adequacy ratio. The Company's objectives are to:

- ensure the Company's ability to comply with the capital adequacy requirement;
- ensure the ability to maintain the optimal capital level with a view to ensuring the investment portfolio growth and better protection against risks.

The process for the assessment of the Company's capital management is based on the capital adequacy requirements prescribed in the *Rules on the capital adequacy requirements of financial brokerage firms and management companies* which came into effect on 12 July 2012.

As at 30 June 2016, the Company's capital adequacy ratio was 2.58.

According to the requirements set forth by the Bank of Lithuania, the capital adequacy ratio shall be not less than 1. As at 30 June 2016 and 31 December 2015, the Company was fully complying with the capital adequacy requirements set forth by the supervisory authority.

Note 12 Classification and fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair values shall be established on the basis of quoted prices, discounted cash flow model or other appropriate models.

In the opinion of the management the residual values of trade and other receivables and trade and other payables are close to their fair values.

The table below presents the summary of the fair values and the residual values of the financial assets and financial liabilities presented in the statement on financial position.

Items	30-06-2015		31-12-2015	
	Fair value	Carrying amount	Fair value	Carrying amount
Amounts receivable	57 853	57 853	41 480	41 480
Cash and cash equivalents	333 270	333 270	245 028	245 028
Total financial assets	**391 123**	**391 123**	**286 508**	**286 508**
Amounts payable and liabilities	80 240	80 240	47 250	47 250
Total financial liabilities	**80 240**	**80 240**	**47 250**	**47 250**

Categories of fair value

The fair value is distributed according to the hierarchy which discloses the materiality of the used initial estimate data: The fair value hierarchy shall have the following levels:

- Level 1: quoted prices at active markets of identical assets or liabilities (unadjusted);
- Level 2: fair value calculated by valuation methods; all variables having material significance for the recorded fair value, are directly, or indirectly available in the market;
- Level 3: fair value calculated using the valuation methods the variables of which having material effect upon the recorded fair value are not based on the accessible market data.

During the reporting financial year and the previous reporting financial year the Company did not have any financial instruments measured at fair value.

Note 13 Operating lease

Items	30-06-2015	31-12-2015
Within one year	9 012	18 024
After one year but not later than within five years	-	-
After five years	-	-
Total:	**9 012**	**18 024**

The Company is leasing its office according to the premises lease contract. The lease payments are of fixed amount – EUR 1,502/month.

During the half year 30 June 2016, EUR 9 thousand was recognised as operating lease expenses in profit or loss statement (in 2015 – EUR 18 thousand).

Note 14 Contingencies

The Tax Inspectorate may, in the course of 5 consecutive years following the reporting year, inspect the accounting books and records and compute additional taxes or impose fines. The management of the Company is not aware of any circumstances in view of which any potential liability in this respect might arise.

Note 15 The Company's transactions with related parties

The Company's related parties are considered to include its shareholders, employees, Members of the Board, their immediate family members or entities that they directly or indirectly, through one or several intermediaries control or are controlled by, or are managed jointly with the Company, and this relation enables one of the parties exercise control or significant influence upon the other party in making financial or operating decisions.

Financial relations to the manager of the Company

Items	30-06-2015	31-12-2015
Salary (including bonuses)	67 193	73 219
Social insurance and guarantee fund contributions	20 951	29 420
Total:	**88 144**	**102 639**
Average number of managers in the year	**1**	**1**

Financial relations with related parties (including manager of the Company)

Items	30-06-2015	31-12-2015
Salary (including bonuses)	80 514	117 009
Social insurance and guarantee fund contributions	24 935	36 484
Total:	**105 449**	**153 493**
Average number of Board members in the year	**2**	**3**

Note 16 Subsequent events

There were no subsequent events that would have any effect upon the financial statements or would have to be disclosed.

Note 17 Funds managed by the Company

As at 30 June 2016 the Company was managing Umbrella type harmonized investment fund's "Dovre Umbrella Fund" subfunds: "Dovre Inside Nordic", "Dovre Baltic Sea". The Company was also providing the financial instrument portfolio management services. As at 30 June 2016, the total value of the financial instrument portfolio was around EUR 9.81 million and the value of the total assets managed by the Company was EUR 19.4 million.

The Company had 55 private clients as at 30 June 2016.

In 2015, the Company was managing Umbrella type harmonized investment fund's "Dovre Umbrella Fund" subfunds: "Dovre Inside Nordic", "Dovre Baltic Sea" and "Dovre Quant Norway" (the subfund was closed on 18 December 2015 because it has not accumulated the required minimum net asset value). The Company was also providing the financial instrument portfolio management services. As at 31 December 2015, the total value of the financial instrument portfolio was around EUR 7.8 million and the value of the total assets managed by the Company was EUR 17.8 million.

The Company had 41 private clients as at 31 December 2015.

In 2014, the Company was managing investment funds: "Dovre Inside Nordic" and "Dovre Baltic Sea". The Company was also providing the financial instrument portfolio management services. As at 31 December 2014, the total value of the financial instrument portfolio was around EUR 9.6 million. The value of the total assets managed by the Company was EUR 23.4 million.

The Company had 56 private clients as at 31 December 2014.

Off-balance-sheet items	30-06-2015	31-12-2015
Clients' assets managed on trust basis	**19 424 011**	**17 805 973**
Client's funds	3 150 270	1 768 433
Financial instruments acquired at the clients' account	6 656 030	6 105 125
Collective investment undertaking and the pension fund assets managed by the Company	9 617 711	9 932 415
Dovre Inside Nordic	8 275 122	8 638 658
Dovre Baltic Sea	1 342 588	1 293 757
Dovre Quant Norway	-	-

These financial statements were signed and approved on 30 June 2016.

Stig Roar Myrseth
Director

Vidmantas Liepuonius
IMG NUMERI UAB
Director