

DUKASCOPY EUROPE IBS AS

(REGISTRATION NUMBER 40003344762)

**ANNUAL REPORT FOR YEAR ENDED
31 DECEMBER 2016**

Riga, 17 March 2017

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Information on the Company

Name of the Company	Dukascopy Europe IBS AS
Legal status	Joint Stock Company
Number, place and date of registration	40003344762, Riga, Latvia, 30 May 1997
Legal address	Lāčplēša iela 20 A - 1, Riga, Latvia, LV-1011
Shareholders	DUKASCOPY BANK SA (100%)
Board	Aleksis Gulbis – Chairman of the Board Andrejs Bagautdinovs – Board Member Igors Proņins – Board Member
Council	Andrey Duka - Chairman of the Council Veronika Duka - Deputy Chairperson of the Council Vagrams Sajadovs – Member of the Council
Reporting period	1 January 2016 – 31 December 2016
Auditors	SIA KPMG Baltics Vesetas iela 7, Riga Latvia, LV -1013 Licence No 55

Report of the Council and Board

Dukascopy Europe IBS AS (the Company) is a licensed investment broker and a participant of the financial market.

During 2016 the Company continued providing investment services and investment by-services to the existing customers and attracted new customers by offering them an opportunity to make transactions with financial instruments using SWFX Swiss Forex Marketplace, a technological solution of Dukascopy Bank SA (parent company).

Reputation and up-to-date technologies of the parent company represent the key advantages of the Company compared to other market players.

The Company's staff are high class specialists with long-term experience in financial markets and a potential that can be used efficiently to achieve the objectives that the customers set for their investments. As in the previous years, the Company acted in compliance and coordination with all the requirements set by the Financial and Capital Market Commission (FCMC) and legislation.

The financial result of 2016 for the Company is a profit of EUR 75 986, and of 2015 profit of EUR 1 242. Total assets as at 31 December 2016 amount to EUR 826 208 (2015: EUR 735 327). During the reporting period assets of the Company increased by 12%. As a result of the successful operations of the Company cash balances with credit institutions increased.

In 2016, the Company performed active operations in the context of the new business model that was commenced in 2011 and new clients were attracted in 2016. The total number of clients has increased by 27% as at 31 December 2016 in comparison to 31 December 2015.

In 2016, the Company continued improving and providing high quality investment services to the clients and during the reporting year the indices of the Company were positive: the number of new attracted clients and their transactions increased.

In 2016, the Company strengthened significantly its market position by offering unique technological solution of Dukascopy Bank SA – SWFX Swiss Forex Marketplace. Access to SWFX Swiss Forex Marketplace is provided to clients with initial investment exceeding USD 100.

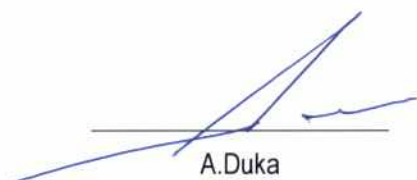
The Company commenced offering mobile phone message services to their clients using the White Label concept informing the clients about the performed and current transactions in the account.

Due to implementing quality improvements of selected products and services, the financial result of the Company in the first month of 2017 was a profit.

The management continues combining reasonable decision-making with a strict approach to risk management.

In 2017, the Company will continue improving the quality of services and introduce new IT solutions. In 2017 it is planned to extend the range of services and investment products to provide our customers with more extensive investment opportunities.

We are truly content and grateful to our customers and partners for their trust in the Company, as well as to our team for their work and contribution in 2016 continuing our cooperation in 2017.



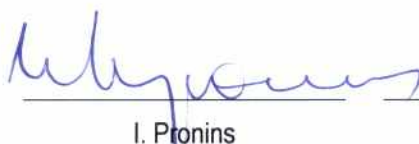
A. Duka

Chairman of the Council



A. Gulbis

Chairman of the Board



I. Pronins

Board Member



A. Bagautdinovs

Board Member

Riga, 17 March 2017

The financial statements were approved by the shareholders' meeting on 20 March 2017.

Statement of management responsibility

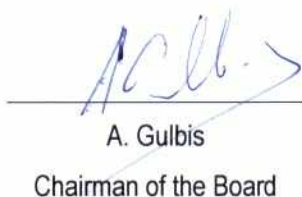
The Board of DUKASCOPY EUROPE IBS (the Company) is responsible for the preparation of the financial statements in accordance with applicable acts of legislation, regulations issued by the FCMC and the International Financial Reporting Standards as adopted by the EU, that give a true and fair view of the Company's financial position at the year end, and the results of its operations and cash flows for the year then ended.

The Board confirms that the accounting methods used in the preparation of the 2016 financial statements have been consistently applied in accordance with the International Financial Reporting Standards as adopted by the EU, and the management has applied reasonable and prudent judgements and estimates. Management confirms that these financial statements have been prepared on a going concern basis, which the Management believes is the appropriate basis for preparation of these financial statements.

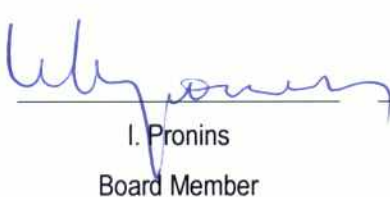
Management is responsible for maintaining proper accounting records, safeguarding the Company's assets and prevention and detection of fraud and other illegal activities.



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A. Gulbis
Chairman of the Board



I. Pronins
Board Member



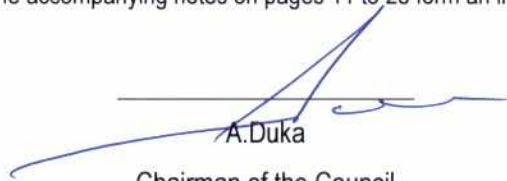
A. Bagautdinovs
Board Member


Riga, 17 March 2017

Financial Statements**Statement of Comprehensive Income**

	Note	2016 EUR	2015 EUR
Commission and fee income	3	1 710 134	1 460 119
Commission and fee expense	4	(248 892)	(187 814)
Net commission income		1 461 242	1 272 305
Loss from trading and revaluation of foreign exchange		(22 470)	(5 489)
Net operating income		1 438 772	1 266 816
Other operating income	5	147 231	97 958
Other operating expense	6	(48 957)	(105 656)
Administrative expenses	7	(1 451 188)	(1 255 036)
Other expenses		(9 228)	(1 767)
Deprecation		(644)	(1 073)
Profit before corporate income tax		75 986	1 242
Corporate income tax	16	-	-
Profit or Loss for the year		75 986	1 242
Other comprehensive income for the reporting period		-	-
Total comprehensive income for the reporting period		75 986	1 242

The accompanying notes on pages 11 to 28 form an integral part of these financial statements.


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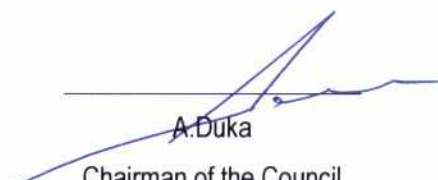

A. Bagautdinovs
Board Member


Riga, 17 March 2017


Statement of Financial Position

	Note	31.12.2016 EUR	31.12.2015 EUR
ASSETS			
Cash and cash equivalents	8	450 901	143 607
Derivative financial instruments	9	558	445
Fixed assets	10	966	1 610
Other assets	11	373 783	589 665
Total assets		826 208	735 327
LIABILITIES AND SHAREHOLDERS' EQUITY			
Taxes and social contributions	12	37 327	46 205
Accounts payable to suppliers and contractors	13	89 084	66 750
Other liabilities	14	86 056	53 335
Provision for vacations		-	31 282
Total liabilities		212 467	197 572
Paid-up share capital	15	1 216 461	1 216 461
Accumulated losses		(678 706)	(679 948)
Profit or Loss for the year		75 986	1 242
Total shareholders' equity		613 741	537 755
Total liabilities and shareholders' equity		826 208	735 327
Financial instruments and cash under management	20	4 748 560	4 773 439

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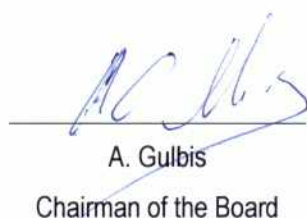
Riga, 17 March 2017

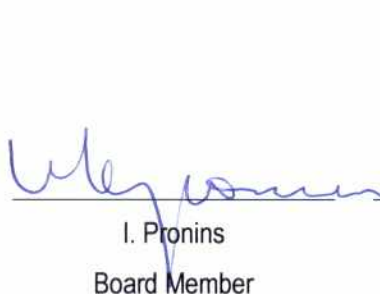
Statement of Cash Flows

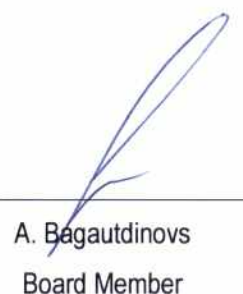
	2016 EUR	2015 EUR
Cash flows from operating activities		
Profit or Loss before corporate income tax	75 986	1 242
Adjustments for:		
Deprecation	644	1 073
Prepaid expenses	214 795	(480 521)
(Increase)/decrease in assets	974	(2 167)
Increase in liabilities	14 895	64 366
Net cash flows from operating activities	307 294	(416 007)
Cash flows used in investing activities		
Fixed assets and intangible assets	-	-
Net cash flows used in investing activities	-	-
Cash flows used in financing activities		
Reduction of share capital	-	(1 060 134)
Net cash flows used in financing activities	-	(1 060 134)
Net increase / (decrease) of cash and cash equivalents	307 294	(1 476 141)
Cash and cash equivalents at the beginning of the year	143 607	1 619 748
Cash and cash equivalents at the end of the year	8 450 901	143 607

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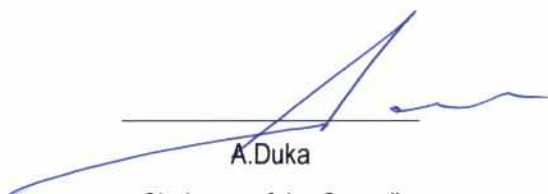

A. Bagautdinovs
Board Member

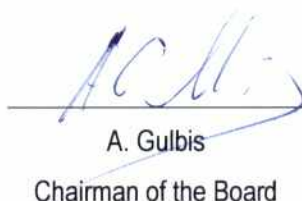
Riga, 17 March 2017

Statement of Changes to the Shareholders' Equity

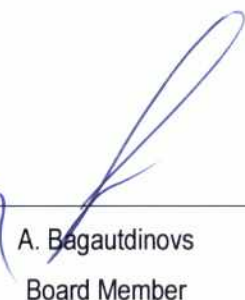
	Share capital	Retained earnings / (accumulated losses) for the previous years	Profit of the reporting year	Total Equity
	EUR	EUR	EUR	EUR
31 December 2014	2 276 595	(915 117)	235 169	1 596 647
Share capital reduction	(1 060 134)	-	-	(1 060 134)
Profit of 2014 transferred to retained earnings of previous years	-	235 169	(235 169)	-
Profit of the reporting year	-	-	1 242	1242
31 December 2015	1 216 461	(679 948)	1 242	537 755
Profit of 2015 transferred to retained earnings of previous years	-	1 242	(1 242)	-
Profit of the reporting year	-	-	75 986	75 986
31 December 2016	1 216 461	(678 706)	75 986	613 741

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Riga, 17 March 2017

Notes to the Financial Statements

1. General information about the Company

DUKASCOPY EUROPE IBS AS (the 'Company') was established on 30 May 1997 as a brokerage service company. License for investment services has been received on 24 November 1997.

The Company's business activity is to provide investment services. The activities of the Company are regulated by the Financial Instruments Market Law and other normative documents of the Republic of Latvia. The Company is supervised by the Financial and Capital Market Commission of the Republic of Latvia (FCMC).

NACE classification

66.99 Other financial service activities, except insurance and pension funding; 66.12 Commodity brokerage services; 66.19 Other activities auxiliary to financial services, except insurance and pension funding.

2. Summary of significant accounting policies

Basis of preparation

These financial statements were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (EU IFRS) and regulations of the Financial and Capital Market Commission in force as at the reporting date.

The Company has consistently applied the accounting policies set out in Note 2 to all periods presented in these financial statements, except as explained below.

The financial statements were authorized for issue by the Board on 17 March 2017. The shareholders have the power to reject the financial statements prepared and issued by management and the right to request that new financial statements be issued.

The chart of accounts corresponds to the requirements laid down by the Financial and Capital Market Commission in the Regulations on the Preparation of Annual Accounts and Annual Consolidated Accounts for Banks, Investment Brokerage Firms and Investment Management Companies.

Certain balances for 2016 were classified differently from the prior year, due to management judgment. The reclassification has no impact on the financial results. The comparative information for 2015 disclosed in the financial statements for 2016 was classified in line with the principles used in 2016 and is comparable. The opening balances before reclassification agree with the prior year closing balances.

Currency of the financial statements

All amounts in these financial statements are expressed in the Company's functional currency, the official currency of the Republic of Latvia – euro (EUR).

Changes in accounting policies

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2016.

The following guidance with effective date of 1 January 2016 did not have any impact on these consolidated financial statements:

- IFRS 11: Accounting for Acquisitions of Interests in Joint Operations
- IAS 1 – Presentation of Financial Statements
- IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets
- IAS 19 – Defined Benefit Plans: Employee Contributions
- IAS 27 – Separate Financial Statements
- Annual Improvements to IFRSs

New Standards and Interpretations, not yet adopted

A number of new standards, amendments to standards and interpretations became effective as of 1 January 2017, and they have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early.

(i) IFRS 9 *Financial Instruments (2014)* (Effective for annual periods beginning on or after 1 January 2018; to be applied retrospectively with some exemptions. The restatement of prior periods is not required, and is permitted only if information is available without the use of hindsight. Early application is permitted)

This Standard replaces IAS 39, *Financial Instruments: Recognition and Measurement*, except that the IAS 39 exception for a fair value hedge of an interest rate exposure of a portfolio of financial assets or financial liabilities continues to apply, and entities have an accounting policy choice between applying the hedge accounting requirements of IFRS 9 or continuing to apply the existing hedge accounting requirements in IAS 39 for all hedge accounting.

Although the permissible measurement bases for financial assets – amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL) – are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different.

A financial asset is measured at amortized cost if the following two conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and,
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

In addition, for a non-trading equity instrument, a company may elect to irrevocably present subsequent changes in fair value (including foreign exchange gains and losses) in OCI. These are not reclassified to profit or loss under any circumstances.

For debt instruments measured at FVOCI, interest revenue, expected credit losses and foreign exchange gains and losses are recognised in profit or loss in the same manner as for amortised cost assets. Other gains and losses are recognised in OCI and are reclassified to profit or loss on derecognition.

The impairment model in IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognised.

IFRS 9 includes a new general hedge accounting model, which aligns hedge accounting more closely with risk management. The types of hedging relationships – fair value, cash flow and foreign operation net investment – remain unchanged, but additional judgment will be required.

The standard contains new requirements to achieve, continue and discontinue hedge accounting and allows additional exposures to be designated as hedged items.

The Company is not yet able to quantify the expected impact that the initial application of IFRS 9 will have on its IFRS statements as the Company recognizes only Derivative financial instruments.

(ii) IFRS 15 *Revenue from contracts with customers* (Effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted)

The new Standard provides a framework that replaces existing revenue recognition guidance in IFRS. Entities will adopt a five-step model to determine when to recognise revenue, and at what amount. The new model specifies that revenue should be recognised when (or as) a Company transfers control of goods or services to a customer at the amount to which the Company expects to be entitled. Depending on whether certain criteria are met, revenue is recognised:

- over time, in a manner that depicts the Company's performance; or
- at a point in time, when control of the goods or services is transferred to the customer.

IFRS 15 also establishes the principles that a Company shall apply to provide qualitative and quantitative disclosures which provide useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

Although it has not yet fully completed its initial assessment of the potential impact of IFRS 15 on the Company's financial statements, management does not expect the new Standard, when initially applied, will have material impact on the Company's financial statements.

The timing and measurement of the Company's revenues are not expected to change under IFRS 15 because of the nature of the Company's operations and the types of revenues it earns.

(iii) IFRS 16 *Leases* – (Effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted if the Company also applies IFRS 15.

IFRS 16 supersedes IAS 17 *Leases* and related interpretations. The Standard eliminates the current dual accounting model for lessees and instead requires companies to bring most leases on-balance sheet under a single model, eliminating the distinction between operating and finance leases.

Under IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For such contracts, the new model requires a lessee to recognise a right-of-use asset and a lease liability. The right-of-use asset is depreciated and the liability accrues interest. This will result in a front-loaded pattern of expense for most leases, even when the lessee pays constant annual rentals.

The new Standard introduces a number of limited scope exceptions for lessees which include:

- leases with a lease term of 12 months or less and containing no purchase options, and
- leases where the underlying asset has a low value ('small-ticket' leases).

It is expected that the new Standard, when initially applied, will have a significant impact on the financial statements, since it will require the Company to recognise in its statement of financial position assets and liabilities relating to some operating leases for which the Company acts as a lessee.

The Company has a contractual arrangement regarding an operational lease of the office premises and the Company makes payments for a lease.

The Company has not yet prepared an analysis of the expected impact.

(iv) Amendments to IFRS 2: *Classification and Measurement of Share-based Payment Transactions* (Effective for annual periods beginning on or after 1 January 2018; to be applied prospectively. Early application is permitted)

The amendments clarify share-based payment accounting on the following areas:

- the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- share-based payment transactions with a net settlement feature for withholding tax obligations; and
- a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity settled.

The Company expects that the amendments, when initially applied, will not have a material impact on the presentation of the financial statements of the Company because the Company does not enter into share-based payment transactions.

(v) Amendments to IFRS 10 and IAS 28 *Sale or contribution of assets between an investor and its associate or joint venture* (The effective date has not yet been determined by the IASB, however earlier adoption is permitted.)

The Amendments clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business, such that:

- a full gain or loss is recognised when a transaction between an investor and its associate or joint venture involves the transfer of an asset or assets which constitute a business (whether it is housed in a subsidiary or not), while
- a partial gain or loss is recognised when a transaction between an investor and its associate or joint venture involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The Company does not expect that the amendments, when initially applied, will have material impact on the financial statements as the Company has no subsidiaries, associates or joint ventures.

(vi) Amendments to IAS 7 (Effective for annual periods beginning on or after 1 January 2017, to be applied prospectively. Early application is permitted)

The amendments require new disclosures that help users to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes (such as the effect of foreign exchange gains or losses, changes arising for obtaining or losing control of subsidiaries, changes in fair value).

The Company expects that the amendments, when initially applied, will not have a material impact on the presentation of the financial statements of the Company.

(vii) Amendments to IAS 12: *Recognition of Deferred Tax Assets for Unrealised Losses* (Effective for annual periods beginning on or after 1 January 2018; to be applied prospectively)

The amendments clarify how and when to account for deferred tax assets in certain situations and clarify how future taxable income should be determined for the purposes of assessing the recognition of deferred tax assets.

The Company expects that the amendments, when initially applied, will not have a material impact on the presentation of the financial statements of the Company because the Company already measures future taxable profit in a manner consistent with the Amendments.

(viii) Amendments to IAS 40 *Transfers of Investment Property* (Effective for annual periods beginning on or after 1 January 2018; to be applied prospectively)

The amendments reinforce the principle for transfers into, or out of, investment property in IAS 40 *Investment Property* to specify that such a transfer should only be made when there has been a change in use of the property. Based on the amendments a transfer is made when and only when there is an actual change in use – i.e. an asset meets or ceases to meet the definition of investment property and there is evidence of the change in use. A change in management intention alone does not support a transfer.

The Company does not expect that the amendments will have a material impact on the financial statements because the Company does not have investment property.

(ix) IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (Effective for annual periods beginning on or after 1 January 2018).

The Interpretation clarifies how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency. In such circumstances, the date of the transaction is the date on which an Company initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The Company does not expect that the Interpretation, when initially applied, will have material impact on the financial statements as the Company uses the exchange rate on the transaction date for the initial recognition of the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

Annual improvements to IFRSs 2014-2016 cycle were issued on 8 December 2016 and introduce two amendments to two standards and consequential amendments to other standards and interpretations that result in accounting changes for presentation, recognition or measurement purposes. The amendments on IFRS 12 *Disclosure of Interest in Other Entities* are effective for annual periods beginning on or after 1 January 2017 and amendments on IAS 28 *Investments in Associates and Joint Ventures* are effective for annual periods beginning on or after 1 January 2018; to be applied retrospectively. Earlier application is permitted.

None of these amendments are expected to have a significant impact on the consolidated financial statements of the Company.

The Company plans to implement these standards as the effective date.

Revenue recognition

Revenue is formed primarily of commission fee for investment management services. Commissions and fees are charged to the profit and loss at the moment when foreign exchange trade is completed as a percentage on trade volume.

Bonuses to clients

The Company is providing several bonuses to its clients provided that the clients apply for the bonus and meet the conditions for earning the bonus, e.g. trade volume. Some of these bonuses are prepaid upon application, but fully released to the client accounts only upon vesting conditions are met.

Impairment

At each balance sheet date, the Company assesses whether there is objective evidence that a financial asset or group of financial assets are impaired. A financial asset or group of financial assets are impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition and that event has an impact on the estimated future cash flows that can be reliably estimated.

The carrying amount of the asset is reduced through the use of an allowance and the increase/decrease in the amount of the impairment loss is recognised in the profit and loss.

Revaluation of foreign currencies

All monetary asset and liability items were revalued to euros according to the reference exchange rate published by the European Central Bank on the reporting date. Foreign currency transactions are translated into euro applying the euro foreign exchange reference rate published by the European Central Bank at the transaction date. Gain or loss arising from foreign currency exchange is charged to the statement of comprehensive income as gain/loss from exchange rate fluctuations.

Non-monetary items of assets and liabilities, and foreign exchange transactions are revalued to euros in accordance with the euro foreign exchange reference rate published by the European Central Bank on the transaction date.

Foreign exchange rates at the end of the reporting period are as follows:

	2016	2015
	1 EUR	1 EUR
USD	1.05410	1.08870
CAD	1.41880	1.51160
CHF	1.03790	1.08350
AUD	1.45960	1.48970
GBP	0.85618	0.73395
JPY	123.40000	131.07000
PLN	4.41030	4.26390
RUB	64.3000	80.6736
SGD	1.52340	1.54170

Taxes

Current tax is calculated in accordance with the law "On Corporate Income Tax" of the Republic of Latvia by setting the amount of taxable income and applying a tax rate of 15%.

Deferred tax is provided on all temporary differences between the carrying amounts of assets and liabilities for financial reporting using the balance sheet method and the amounts used for taxation purposes. These differences have primarily occurred due to recognized provisions and tax losses available to be carried forward according to the income tax declaration. Deferred tax is calculated based on the statutory rate of 15% (2015: 15%).

The calculation of deferred tax has resulted in a deferred tax asset in the amount of EUR 13 821 (2015: EUR 25 230) that is not recognized in the balance sheet as the recovery is not probable.

Fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment. If the recoverable amount of an asset is lower than its book value, due to non-short-term circumstances, the book value of the respective asset is written down to its recoverable amount.

Depreciation of fixed assets is calculated on a straight line basis using the declining balance method over the useful life of the asset.
Depreciation rates:

Type of fixed assets	Depreciation method	Depreciation rate
Computer software	declining balance method	20%
Computing machinery and equipment, including printers, Information systems and data storage systems, communication tools, copiers and related equipment	declining balance method	35%
Furniture	straight line	25%
Other fixed assets	straight line	25%

FA maintenance and repair expenses are recorded in profit and loss statement.

Cash and cash equivalents

Cash represents cash on current accounts with the bank and current accounts with counterparties.

Use of estimates

The preparation of financial statements in conformity with EU IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, the actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

As at the year end, a provision for unused vacations has been reclassified to accrued liabilities.

Estimates were not used in relation to unpaid client bonuses.

Short-term employee benefits

Short-term employee benefits, including salaries, social contributions, bonuses and annual vacations, are recognized under net operating expenses on an accrual basis. As required by law, the Company makes certain contributions to the state social insurance fund for each employee over the entire duration of the employment. The Company has no obligations to make further contributions on behalf of retired employees.

The staff's entitlement to current vacation is recognized when the employee has accumulated the respective number of vacation days. Accruals for unused vacations are estimated based on the number of vacation days unused by the reporting date.

Financial instruments and cash under management

Cash and financial instruments that the Company holds on behalf of its clients, are held in accounts with financial institutions separately from the Company's own cash and financial instruments. Cash and financial instruments that the Company holds on behalf of its clients, are held separately from the Company's own cash and are recognized in the Company's off-balance-sheet items as property owned by third parties and managed or held by the Company.

Fair value of financial assets and liabilities

Fair value represents the amount at which an asset could be exchanged or a liability settled on an arm's length basis or based on discounted future cash flow method. Company's financial assets consist mainly from deposits with credit institutions and financial liabilities include short-term liabilities. Both financial assets and financial liabilities are carried at book value which is close the fair value. Company maintains cash on behalf of its clients that is invested in securities measured at fair value based on market prices.

Risk management, analysis and capital adequacy

The Company has established an internal control system for identification and management of key risks. The Company has approved a risk management policy that forms the basis for risk management and mitigation. The objective of the risk management policy is to ensure effective risk management, identify and analyse risks inherent to the Company's operations, set limits, develop and introduce control procedures and apply consistent control of risks and compliance with set restrictions. The risk management system is subject to constant improvement in line with the Company's operational development.

Credit risk

Credit risk is the risk of loss in case counterparty fails and refuses to fulfil its liabilities towards the Company within the period or to the extent specified in the agreement.

The Company is exposed to credit risk connected demand deposits with financial institutions and receivables.

Effective management of credit risk at the Company is achieved by setting limits for balances held with a single credit institution and introducing an independent procedure for compliance with the limits.

Currency risk

Currency risk represents potential losses from the revaluation of the assets and liabilities denominated in foreign currencies due to movements in foreign exchange rates.

Financial assets and liabilities of the Company that are exposed to currency risk include demand deposits with financial institutions and accounts payable to suppliers. The Company aims at holding financial assets and liabilities in EUR.

Effective management of currency risk at the Company is based on setting restrictions for each currency and introducing an independent procedure for compliance with the limits.

Interest rate risk

Interest rate risk is the risk that the Company incurs losses due to fluctuations in interest rates. The Company is not exposed to significant interest rate risk.

Liquidity risk

Liquidity risk is a risk that the Company will not be able to meet its financial liabilities that require free cash funds or transfer of financial assets in due time. Liquidity risk exists when the maturities of assets and liabilities do not match. As at 31 December 2015 and 2016 the Company's cash and cash equivalents exceed the amount of liabilities.

Operational risk

Operational risk is the risk of loss due to non-compliant or incomplete internal processes, human activities and system operation or the impact of external circumstances.

Management of operational risk at the Company is based on the Operational Risk Policy that prescribes the establishment of an operational risk management system and the basic principles for operation of the system.

The Company restricts the types of operational risk arising as a result of internal processes and staff activities by the following means:

- Separation of functions;
- Documented assignment of functions;
- Separation of duties in the business decision-making.

A data base has been created that registers and analyses operational risk events, the extent of their impact, their cause and other relevant information that forms the basis for decision-making regarding whether the Company accepts such a risk or takes the required measures to limit the risk.

Compliance and reputation risks

Compliance and reputation risk is the risk that the Company's revenue may decrease, additional expenses may be incurred, equity may decrease and the Company's further activities may be endangered in case the Company fails to comply or breaches laws and other acts of legislation regulating its activities, codes of professional conduct and ethics and other best practice standards connected with the

Company's operations, and the risk that the Company's customers, counterparties, shareholders and supervision bodies may form an adverse opinion regarding the Company.

Compliance and reputation risk includes also the risk that the Company is not fully compliant with the regulations of anti-money laundering (AML) acts, including the risk that the Company may be involved in money laundering.

The consequences of compliance and reputational risk may include adverse reputation, limited operational and/or development opportunities, losses etc. Adverse reputation has an impact on the Company's ability to establish new and maintain the existing business relationships (with customers and counterparties). Adverse reputation may be the cause for the Company to lose customers' trust that may threaten its solvency.

Management of AML risks is described by and implemented in accordance with the Company's AML policy and related procedures.

To manage reputation risk the Company maintains a Customer Complaint Register that combines information from all complaint lists and is used to analyze these complaints on a consistent basis.

Capital adequacy

In determining the amount of capital required to cover risks the Company assesses all risks inherent to its operations, including risks that are subject to regulations on the minimum capital requirements set by the FCMC. Capital adequacy of the Company is calculated in accordance with the Regulation (EU) No. 575/2013 of the European Parliament and the Council of the 26 June 2013 on prudential requirements for credit institutions and investment broker companies amending the Regulation (EU) No. 648/2012.

The minimum capital requirement for credit risk is determined based on the standard approach and is calculated as 8% of total risk-weighted value. Foreign currency risk capital requirement is calculated as 8% of the total net foreign currency position.

As at 31 December 2016, capital minimum requirement versus risk weighted assets and other relevant items was 14.41% (2015: 24.37%).

3. Commission and fee income

	2016 EUR	2015 EUR
Commission income from transactions with financial instruments	1 710 134	1 460 119
	1 710 134	1 460 119

4. Commission and fee expense

	2016 EUR	2015 EUR
Commission fee for client acquisition (<i>Business Introducers</i>)	171 614	161 132
Commission fee for financial services (<i>Business Introducers</i>)	77 170	26 621
Commission fee for SMS services	108	61
	248 892	187 814

5. Other operating income

	2016 EUR	2015 EUR
Commission income for using the trade platform (for more details see Note 19)	84 710	97 254
Reversal of provision for bonus payouts	62 067	-
Other income	454	704
	147 231	97 958

6. Other operating expense

	2016 EUR	2015 EUR
Bonuses expense	48 957	43 589
Change in provisions for bonus payout	-	62 067
	48 957	105 656

7. Administrative expenses

	2016 EUR	2015 EUR
Remuneration for work	870 790	743 070
Social contributions	205 410	171 901
Rental and buildings expenditure	160 686	148 188
Marketing expenses	82 627	53 267
Non-deductible VAT	48 714	49 077
Employee health insurance costs	31 278	18 514
Audit and other professional services	20 024	17 667
FCMC and other EU supervisory authority fees	17 730	13 502
Communications and IT services	11 800	17 805
Office expenses	845	10 002
Legal and translation services	-	11 116
Other	1 284	927
	1 451 188	1 255 036

8. Cash and cash equivalents

		31.12.2016		31.12.2015	
	Currency	EUR		Currency	EUR
Cash with AS Rietumu Banka (Latvia)	EUR	-	265	-	9 057
Cash with AS Rietumu Banka (Latvia)	GBP	-	-	88	119
Cash with AS Rietumu Banka (Latvia) (credit card)	EUR	-	-	-	729
TOTAL cash with AS Rietumu Banka:			265		9 905
Cash with Nordea Bank AB (Latvia)	EUR	-	823	-	-
Cash with Nordea Bank AB (Latvia) (credit card)	EUR	-	15	-	-
TOTAL cash with Nordea Bank AB:			838		-
Cash with AS SEB Pank (Estonia)	EUR	-	223	-	18
TOTAL cash with AS SEB Pank:			223		18
Cash with Dukascopy Bank SA (Switzerland)	EUR	-	395 135	-	76 010
Cash with Dukascopy Bank SA (Switzerland)	GBP	50	58	-	-
Cash with Dukascopy Bank SA (Switzerland)	USD	6	6	1 476	1 356
Cash with Dukascopy Bank SA (Switzerland)	SGD	29	19	-	-
Cash with Dukascopy Bank SA (Switzerland)	PLN	3 181	721	17 291	4 055
Cash (FX) with Dukascopy Bank SA (Switzerland)	EUR	-	53 636	-	52 263
TOTAL cash with Dukascopy Bank SA:			449 575		133 684
TOTAL:			450 901		143 607

The carrying amount of demand deposits with financial institutions approximates their fair value.

9. Derivative financial instruments

		31.12.2016		31.12.2015	
		EUR		EUR	
	Carrying amount	Notional amount		Carrying amount	Notional amount
Foreign currency swap contracts	558	220 000		445	379 185
TOTAL:	558	-		445	-

10. Fixed assets

	Computers, printers, copiers and related equipment
Initial value	EUR
Initial value 01.01.2016	3 305
Initial value 31.12.2016	3 305
Accumulated depreciation 01.01.2016	1 695
Depreciation	644
Accumulated depreciation 31.12.2016	2 339
Residual value 31.12.2016	966
Residual value 31.12.2015	1 610

11. Other assets

	31.12.2016 EUR	31.12.2015 EUR
Prepaid bonuses		
Actual prepaid bonuses	358 624	616 991
Provisions for bonus payout	-	(62 067)
TOTAL prepaid bonuses:	358 624	554 924
Prepayments for services		
Advances for advertising services	-	18 255
Advance payments for insurance	13 127	13 367
TOTAL prepayments for services:	13 127	31 622
Other assets	2 032	3 119
	373 783	589 665

Prepaid bonuses are provided to customers based on applications. The bonus is paid after reaching a specific volume of trades and expenses are recognized in the income statement. If the sales volume is not achieved during the year, the funds are returned to the Company.

	EUR
Prepaid for bonus payout as at 31 December 2014	-
Prepayment of client bonuses	1 605 052
Bonuses cancelation	(1 036 413)
Bonuses expense	(43 589)
Provisions for bonus payout	(62 067)
Prepaid for bonus payout as at 31 December 2015	554 924
Prepayment of client bonuses	1 037 678
Bonuses cancelation	(1 247 088)
Bonuses expense	(48 957)
Provisions for bonus payout	62 067
Prepaid for bonus payout as at 31 December 2016	358 624

12. Taxes and social contributions

	Value added tax	Compulsory state social security contributions	Resident income tax	Business risk state duty	Corporate income tax on non- residents	Total
Liabilities as at 31 December 2014	4 427	16 919	10 142	26	-	31 514
Calculated for 2015	11 598	249 889	142 357	415	4 022	408 281
Paid in 2015	(9 737)	(241 412)	(138 015)	(404)	(4 022)	(393 590)
Liabilities as at 31 December 2015	6 288	25 396	14 484	37	-	46 205
Calculated for 2016	7 450	295 161	166 708	507	404	470 230
Paid in 2016	(13 728)	(296 676)	(167 799)	(501)	(404)	(479 108)
Liabilities as at 31 December 2016	10	23 881	13 393	43	-	37 327

13. Accounts payable to suppliers and contractors (accrued expenses)

	31.12.2016	31.12.2015
	EUR	EUR
Commission fees payable to Business Introducers	74 588	51 745
Audit services	8 242	9 188
Buildings expenditure	5 893	5 292
IT services	258	258
Telecommunications services	-	215
Other	103	52
	89 084	66 750

14. Other liabilities

	31.12.2016 EUR	31.12.2015 EUR
Salaries due to employees	44 210	49 597
Commitments for annual leave (reclassified from "Provisions for vacations")	37 366	-
FCMC financing	4 475	3 695
Latvian Central Depositary	-	43
Other	5	-
	<u>86 056</u>	<u>53 335</u>

15. Paid-up share capital

As at 31 December 2016, the registered and fully paid share capital consists of 868 901 (2015: 868 901) ordinary shares with voting rights and nominal value of EUR 1.40, total EUR 1 216 461 (2015: EUR 1 216 461). The sole shareholder of the Company is DUKASCOPY BANK SA.

DUKASCOPY BANK SA is a Joint Stock Company registered on 2 November 2004. Registration No CH-660-1823004-9, legal address: Route de Pre Bois 20, Meyrin, Switzerland. The two main shareholders of DUKASCOPY BANK SA are Andrey Duka and Veronika Duka, who both own 49.5% of the shares each. The remaining 1% is held by the members of the Board of Directors.

16. Corporate income tax

Effective versus theoretical corporate income tax:

	2016 EUR	2015 EUR
Profit or Loss before tax	75 986	1 242
Theoretical corporate income tax charge/ (benefit), 15%	11 398	186
Non-deductible expenses	11	287
Changes in unrecognized deferred tax asset in the reporting period	(11 409)	(473)

Actual corporate income tax for the reporting year: - -

Deferred tax assets

	31.12.2016 EUR		31.12.2015 EUR	
	assets	liabilities	assets	liabilities
Other liabilities	-	-	14 002	-
Tax losses carried forward	13 953	-	11 425	-
Fixed assets	-	132	-	197
(Unrecognized deferred tax asset)	(13 821)	-	(25 230)	-
Net deferred tax assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

As at 31 December 2016, accumulated tax losses carried forward amounts EUR 93 018 (2015: EUR 138 231). Deferred tax asset is not recognized as the Company cannot reliably estimate future taxable income against which the tax losses carried forward can be utilised.

17. Average number of employees

	2016	2015
The average number of staff in the reporting year:	117	95

18. Staff expenses

	2016 EUR	2015 EUR
Remuneration for work	870 790	743 070
Social contributions	205 410	171 901
TOTAL:	1 076 200	914 971

Out of which remuneration to the Board members:

	2016 EUR	2015 EUR
Remuneration for work	55 467	55 963
Social contributions	13 085	13 201
TOTAL:	68 552	69 164

19. Related party transactions

Items of the statement of financial position (Dukascopy Bank SA)	31.12.2016 EUR	31.12.2015 EUR
Due from credit institutions (Dukascopy Bank SA, see note 8)	449 575	133 684
TOTAL:	449 575	133 684

According to the Outsourcing and White Label Agreement, Dukascopy Europe IBS AS has paid its parent company, Dukascopy Bank SA, a fee for received SMS services in the amount of EUR 108 (2015: EUR 61).

In accordance with additional amendment to "Outsourcing and White Label Agreement" concluded on 27 April 2016, parent company Dukascopy Bank SA has made commission fee payments for *White Label* services to its subsidiary Dukascopy Europe IBS AS as it's *White Label* partner in the amount of EUR 85 164 (2015: EUR 97 254), for FOREX Trading services in the amount of EUR 1 379 (2015: EUR 7 724). Dukascopy Bank SA provides such services to all of its *White Label* partners, following the same exact principles of services offered.

Related party transactions were conducted on an arm's length basis.

20. Financial instruments and cash under management

	2016 EUR	2015 EUR
Clients' funds		
Cash	4 694 140	4 720 044
Other financial instruments	54 420	53 395
TOTAL:	4 748 560	4 773 439

21. Capital adequacy

The Company's policy requires management to ensure a strong capital base in order to maintain investor, creditor and market confidence and ensure continuous business development. However, management understands the impact of the capital level on shareholders returns and recognizes the need to maintain a balance between higher returns and advantages from solid capitalization. The capital adequacy requirements are determined and monitored by the Financial and Capital Market Commission. The Company has defined capital in line with the definitions in statutory regulations.

According to capital requirements set by the Financial and Capital Market Commission for investment brokerage companies a ratio of capital to risk weighted assets ("statutory capital ratio") must exceed a predetermined minimum rate. As at 31 December 2016 and 31 December 2015 the minimum rate was 8% and the Company was compliant with the minimum capital requirements.

The table below reflects the Company's capital position as at 31 December 2016 and 31 December 2015 in accordance with the Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms amending the Regulation No. 648/2012.

	2016 EUR	2015 EUR
Tier 1 capital		
Paid-up share capital	1 216 461	1 216 461
Accumulated loss of previous years	(678 706)	(679 948)
Current year profit (loss)	75 986	1 242
Total Tier 1	613 741	537 755
Minimum capital requirement	340 803	176 523
Capital adequacy ratio (%)	14.41	24.37

In the calculation of the minimum capital requirement for credit risk, the risk weighted values of exposures are calculated by the Company using the standard approach.

22. Currency analysis

Financial assets and liabilities analysis as at 31.12.2016 by currencies, EUR:

	Total	EUR	USD	CAD	AUD	CHF	GBP	PLN	Other
Cash and cash equivalents	450 901	450 097	6	-	-	-	58	721	19
Prepaid bonuses	358 624	113 093	138 996	12 772	3 857	2 071	45 203	34 694	7 938
Total financial assets 31.12.2016	809 525	563 190	139 002	12 772	3 857	2 071	45 261	35 415	7 957
Accounts payable to suppliers and contractors	89 084	30 058	55 626	140	882	843	1 453	55	27
Total financial liabilities 31.12.2016	89 084	30 058	55 626	140	882	843	1 453	55	27
Net position in the statement of financial position	720 441	533 132	83 376	12 632	2 975	1 228	43 808	35 360	7 930
Foreign currency swap contracts	558	220 000	(109 770)	(9 964)	-	-	(54 744)	(39 961)	(5 003)
Net position	720 999	753 132	(26 394)	2 668	2 975	1 228	(10 936)	(4 601)	2 927

Financial assets and liabilities analysis as at 31.12.2015 by currencies, EUR:

	Total	EUR	USD	CAD	AUD	CHF	GBP	PLN	Other
Cash and cash equivalents	143 607	138 077	1 356	-	-	-	119	4 055	-
Prepaid bonuses	554 924	170 874	216 150	12 940	29 557	11 221	42 446	62 483	9 253
Total financial assets 31.12.2015	698 531	308 951	217 506	12 940	29 557	11 221	42 565	66 538	9 253
Accounts payable to suppliers and contractors	66 750	30 100	33 843	2	678	1 177	354	37	559
Total financial liabilities 31.12.2015	66 750	30 100	33 843	2	678	1 177	354	37	559
Net position in the statement of financial position	581 565	228 543	183 755	12 938	28 879	10 044	42 211	66 501	8 694
Foreign currency swap contracts	445	370 000	(190 295)	(14 903)	(30 000)	(10 043)	(45 204)	(69 992)	(9 118)
Net position	632 226	648 851	(6 632)	(1 965)	(1 121)	1	(2 993)	(3 491)	(424)

23. Sensitivity analysis

A reasonably possible strengthening (weakening) of the euro against the following currencies at 31 December 2016 and 31 December 2015 would have affected profit or loss and equity (the only effect on equity is from profit or loss) by the amounts shown below. This analysis assumes that all other variables, remain constant.

	2016		2015	
	Strengthening	Weakening	Strengthening	Weakening
USD (10% change)	2 639	(2 639)	663	(663)
CAD (10% change)	267	(267)	197	(197)
AUD (10% change)	298	(298)	112	(112)
CHF (10% change)	123	(123)	-	-
GBP (10% change)	1 094	(1 094)	299	(299)
PLN (10% change)	460	(460)	349	(349)
Other (10% change)	293	(293)	42	(42)
	5 174	(5 174)	1 662	(1 662)

24. Maturity analysis

The table represents Company's asset and liability repricing analysis that was carried out based on remaining maturity from the reporting date to contractual maturity date. Undiscounted cash flows of financial liabilities correspond with the dates and amounts represented in the maturity analysis.

31 December 2016, EUR:

	Total	On demand	Within 3 months
Cash and cash equivalents	450 901	450 901	-
Prepaid bonuses	358 624	358 624	-
Total financial assets 31.12.2016	809 525	809 525	-
Accounts payable to suppliers and contractors	89 084	-	89 084
Total financial liabilities 31.12.2016	89 084	-	89 084
Net position	720 441	809 525	(89 084)

31 December 2015, EUR:

	Total	On demand	Within 3 months
Cash and cash equivalents	143 607	143 607	-
Prepaid bonuses	554 924	554 924	-
Total financial assets 31.12.2015	698 531	698 531	-
Accounts payable to suppliers and contractors	66 750	-	66 750
Total financial liabilities 31.12.2015	66 750	-	66 750
Net position	631 781	698 531	(66 750)

25. Subsequent events

No significant subsequent events have occurred in the period from the year-end to the date of these financial statements that would require adjustments to be made to these financial statements or disclosures added to the notes thereto.



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Independent Auditors' Report

To the shareholder of DUKASCOPY EUROPE IBS AS

Our Opinion on the Financial Statements

We have audited the accompanying financial statements of DUKASCOPY EUROPE IBS AS ("the Company") set out on pages 7 to 28 of the accompanying Annual Report, which comprise:

- the statement of financial position as at 31 December 2016,
- the statement of comprehensive income for the year then ended,
- the statement of changes to the shareholder's equity for the year then ended,
- the statement of cash flows for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of DUKASCOPY EUROPE IBS AS as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

In accordance with the 'Law on Audit Services' of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibility for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and independence requirements included in the 'Law on Audit Services' of the Republic of Latvia that are relevant to our audit of the financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code and the 'Law on Audit Services' of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Reporting on Other Information

The Company's management is responsible for the other information. The other information comprises:

- the Council and Board Report, as set out on pages 4-5 of the accompanying Annual Report,
- the Statement on Management Responsibility, as set out on page 6 of the accompanying Annual Report,

Our opinion on the financial statements does not cover the other information included in the Annual Report, and we do not express any form of assurance conclusion thereon, except as



described in the *Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia* section of our report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia

In addition, in accordance with the 'Law on Audit Services' of the Republic of Latvia with respect to the Council and Board Report, our responsibility is to consider whether the Council and Board Report is prepared in accordance with the requirements of The Financial and Capital Market Commission of the Republic of Latvia provision Nr. 46.

Based solely on the work required to be undertaken in the course of our audit, in our opinion:

- the information given in the Council and Board Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Council and Board Report has been prepared in accordance with the requirements of the The Financial and Capital Market Commission of the Republic of Latvia provision Nr. 46.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be



expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Baltics SIA
Licence No. 55

Ondrej Fikrle

Valda Užāne

Ondrej Fikrle
Partner pp KPMG Baltics SIA
Riga, Latvia
17 March 2017

Valda Užāne
Latvian Certified Auditor
Certificate No. 4