

UAB FMJ ORION SECURITIES

ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER
2016,
PREPARED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING
STANDARDS
AS ADOPTED BY THE EUROPEAN UNION
PRESENTED TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT



EY

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of UAB FMJ Orion securities

Opinion

We have audited the financial statements of UAB FMJ Orion securities (the Company), which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities 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) together with the requirements of the Law on Audit of the Republic of Lithuania that are relevant to the audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information included in the Company's Annual Report

Other information consists of the information included in the Company's 2016 Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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, 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards 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.

Auditor's Responsibilities 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 auditor's 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 skepticism 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 auditor's 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 auditor's 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 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.

UAB ERNST & YOUNG BALTIC
Audit company's licence No. 001335



Asta Štreimikienė
Auditor's licence
No. 000382

21 March 2017

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THE HEAD'S WORD

The current investment environment is characterised as hard to define and forecast. For the financial markets, it means significant fluctuations that determine return on investments. Although on the one hand, instability increases risks, it also opens new opportunities, whereas low yields prevailing on the markets make the investors revise their strategies in order to achieve maximum return. Therefore, the steps the investors take must be more careful and measured than ever before.

Last year can be defined as great testing times for the investors. At the beginning of the year, most concern was caused by the vitality of Chinese economy, but with time, this problem disappeared from the investors' radar. The attempts of central banks to stimulate economic growth continued to influence the financial markets distorting the prices of different classes of assets. In the meantime, politics presented considerable surprises as well, and the consequences will linger for several years to come.

In June, the unexpected decision of Great Britain to withdraw from the European union rocked the markets. These news triggered strong negative reaction – the markets spiralled down. It made the investors channel their capital to safer asset classes like gold or bonds of developed countries. Nevertheless, soon the markets recovered, and the stock market of Great Britain turned out to be among the most successful in the world in 2016 – FTSE 100 index generated 14.4% return in 2016.

In November, yet another news shook the investors all over the world – Donald Trump got elected as president of the US. Nevertheless, optimistic mood prevails on the market. The elected president is in favour of a proactive fiscal policy where USD 1 trillion will be allocated to the development of the US infrastructure. Moreover, tax burden borne by the American enterprises will be reduced. All of this should have a positive impact on the development of the American economy. However, this optimism may be misleading – stimulation of domestic economy may increase the American budget deficit, whereas the messages from the Federal Reserve about raising the interest rate as many as three times during 2017 can also influence the stock prices.

It is important to note that in November 2016, for the first time over eight years, OPEC decided to reduce oil extraction. As a result, Brent and WTI oil prices jumped up. The price increase was also triggered by the decision of the non-OPEC countries to contribute to the reduction of oil extraction. However, having reached the lowest level of the last 13 years at the beginning of 2016, the oil prices affected Venezuela and Brazil pushing them into an even deeper economic recession.

Thus, 2016 was a year full of surprises and unexpected decisions. This year, one of the major world market drivers will undoubtedly be Donald Trump's administration. Historically, the US financial markets were hardly interested in the political party represented by the president; however, the situation changed as the republican Donald Trump entered the White House in 2017. Political risk in the US has increased due to uncertainty in the areas of international trade and foreign policy. However, the investors feel positive about the economic indicators announced at the end of 2016, which confirm the stable growth of the US economy. The optimistic climate is further stimulated by the US Congress, which is expected to support the fiscal developments and corporate tax reduction promoted by Donald Trump. The representatives of the Federal Reserve will focus on the fiscal changes that will have a direct effect on the US monetary policy. Meanwhile, Europe's focus will be on the political changes – in 2017 the Netherlands, France and Germany will have general elections. The results of the elections may determine the fate not only those countries, but also that of Europe Union as a whole.

It is forecasted that in 2017 the European economy should have a stable growth of 1.6%. Improved labour market tendencies and stimulating monetary policy should help the development of the European domestic markets, whereas the pick-up in the global economy should contribute to the growth of the external sectors. In this situation, the investors should allocate more time to the choice of proper investments and establishment of risk levels acceptable to them.

Sincerely,
Director Alius Jakubėlis

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MAJOR EVENTS IN 2016

1. Orion decided to establish branches in Oslo and London. The applications were submitted to the Supervision Service of the Bank of Lithuania.
2. Orion share sale. Orion Managing Partners, B.V. holds 80% and UAB Suprema LT controlled by Mr. Jakubėlis holds 20% of the shares of Orion Securities.

ABOUT THE COMPANY

JSC FMĮ Orion Securities is the largest non-banking financial group in Lithuania, engaged in securities brokerage as well as corporate finance, private banking, and finance management services for private and legal persons. We have been operating in the Lithuanian market since 1993 (as financial brokerage UAB FMĮ Baltijos Vertybiniai Popieriai). Orion Securities is a member of Vilnius, Riga, Tallinn and Warsaw stock exchanges. Orion Securities is a licensed brokerage firm, who is supervised by the Central Bank of the Republic of Lithuania.

The company was established on 12 August 1993 in Vilnius and named Baltijos Vertybiniai Popieriai. On 3 November 1997, the company was re-incorporated in the Ministry of Economy of the Republic of Lithuania under the legal entity code 122033915.

On 12 January 2007 the joint stock financial brokerage company Baltijos Vertybiniai Popieriai incorporated a new company named UAB FMĮ Orion Securities (hereinafter, the Company) and registered its new legal address at A. Tumeno str. 4, Vilnius, with the Register of Legal Entities Vilnius branch.

JSC FMĮ Orion Securities is a joint stock company, holding financial brokerage house A category license No. A106 issued by the Securities Commission of the Republic of Lithuania, entitling the Company to engage in the following activities:

- accept and transfer orders;
- execute orders at the expense of clients;
- execute orders at its own expense;
- manage portfolios of financial instruments (FI);
- provide recommendations on investment;
- offer financial instruments with the obligation to distribute them;
- offer financial instruments without the obligation to distribute them.

The Company is providing the following additional services:

- distribute units of investment funds;
- secure, account and manage financial instruments;
- grant loans intended to allow the client to carry out transactions with financial instruments, if the grantor is associated with these transactions;
- carry out an analysis and evaluation of companies.

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The Company is also entitled to engage in the following activities:

1. Safe custody services;
2. Advice to undertakings on capital structure, industrial strategy and related matters as well as advice and services relating to mergers, restructuring and acquisition;
3. Other services relating to the stock issue distribution under an agreement with the issuer.

Background:

In December 2016, the Company had 30 employees.

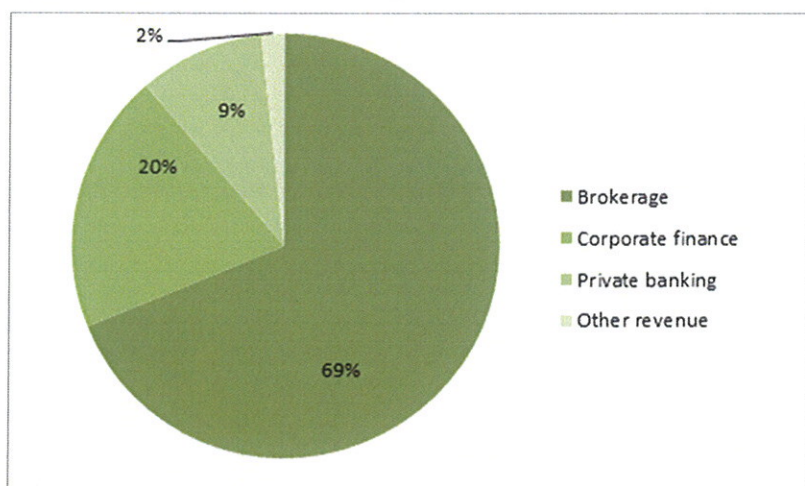
Director of the Company is Alius Jakubėlis.

The Company's Board consists of 4 people. Chairman of the Board – Alius Jakubėlis, members – John Egil Skajem, Indrė Butkevičiūtė and Mindaugas Strėlis.

In 2016, the Company's revenues from operating activities were EUR 2.62 million. Client-managed funds and securities amounted to EUR 507.4 million.

During the current or previous reporting periods the Company has not acquired or transferred own shares. The Company is not engaged in research and development activity. The Company has a dependent branch in Poland, thus its activity is not analysed separately. All additional information as well as subsequent events are disclosed in the notes to the financial statements.

Fig. 1. Revenue distribution by divisions



Services provided:

The Company focuses on three key services:

- brokerage in capital markets;
- asset management and private banking;
- corporate finance;
- the other two service groups account for a small share of the income and are supporting the activities:
 - market making;
 - FI custody and accounting.

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BROKERAGE IN CAPITAL MARKETS

Orion Securities provides for a possibility to trade on all major global stock markets and make real time purchases.

We offer clients the following services:

- brokerage in purchasing and selling FI (on behalf of and at the expense of clients);
- brokerage in purchasing and selling FI (on behalf of and at the expense of the company);
- entering into REPO and RE-REPO transactions;
- trading platforms OriOnline and Orion Trader.

The range of trade in financial instruments includes the following:

- bonds
- shares
- currencies and raw materials
- futures and forwards
- options
- contracts for difference (CFD)

Orion Securities is a member on the stock exchanges of Vilnius, Riga, Tallinn and Warsaw and the only company in Lithuania that allows the clients to trade on the Warsaw and OMX Baltic stock markets using contracts for difference. During 2016, the market share of Orion Securities in the share trading on Nasdaq OMX stock exchange increased by 66% and reached 3.96% or EUR 16.53 million in the total stock exchange turnover (2015: EUR 12.2 million).

The year 2016 gave rise to serious concern among investors and made them reassess their potential investment risks. Major concern at the beginning of 2016 due to slow growth of the Chinese economy caused a shock in the main global stock market indices resulting in record losses and the worst start of the year. Other events that resulted in major fluctuations on the financial markets were Brexit – the decision of the UK to withdraw from the European Union, difficulties of the Italian financial system, OPEC's decision to reduce the volumes of oil extraction and Donald Trump's victory at the US presidential elections. In summary, 2016 offered many opportunities for the investors to gain advantage, which was confirmed by the stock index results. For instance, the American S&P index generated 9.5% return over the year, MSCI global stock index – 5.3%, whereas the German DAX index – 6.9%.

Over the last 12 months, the total number of the division's clients dropped by 1%; however, the change in the number of active clients was significant – it increased by 45%. The total annual trade turnover of the division amounted to EUR 1.5 billion. The division mainly focused on the US and European markets, which constituted almost 90% of the total turnover. The clients were mostly interested in the financial instruments of currency trading, CFD and futures, which accounted for 54%, 21% and 18% of the turnover respectively.

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“We are proud that in 2016 we improved the productivity indicators of the Capital Market Division once again. Every year we grow together with our clients by helping them resolve the existing investing issues. We focus on the different wishes of each client; therefore, each decision is personalised depending on the short-term and long-term objectives and minimising the risks. In 2017 we will continue to offer reliable and exceptional services, develop our client base and strive to maximise return on assets”, says Mindaugas Strėlis, Head of the Capital Markets Division.

Fig. 2. Division turnover by products

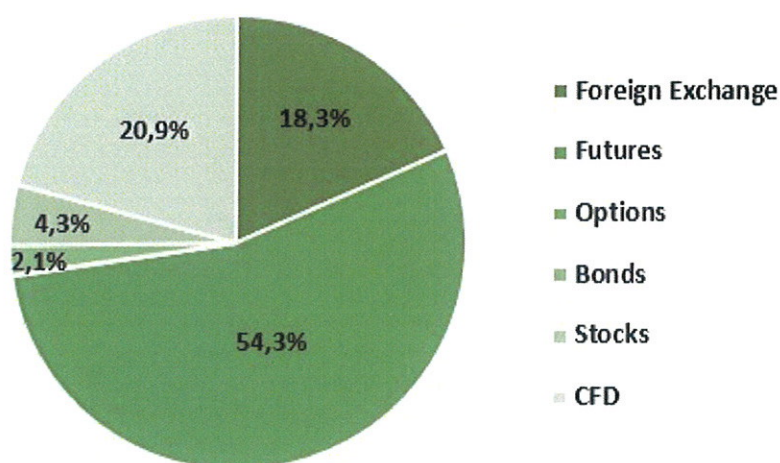
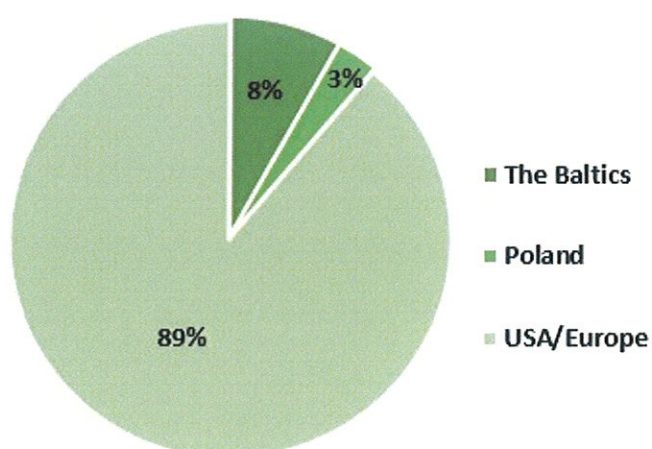


Fig. 3. Division turnover by regions



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INVESTMENT BANKING

The Investment Banking (former Private Banking) Division focuses on active supervision of the investment portfolio by investing in viable and profitable financial instruments with a level of risk acceptable to the clients. The Investment Banking Division aims to offer creative solutions for complex problems, to manage assets today and find new ways to increase the assets in the future.

The division also works with corporate clients helping them to resolve capital attraction, share sale or acquisition issues.

We offer clients the following services:

- Consulting services on the issues of personal portfolio formation;
- Capital attraction for corporate clients;
- Distribution of various investment funds.

“In 2016, the Division got two new employees. It was actively offering alternative investment products: algorithmic trading fund, London’s real estate fund and corporate bonds. The service quality was improved, client base was expanded and attractiveness of products for various investment profile clients was enhanced”, stated Karolis Pikūnas, Head of the Investment Banking Division.

CORPORATE FINANCE

The team of Corporate Finance Division advises companies, which enter into purchase and sale, restructuring, business valuation, alternative borrowing transactions, as well provides consulting on corporate financial management. The Division employs 4 people and is headed by Mykantas Urba.

Corporate Finance Division offers the following services:

- consulting on mergers and acquisitions;
- consulting on sale of business;
- valuation of businesses or their divisions;
- share and bond offerings;
- concentration of shareholdings;
- initial public offerings;
- other financial and consulting services.

“In 2016, the Corporate Finance Division was mainly engaged in capital attraction, merger, sales and consulting projects. In total 4 private bonds and 1 shares placement projects were successfully implemented. Also, 2 company sale transactions were carried out. The year 2016 saw further interest of enterprises in the possibilities to attract capital for business development and in alternatives for bank loans. In 2017, we plan to present several offerings of bonds and shares with higher value to the investors”, said M. Urba.

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OTHER SERVICES - MARKET MAKING

In 2016, the Company participated in the Baltic and Warsaw stocks Market Making Programme. The service was provided to the following issuers: AB City Service, AB Vilkyškių Pieninė, AB Grigiškės, AB TEO LT, AB Inter RAO Lietuva, OMX Baltic Benchmark fund and Baltic Horizon Fund.

FORECASTS FOR 2017

The year 2016 was exceptional and the following main events might be emphasized in the global economy: the US presidential elections, referendum of Great Britain, active expansion of Chinese entities in Europe and the US as well as the planned Saudi Aramco IPO.

Unpredictability in the economy is mainly caused by the current geopolitical situation, which causes uncertainty regarding further political decisions of the US, UK and other developed economies. Anyway, the global product growth remained stable throughout the year. Growth in the developed economies was stronger than expected. The main reason behind this growth was low interest rates that enabled increase in investments, which in turn triggered growth of the production industry.

According to the IMF estimations, the real GDP growth will slow down to 3.1% globally, mainly due to lower economic growth in the developed regions, especially the US and the Eurozone. The emerging markets that had been considered as the major source of risk for some time have already started showing the signs of stabilization: recession in Brazil and Russia decreased and China had steady growth in economy during the first three quarters this year.

As concerns regarding the prospects of emerging markets subsided, the assessment of the prospects for the developed economies deteriorated after the UK referendum. So far, the UK's decision to withdraw from the EU has not had a significant effect on the real economic data of UK and the Eurozone: in the third quarter of 2016, the real GDP growth in the UK was higher than expected (0.5% per quarter and 2.3 % per year), whereas the Eurozone's economic growth is steady (0.3% per quarter and 1.6 % per year). Nevertheless, the medium-term forecasts for the growth both in the Eurozone and the UK economies were lowered, since in the light of significant uncertainty regarding further relationship between the UK and EU, the trade and financial flows can drop, which will restrict economic development, especially in the UK. However, the final effect on the economy will depend on the progress and outcome of the negotiations between the UK and EU.

Although the economic development of China met the expectations, the increasing debt of the country continues to cause concern regarding a potential sudden slow-down in the economic growth and transition from the investment-based to consumption-based economy. The Chinese companies feel the threat and try to redistribute investments to safer economies – Europe and the US.

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Saudi Arabia has adopted a new strategy to reduce the economic dependency on oil extraction and processing sector and to develop new areas of business. For financing, Saudi Arabia decided to start IPO of Aramco enterprise with the expected value of EUR 200 billion (it would be the largest IPO ever).

According to the preliminary data of the Statistics Lithuania, in 2016 the country's GDP increased by 2.2%. Lithuanian economy remains in the state of moderate growth, which is a certain achievement under the current complicated international conditions. On the other hand, higher pace of the GDP growth would be expected to guarantee more effective income convergence of the population with the standards of Western Europe. In this context, the views of the parties, which won the parliament elections, on the issues of increasing business competitiveness and investing attractiveness gain utmost importance. Major focus must be placed on the plans of the governing parties in the areas of labour market regulation and tax reforms.

RISK MANAGEMENT

Internal control

Efficiency of internal control is one of the main conditions to ensure not only effective internal processes of a company and their safety, but also is essential for the provision of quality services to clients. Focus on internal control is emphasized in order to successfully implement the European Union MiFID and local legislation. Since national legal acts are also under constant improvement, the Company's staff works in cooperation with legal service firms and supervising authorities on a daily basis.

Three following types of internal control are applied to the efficient control process: preliminary, instant, and corrective. The Company's internal controller periodically submits inspection reports to the chairman of the Board and the head of the Company, which reflect the observed shortcomings and recommend divisional control improvement methods.

The Company has a strong focus on risk assessment and effective management of it in respect of each product and service group. Particular attention is paid to the dual control system in order to ensure early elimination of harmful activities and human errors.

Activities of the financial brokerage company involve a high amount of information. Advanced prevention of conflicts of interest and information security are the Company's priorities. Organizational structure and internal procedures ensure compliance with the above-mentioned priorities.

In order to improve its performance and efficiency, the Company regularly reviews its policies, procedures and contracts.

Risk management

Risk management is an essential part of a successful company's system. Risk management processes are continuously improved in the Company; new solutions are introduced in advance to meet demand of the financial market and the increasingly sophisticated financial instruments. The Company has a risk management committee responsible for risk control and assessment at the Company.

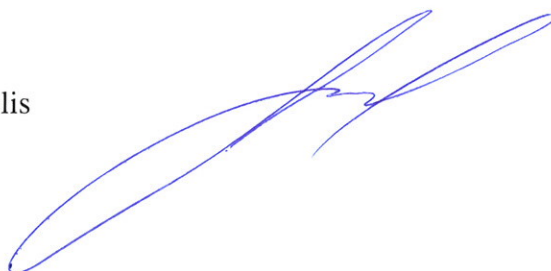
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Financial System Risk factors that affect the Company's performance:

- Economic risk
In 2016, the financial markets disregarded the unexpected political changes and remained calm. The markets grew considerably but experienced some major fluctuations. Both Brexit and Donald Trump's election as president were unexpected events that had a significant effect on the financial markets. Forecasting such economic shocks and preparation for them is an important and inseparable part of the company's operations.
- Systemic risks
Over the past few years, the Lithuanian financial market has experienced much shock significantly affected by systemic risks. In the future the risk, that upon similar systemic risk factors, domestic financial system institutions may experience similar shocks, will remain.
- Operational risk
The Company constantly reviews internal processes and implements system upgrades. Regular staff training and continuous processes optimisation are arranged. This allows minimizing the risks that may occur due to human and systemic errors.
- Reputation risk
The importance of reputation for a financial institution is especially high. The Company regularly carries out training for its employees. All employees are motivated not only for quantitative, but also for qualitative results. This allows managing and maintaining a high level of service quality.
- Concentration risk
The Company aims at offering a vast variety of financial services thus diversifying income flows and reducing concentration risk.

Director

Alius Jakubėlis

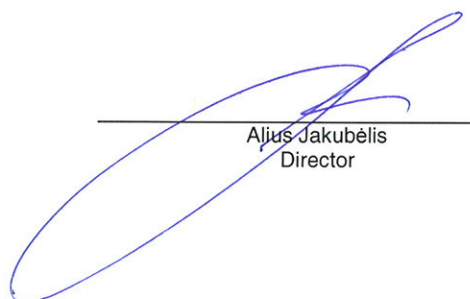


STATEMENT OF COMPREHENSIVE INCOME

	NOTES	2016	2015
Income from services and commission fees		2.623.936	2.251.712
Costs of services and commission fees		(892.588)	(654.183)
Net income from services and commission fees	1	1.731.348	1.597.529
Interest income		54.940	49.290
Interest expenses		(14.947)	(14.544)
Net interest income	2	39.993	34.746
Net profit (loss) of trade in securities and derivatives and forex transactions	3	29.846	40.188
Impairment and other provisions	4	10.584	(70.916)
Personnel expenses	5	(709.089)	(895.077)
Depreciation and amortisation	6	(25.606)	(24.808)
Administrative expenses	7	(628.145)	(477.084)
Other income (expenses)		3.440	-
Profit (loss) before tax		452.371	204.578
Income tax income (expenses)	8	(141.589)	3.005
Net profit (loss)		310.782	207.583
Other comprehensive income, net of taxes		-	-
Total annual comprehensive income, net of taxes		310.782	207.583

Accounting policies and notes provided in pages 18 – 45 are an integral part of these financial statements.

These Financial Statements were approved on 21 March 2017.



 Alius Jakubėlis
 Director



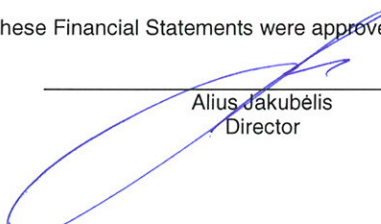
 Dainius Minelga
 Authorised accountant

STATEMENT OF FINANCIAL POSITION

		31 December 2016	31 December 2015
ASSETS			
Non-current assets			
Intangible assets	14	7.828	18.829
Property, plant and equipment	14	27.197	26.178
Deferred income tax asset	8	30.215	28.006
Other non-current assets		26.312	9.329
Total non-current assets		91.552	82.342
Current assets			
Loans	13	1.140.265	673.684
Derivative financial instruments	12	244.462	419.699
Securities designated at fair value though profit (loss) in the statement of comprehensive income	11	809.930	735.186
Trade receivables and pre-payments	10	228.974	614.946
Other current assets		30.453	26.045
Cash and cash equivalents	9	983.229	723.457
Total current assets		3.437.313	3.193.017
Total assets		3.528.865	3.275.359
LIABILITIES AND EQUITY			
Share capital	19	1.592.654	1.592.922
Legal reserve	19	159.292	92.461
Retained earnings		451.534	207.583
Total equity		2.203.480	1.892.966
Non-current liabilities		-	-
Current liabilities			
Loans received	15	882.872	611.095
Derivative financial instruments	12	152.512	189.144
Other financial liabilities	16	82.730	251.344
Trade payables		46.362	28.331
Salary liabilities	17	92.902	236.133
Provisions	4	-	20.000
Income tax payable		22.232	-
Other current liabilities	18	45.775	46.346
Total current liabilities		1.325.385	1.382.393
Total equity and liabilities		3.528.865	3.275.359

Accounting policies and notes provided in pages 18 – 45 are an integral part of these financial statements.

These Financial Statements were approved on 21 March 2017.



 Alius Jakubėlis
 Director



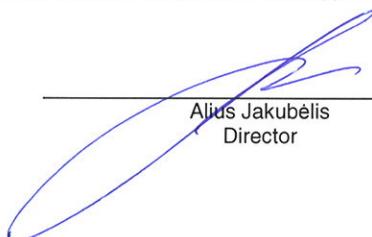
 Dainius Minelga
 Authorised accountant

STATEMENT OF CHANGES IN EQUITY

	Share capital	Legal reserve	Retained earnings	Total
Balance at 31 December 2014	1.592.922	79.181	13.280	1.685.383
Net profit (loss)	-	-	207.583	207.583
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	207.583	207.583
Transfer to legal reserve	-	13.280	(13.280)	-
Balance at 31 December 2015	1.592.922	92.461	207.583	1.892.966
Net profit (loss)	-	-	310.782	310.782
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	310.782	310.782
Transfer to legal reserve	-	66.831	(66.831)	-
Share capital conversion difference	(268)	-	-	(268)
Balance at 31 December 2016	1.592.654	159.292	451.534	2.203.480

Accounting policies and notes provided in pages 18 – 45 are an integral part of these financial statements.

These Financial Statements were approved on 21 March 2017.



 Alius Jakubėlis
 Director



 Dainius Minelga
 Authorised accountant

CASH FLOW STATEMENT

	2016	2015
Cash flows from (to) operating activities		
Net profit	310.782	207.583
Adjustments for non-cash items:		
Depreciation and amortisation	25.606	24.808
Interest expenses	14.947	14.544
Interest (Income)	(54.940)	(49.290)
Change in allowance for receivables	(3.630)	35.505
(Profit) from disposal of property, plant and equipment and non-current assets	(19)	-
Change in deferred income tax asset	(2.209)	-
Other non-cash expenses (income)	152.143	203.414
	442.680	436.564
Changes in working capital:		
Decrease (increase) of trade receivables and pre-payments	256.205	(460.315)
(Decrease) increase of trade payables	18.031	(143.974)
(Decrease) increase of salary related liabilities	(143.231)	60.177
(Increase) in other assets	(21.391)	(2.778)
Increase (decrease) in other payables	(571)	(17.478)
Increase (decrease) in income tax payable	22.232	-
Paid income tax	(76.627)	-
Net cash flow from operating activities	497.328	(127.804)
Investing activities		
(Acquisition) of property, plant, equipment, intangible assets and investment property	(15.836)	(23.477)
Disposal of property, plant, equipment, intangible assets and investment property	230	-
(Granting) of loans	(2.938.044)	(1.933.491)
Recovery of loans	2.474.433	2.127.335
Change of derivative financial instruments	138.605	76.039
(Acquisition) of trade securities	(3.513.190)	(4.036.518)
Disposal of trade securities	3.571.843	4.005.583
Dividends received	1.861	4.821
Interest received	54.940	49.289
Net cash flows from investing activities	(225.158)	269.581
Cash flows from financial activities		
Loans received	842.880	-
Loans (repaid)	(671.717)	(555.880)
Change in other financial liabilities	(168.614)	227.852
Interest (paid)	(14.947)	(14.545)
Net cash flow from financing activities	(12.398)	(342.573)
Net increase (decrease) in cash and cash equivalents	259.772	(200.796)
Cash and cash equivalents at beginning of the period	723.457	924.253
Cash and cash equivalents at end of the period	983.229	723.457

Accounting policies and notes provided in pages 18 – 45 are an integral part of these financial statements.

These Financial Statements were approved on 21 March 2017.

Alius Jakubėlis
Director

Dainius Minelga
Authorised accountant

GENERAL INFORMATION

UAB FMJ Orion Securities (hereinafter – the Company) is a private limited company registered in the Republic of Lithuania. Legal address of the Company is:

Antano Tumėno str. 4,
 Vilnius, Lithuania

The Company is engaged in financial brokerage, which includes the following four main groups of services: security contract brokerage, corporate finance, market making and asset management services. The Company has started its activity on 12 August 1993.

On 31 December 2016 and 2015 the Company's shareholders were as follows:

	31 December 2016		31 December 2015	
	Number of shares held	Percentage	Number of shares held	Percentage
UAB East Europe Investment Group (registered address: Savanorių ave. 119-3, Kaunas, Lithuania Code of legal entity: 300606588)	-	-	40.072	51 %
Lumiere Holding B.V. (registered address: Strawinskylaan 1143, Amsterdam, The Netherlands Code of legal entity: 34366670)	-	-	38.500	49 %
Orion Managing Partners B.V. (registered address: Minderbroederssingel 11 6041 KG, Roermond, The Netherlands Code of legal entity: 856097378)	62.858	80 %	-	-
UAB Suprema LT (registered address: S. Fino str. 6-3, Vilnius, Lithuania) Code of legal entity: 304135030)	15.714	20 %	-	-
Total	78.572	100 %	78.572	100 %

All shares with nominal par value of EUR 20,2734 are ordinary shares and as of 31 December 2016 and 2015 were fully paid. Authorised share capital remained unchanged in 2016 and 2015. The Company had not owned its shares.

On 31 December 2016 the Company employed 30 employees (on 31 December 2015 – 24 employees).

In 2016 the Company acquired 100% shares of Orion Capital sp.z.o.o. and Orion Capital spolka z ograniczona odpowiedzialnoscia Sp.k. for EUR 1.462 as a short term investment with the purpose of selling shares within 12 months period. Orion Capital sp.z.o.o. is parent of Orion Capital spolka z ograniczona odpowiedzialnoscia SP.k. Orion Capital sp.z.o.o. is not engaged in any other activities. Orion Capital spolka z ograniczona odpowiedzialnoscia Sp.k. is engaged in financial brokerage activity. Companies operates in Poland. Due to temporary control this investment as of 31 December 2016 was not considered as acquisition of subsidiaries and the Company did not prepared the consolidated financial statements.

The management of the Company approved these financial statements on 21 March 2017, the shareholders may approve or not approve these annual financial statements and may ask the management to prepare new financial statements.

UAB FMJ Orion Securities operates under the license of category A No. A106, issued on 6 September 2007 by the Resolution No. 2K-268 of the Securities Commission of the Republic of Lithuania.

Licence of category A grants a right to the Company to provide the following investment services:

- accept and transfer orders;
- execute orders at the expense of clients;
- execute orders at its own expense;
- manage portfolios of financial instruments;
- provide recommendations on investment;
- offer financial instruments with the obligation to distribute them;
- offer financial instruments without the obligation to distribute them.

The Company is also providing the following additional services:

- distribute units of investment funds;
- secure, account and manage financial instruments;
- grant loans, intended to allow the client to carry out transactions with financial instruments, if the grantor is associated with these transactions;
- carry out an analysis and evaluation of companies.

ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Basis of preparation of financial statements

The financial statements of the Company are prepared in accordance with International Financial Reporting Standards effective as of 31 December 2016 that have been adopted for use in the European Union (hereinafter – IFRS). The financial statements are prepared on a historical cost basis, except for securities designated at fair value through profit or loss in the statement of comprehensive income and derivative financial instruments, which have been measured at fair value.

Amounts shown in these financial statements are presented in the local currency, Euro (EUR). 1 January 2015 was the day of Euro adoption in Lithuania, thus on this day the functional currency of the Company was converted. According to irrevocable decision of the European Council the Litas to Euro conversion rate was 3.45280 LTL for 1 EUR. Accordingly comparative figures were converted using the mentioned conversion rate.

Due to rounding of individual amounts to whole euro the numbers in the tables might not coincide, such errors of rounding in these financial statements are insignificant.

Adoption of new and/or changed IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Company as of 1 January 2016:

- **Amendments to IAS 1 *Presentation of financial statements: Disclosure Initiative***
The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The amendments are effective for annual periods beginning on or after 1 January 2016. The amendments had no effect on the Company's FS.
- **Amendments to IAS 16 *Property, Plant & Equipment* and IAS 38 *Intangible assets: Clarification of Acceptable Methods of Depreciation and Amortization***
The amendment is effective for annual periods beginning on or after 1 January 2016 and provides additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated. It is clarified that a revenue-based method is not considered to be an appropriate manifestation of consumption. The Company has not yet evaluated the impact of the implementation of this standard as the Company does not use revenue-based depreciation and amortization methods.
- **Amendments to IAS 19 *Employee Benefits***
The amendment is effective for annual periods beginning on or after 1 February 2016. The amendment addresses accounting for the employee contributions to a defined benefit plan. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The Company does not have any plans that fall within the scope of this amendment.
- **Amendment to IFRS 11 *Joint arrangements: Accounting for Acquisitions of Interests in Joint Operations***
The amendment is effective for annual periods beginning on or after 1 January 2016. IFRS 11 addresses the accounting for interests in joint ventures and joint operations. The amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business in accordance with IFRS and specifies the appropriate accounting treatment for such acquisitions. The Company had no transactions in scope of this amendment.
- The IASB has issued the **Annual Improvements to IFRSs 2010 – 2012 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 February 2015. None of these had an effect on the Company's financial statements / Where the application had an effect on the financial statements this is described below:
 - IFRS 2 *Share-based Payment*;
 - IFRS 3 *Business Combinations*;
 - IFRS 8 *Operating Segments*;
 - IFRS 13 *Fair value Measurement*;
 - IAS 16 *Property, Plant and Equipment*;
 - IAS 24 *Related Party Disclosures*;
 - IAS 38 *Intangible Assets*.
- The IASB has issued the **Annual Improvements to IFRSs 2012 – 2014 Cycle**, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2016. None of these had an effect on the Company's financial statements / Where the application had an effect on the financial statements this is described below:
 - IFRS 5 *Non-current Assets Held for Sale and Discontinued Operation*;
 - IFRS 7 *Financial Instruments: Disclosures*;
 - IAS 19 *Employee Benefits*;
 - IAS 34 *Interim Financial Reporting*.

ACCOUNTING POLICIES (continued)

Standards issued but not yet effective

The Company has not applied the following IFRS and IFRIC interpretations that have been issued as of the date of authorization of these financial statements for issue, but which are not yet effective:

IFRS 9 *Financial Instruments* (effective for financial years beginning on or after 1 January 2018)

IFRS 9 replaces IAS 39 and introduces new requirements for classification and measurement, impairment and hedge accounting. The Company has not yet evaluated the impact of the implementation of this standard.

IFRS 15 *Revenue from Contracts with Customers* (effective for financial years beginning on or after 1 January 2018)

IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer, regardless of the type of revenue transaction or the industry. Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The Company has not yet evaluated the impact of the implementation of this standard.

IFRS 15: *Revenue from Contracts with Customers (Clarifications)* (effective for annual periods beginning on or after 1 January 2018, once endorsed by the EU).

The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 *Revenue from Contracts with Customers*, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach. The Company has not yet evaluated the impact of the implementation of this standard.

IFRS 16 *Leases* (effective for financial years beginning on or after 1 January 2019, once endorsed by the EU)

IFRS 16 replaces IAS 17 and specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting is substantially unchanged. The Company has not yet evaluated the impact of the implementation of this standard.

Amendments to IAS 7 *Statement of Cash Flows: Disclosure Initiative* (effective for financial years beginning on or after 1 January 2017, once endorsed by the EU)

The amendments improve information provided to users of financial statements about an entity's financing activities. Entities are required to disclose changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, for example, by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. The implementation of these amendments will not have any impact on the financial position or performance of the Company but may result in changes in disclosures.

Amendments to IAS 12 *Income Taxes: Recognition of Deferred Tax Assets for Unrealized Losses* (effective for financial years beginning on or after 1 January 2017, once endorsed by the EU)

The amendments clarify how to account for deferred tax assets for unrealized losses on debt instruments measured at fair value. The Company has not yet evaluated the impact of the implementation of this standard.

IFRS 2: *Classification and Measurement of Share based Payment Transactions (Amendments)* (effective for financial years beginning on or after 1 January 2018, once endorsed by the EU)

The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications 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 has not yet evaluated the impact of the implementation of this standard.

Amendments to IFRS 10 and IAS 28 – *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.)

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business and partial gain or loss is recognised when a transaction involves assets that do not constitute a business. The Company has not yet evaluated the impact of the implementation of this standard.

ACCOUNTING POLICIES (continued)

Standards issued but not yet effective (continued)

Amendments to IAS 40: *Transfers to Investment Property* (effective for financial years beginning on or after 1 January 2018, once endorsed by the EU)

The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The Company has not yet evaluated the impact of the implementation of this standard.

IFRIC INTERPRETATION 22: *Foreign Currency Transactions and Advance Consideration* (effective for financial years beginning on or after 1 January 2018, once endorsed by the EU)

The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The Company has not yet evaluated the impact of the implementation of this standard.

The IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2017 for IFRS 12 Disclosure of Interests in Other Entities and on or after 1 January 2018 for IFRS 1 First-time Adoption of International Financial Reporting Standards and for IAS 28 Investments in Associates and Joint Ventures. Earlier application is permitted for IAS 28 Investments in Associates and Joint Ventures. These annual improvements have not yet been endorsed by the EU. The Company has not yet evaluated the impact of the implementation of these standards:

- **IFRS 1 First-time Adoption of International Financial Reporting Standards:** This improvement deletes the short-term exemptions regarding disclosures about financial instruments, employee benefits and investment entities, applicable for first time adopters.
- **IAS 28 Investments in Associates and Joint Ventures:** The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.
- **IFRS 12 Disclosure of Interests in Other Entities:** The amendments clarify that the disclosure requirements in IFRS 12, other than those of summarized financial information for subsidiaries, joint ventures and associates, apply to an entity's interest in a subsidiary, a joint venture or an associate that is classified as held for sale, as held for distribution, or as discontinued operations in accordance with IFRS 5.

The Company plans to adopt the above mentioned standards and interpretations on their effectiveness date provided they are endorsed by the EU.

ACCOUNTING POLICIES (continued)

Use of judgements and estimates in the preparation of financial statements

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. The impact of such changes will be included in financial statements once they appear.

Going concern

The Company's management is fully convinced of stable and balanced performance going forward and based on that prepared these financial statements on the going concern basis.

Impairment losses on loans, trade accounts receivables and prepayments

The Company reviews loans, trade accounts receivables and prepayments to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Company makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from loans, trade accounts receivables and prepayments.

This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers, or national or local economic conditions that correlate with defaults on assets. Management uses estimates based on historical loss experience for loans with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when assessing its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. For fair value of financial assets and liabilities refer to note on financial risks management.

Deferred tax asset

Deferred tax asset is recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. For carrying amounts of deferred income tax asset see Note 8.

Recognition of income and expenses

Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' and 'interest expense' in the statement of comprehensive income using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Fee and commission income and expense

Income and expense of fees and commissions are generally recognised on an accrual basis when the service has been provided.

Corporate finance services fees arising from negotiating or participating in the negotiation of a transaction for a third party, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

Dividend income

Dividends are recognised in the statement of comprehensive income when the entity's right to receive payments is established.

Other expenses

Other expenses are recognised on the basis of accrual and revenue and expense matching principles in the reporting period when the income related to these expenses was earned, irrespective of the time the money was spent. In those cases when the costs incurred cannot be directly attributed to the specific income and they will not bring income during the future periods, they are expensed as incurred. The amount of expenses is usually accounted for as the amount paid or due.

ACCOUNTING POLICIES (continued)

Taxation

Income tax

In accordance with the Lithuanian Law on Corporate Income Tax, the current income tax rate is 15% on taxable income. Expenses related with taxation charges and included in these financial statements are based on calculations made by the management in accordance with Lithuanian tax legislation.

Deferred income tax is provided using the balance sheet liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes. Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that a taxable profit will be available against which the losses can be utilised. Judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Tax losses can be carried forward for indefinite period, except for the losses incurred as a result of disposal of securities. The losses from disposal of securities can be carried forward for 5 consecutive years. Starting with 1 January 2014 tax losses carried forward can be used to reduce the taxable income earned during the reporting year by maximum 70%.

Deferred tax related to fair value re-measurement of available-for-sale investments which are charged to other comprehensive income, is also charged to other comprehensive income and subsequently recognised in the profit (loss) together with the deferred gain or loss.

Other taxes

Other taxes are included in other administrative expenses in the statement of comprehensive income.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the cash, other valuables, correspondent bank account balances and short-term securities with the original maturity term of less than three months.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial assets

According to IAS 39, financial assets are classified as financial assets at fair value through profit or loss in the statement of comprehensive income, granted loans and receivables, held-to-maturity financial assets, and available-for-sale financial assets. Initially these assets are accounted at acquisition value which is equal to fair value of paid price including attributable transaction costs (except for financial assets accounted at fair value through profit or loss). During the reporting year the Company had financial assets classified in the following groups: financial instruments and securities designated at fair value through profit and loss and loans granted and receivables.

Financial asset category is set at acquisition date and when it is allowed and essential it is reviewed in the beginning of every financial year.

All ordinary purchases and sales of financial assets are recognized on the day of payment which is the day when the party is obliged to buy assets. All ordinary purchases and sales of financial assets are such in which assets are required to be delivered within the period set in the agreements.

A. Financial assets designated at fair value through profit (loss) in the statement of comprehensive income

Securities designated at fair value through profit (loss)

Securities classified in this category are designated at fair value through profit or loss on initial recognition when the following criteria are met:

- that type of classification eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "an accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognizing gains or losses on them on different bases; or
- a group of securities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group of these assets is provided internally to Company's management.

Securities designated at fair value through profit or loss are recognized at settlement date, which is the date that an asset is delivered to or by the Company. They are initially recorded at fair value. Changes in fair value are recorded in net gain (loss) on operations with securities. Most part of the Company's financial assets is attributed to this category.

ACCOUNTING POLICIES (continued)

Financial assets (continued)

A. Financial assets designated at fair value through profit (loss) in the statement of comprehensive income (continued)

Trading securities

Trading securities are securities which were acquired either for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit taking exists. Trading securities are initially recognised at fair value, which is based on quoted bid prices. All related realised and unrealised gains and losses are included in net trading income or expenses. Dividends received are included in dividend income.

All purchases and sales of trading securities that require delivery within the time frame established by regulation or market convention ('regular way' purchases and sales) are recognised at settlement date, which is the date that an asset is delivered to or by the Company.

Derivative financial instruments

Derivative financial instruments including foreign exchange forwards, contracts for differences - CFD (Company's issued or acquired) and other derivative financial instruments are initially recognised in the statement of financial position at their fair value. Fair values are determined according to the model, based on market observable inputs. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Contracts for differences is an agreement between two parties, i.e., the buyer and the seller, whereby one party pays the difference between the current market price and the initial price of the underlying instrument, valid on the date of the transaction. If the price of a specific CFD increases, the price difference is paid by the seller, if drops - by the buyer. CFD is a derivative financial instrument with the price based on the stock market price.

The Company, entered into CFD transaction with a client, is insured by making the same transaction with a third party or by buying the same amount of the securities which are the basis of the CFD transaction with the client.

Certain derivatives (CFD) even though providing an effective hedging of economic risk according to risk management policy of the Company, are not accounted for as risk management instrument according to particular rules included in IAS 39, and therefore are accounted as derivative financial instruments held for trade purposes, accounting the changes in their fair value as net profit (loss) from transactions in derivative financial instruments of the reporting period.

Accounting of CFD transactions entered into with a third party. In the case a price of a certain CFD instrument raises, compared to the initial price, set on the transaction opening date, the price difference on the transaction closing and settlement date is recorded in the liabilities caption as a liability to a client. Upon settlement with the client, the liability is offset. If a price of a certain CFD falls, the price difference on the transaction closing and settlement date is recorded in the assets caption as receivables from a client for CFD. Upon settlement with the client, the receivables are offset.

Accounting of CFD concluded based on acquired securities. On CFD transaction opening date with a client, the Company buys the same amount of securities for its portfolio as a basis for the CFD transaction made with the client. All securities, purchased for CFDs, are recorded in a separate portfolio of financial assets thereof. Every time when preparing the financial statements, the assets are measured at fair value, by recording an increase in the liabilities caption, and a decrease in the asset caption. On the transaction closing and settlement date, the securities are disposed. In this case, the CFD result includes results of revaluations and the amount of a profit or loss from disposal. If the result is positive (price of securities raised), financial liability to a client is recorded. Upon settlement with the client, the liability is offset. If the result is negative (price of securities dropped), it is recorded as receivables from a client. Upon settlement with the client this receivable is annulled.

Changes in the fair value of derivatives held for trading are included in net trading income (loss) from transactions with derivative financial instruments.

Certain derivatives embedded in other financial instruments, such as index linked options in bond issued, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the reporting period statement of comprehensive income.

Fair values of the derivative financial instruments are disclosed in Note 12.

ACCOUNTING POLICIES (continued)

Financial assets (continued)

B. Available for sale financial assets

Available for sale financial assets at fair value through other comprehensive income statement include financial assets that are invested in equity shares. Available for sale financial assets are those intended to be held for an indefinite period of time. In 2016 and 2015 the Company had no such assets.

C. Assets recognized at amortized cost

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition such assets are carried at amortized cost using the effective interest method less all impairments. Amortised cost is calculated including all acquisition discounts or add-ons and includes taxes inseparable from the effective interest rate and transaction price. Gains and losses are recognized as income (loss) when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Current receivables are accounted considering their impairment.

Loans and receivables are recognised in the statement of financial position on the day of payment thereof, when they are transferred to borrowers. From the day of signing of the loan agreement until the day of loan repayment they are accounted for under off-balance items.

Repurchase (Repo) and reverse repurchase (Reverse repo) agreements

The securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position as the Company retains substantially all the risks and rewards of ownership. The corresponding cash received is recognised in the statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability, reflecting the transaction's economic substance as a loan to the Company.

The securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. Reverse repurchase agreements are classified as loans and receivables to banks or customers, and are accounted for using the amortised cost method. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

Impairment of financial assets

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets's carrying amount and the present value of estimated future cash flows (excluding possible future credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance amount. Allowance amount is included in loss or gain.

At the beginning the Company determines if the objective evidences regarding impairment of individually material asset exist. Examples of individually evidences are like large financial difficulties of debtor, when it is probability that recovery procedures against the debtor will be started, no active market of financial asset, there are significant changes in technological, economical or legal environment and in debtor environment, or in cases when constant changes in fair value of financial asset below its amortized cost. When it is identified, that there is no possibility to recover financial asset, such asset is written-off. The objective evidence of it is bringing lawsuits against the debtor and the fact, that debtor does not have any asset for repaying of debts to creditors, or there is no possibility to find a debtor.

If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance amount. Any future reversal of impairment is recognised as gain or loss in the amount in which the carrying amount of the asset does not exceed its amortised cost at the reversal date.

In relation to trade and other receivables, an allowance for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

Financial liabilities

Trade and other payables and debts are at first recognised at fair value of received funds less costs of the transaction. Later they are accounted for at amortised value (not including derivative financial instruments, see above), and the difference between receivables and the amount payable during the term of the debt is included in the profit (loss) of the period. Debts are classified as long-term, if evidence is provided in the financial statements until the date of statement of financial position, that the liabilities of the date of statement of financial position are long-term.

ACCOUNTING POLICIES (continued)

Derecognition and offsetting of financial assets and liabilities

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 where:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset, or retained 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; and
- the Company 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.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement 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.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Net-offs

Financial assets and liabilities can be netted-off against each other and presented at fair value in statement of financial position if there is a legal possibility to net-off recognized amounts and it is planned to pay in fair value or sell assets and cover obligations at the same time, as it is established in IAS 39.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses. Finite life intangible assets are amortised using the straight-line method over their estimated useful life.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic lives of 3 to 4 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation periods and methods for intangible assets with finite useful lives are reviewed at least at each financial year-end. The Company owns no assets of indefinite useful life.

Non-Current Tangible Assets

Acquisition of non-current tangible assets, upon initial recognition, is recorded at acquisition cost. Subsequently, it is recorded at acquisition cost less accumulated depreciation. Depreciation is calculated using the straight-line (linear) method under the depreciation rates set out in non-current asset commencement. Calculation of depreciation begins next month following the commencement:

Furniture	6 years,
Office equipment	3 years,
Vehicles	6 - 10 years,
Other non-current assets	4 - 6 years.

Non-current tangible and intangible assets are constantly reviewed in order to evaluate the reduction of its value, if any changes of events or circumstances show that the accounting value might be non-recoverable. The carrying amount of assets is immediately reduced to recoverable amount in case the carrying amount exceeds the established recoverable amount. Recoverable amount is the fair value of assets less costs of sales, or the value of use, depending on which is higher. Profit or loss from sales of non-current tangible assets is based on its carrying amount and is included in the statement of comprehensive income. On each accounting date the net book value of assets and useful life periods are reviewed and updated respectively, if necessary.

Leases

The determination of whether an arrangement is a lease or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Company is the lessee

Leases of assets under which the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. The total payments made under operating leases are charged to the income statement on a straight-line basis over the period of lease and included into other administrative expenses.

ACCOUNTING POLICIES (continued)

Leases (continued)

Company is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned assets. Rental income is recognised on a straight-line basis over the lease term.

Off-balance items – entrusted assets/funds and related liabilities (trusteeship)

Assets and income together with related liabilities to return these assets, and/or any related income of the client, are not included in these financial statements in cases when the Company acts as a trustee, proxy or agent. Securities and financial instruments acquired on assignment and using funds of the client, on own behalf and behalf of clients, are accounted for in the clients' accounts in the off-balance sheet statement.

Client funds/money means the resources kept in trust on behalf of the Company in current bank accounts and bank accounts under the term deposit contract. Clients' money is separated from the Company's resources and kept in trust in commercial banks.

Securities purchased on behalf of clients are securities purchased for clients on behalf of the Company in Lithuania and through foreign intermediaries. These securities are stored on behalf of the Company in various depositories and with other account managers. Value of securities, stored by the clients in the Company's securities accounts, is calculated on the financial reporting date, by multiplying the quantity of the securities by the securities' market price, and, if such is not available - by the nominal value. Bonds, purchased on behalf of clients, are accounted in off-balance accounts at their nominal value.

Contracts for Difference (CFD) are transactions in force on the reporting date, entered into on clients' behalf and account or on own behalf and the clients' account. CFD entered into on own behalf and the clients' account, i.e. derivative financial instruments held at the Company's accounts opened with the third parties (*omnibus* type accounts), any benefits or loss of which solely belongs to clients, and the Company acts as mediator only. The value of CFD on the day of financial statements is calculated by multiplying the amount of financial instruments by the difference between market value of related securities (on the day of transaction and revaluation). CFD acquired on the clients' account are accounted for at fair value as off-balance items, and factual receivables and payables arising from these financial instruments (between the Company and the clients) are included in the statement of financial position.

Client transactions on derivative financial instruments with a third party are Option and Forex transactions in force on the reporting date. They are included in off-balance accounts at fair value.

Employee benefit

Social security contributions

The Company pays social security contributions to the state Social Security Fund (the Fund) on behalf of its employees based on the defined contribution plan in accordance with the local legal requirements. A defined contribution plan is a plan under which the Company pays fixed contributions into the Fund and will have no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior period. The social security contributions are recognised as an expense on an accrual basis and are included within staff costs. Social security contributions each year are allocated by the Fund for pension, health, sickness, maternity and unemployment payments.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. The expense relating to any provision is recognised in the income statement. If the effect of the time value of money is material, provisions are discounted using current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Fair value of assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

ACCOUNTING POLICIES (continued)

Fair value of assets and liabilities (continued)

The fair value of interest-bearing financial instruments is estimated based on discounted cash flows using the interest rates for items with similar terms and risk characteristics. In the case of inactive markets the establishment of valuation techniques for measuring the fair value is provided.

Contingent assets and liabilities

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

A contingent asset is not recognized in the financial statements but described in financial statements when an inflow or economic benefits is probable.

Subsequent events

Post-year-end events that provide additional information about the Company's position at the statement of financial position date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

FINANCIAL RISK MANAGEMENT

The Company analyses, assesses, takes and manages risks and risk groups in its activity. The purpose of risk management is to ensure acceptable profitability and return on equity by proper management of risks. Key types of risks that the Company faces are credit, foreign currency, interest rate, liquidity and operational risk. Concentration risk is seen as part of the credit risk. The Board and management of the Company, heads of divisions and internal controller are responsible for management of individual risks within their competence.

The Company is a financial institution, and management of its various financial risks is strictly regulated and supervised. For risk management, relevant orders and procedures have been developed: Trading Policy, Trading Risk Management Policy, Internal Capital Adequacy Assessment Process and Risk Management Strategy, Solvency and Liquidity Rules, Operational Risk Assessment and Management Policies and Procedures, as well as other instruments.

The Company applies the following financial risk management procedures:

Capital adequacy calculation - on a daily basis the Company must meet the capital adequacy ratio requirements, calculated according to Regulation (EU) No. 575/2013 of the European Parliament and of the Council;

In trading activities - compliance with and assessment of position limits and additional restrictions;

Internal control performance is carried out by the specially assigned employee.

Credit risk

Credit risk - means the risk for the Company to incur losses due to the customers' failure to fulfil their financial obligations towards the Company. Credit exposures arise principally in investing and lending activities and it is the most significant risk in the Company's business. Due to regular statements the management of the Company is constantly informed on the level of risks taken and changes thereof.

Upon assessing impairment losses on loans and financial assets the Company follows the requirements of IAS 39 Financial instruments: recognition and measurement. Impairment losses are recognised for financial reporting purposes only for those losses that have been incurred due to loss events that have taken place before the statement of financial position date based on objective evidence of impairment.

Loans and receivables

Credit risk is managed by carrying out a thorough analysis of the customer before issuing credits and by monitoring thereof after the credit disbursement. The Company manages concentration risk by limiting and controlling concentration of credit risk, it evaluates possibilities of the customer to repay the loan and collaterals.

Maximum credit risk position, irrespective of pledging measures and other liability implementation assurance tools:

	31 December 2016	31 December 2015
Credit risk exposures relating to on-balance sheet assets are as follows:		
Loans	1,140,265	673,684
Cash and cash equivalents	983,229	723,457
Securities designated at fair value through profit (loss)	809,930	735,186
Derivative financial instruments	244,462	419,699
Trade receivables and prepayments	228,974	614,946
Total	3,406,860	3,166,972

The table above represents credit risk exposure at 31 December 2016 and 2015, without taking into account any credit risk mitigation techniques. On-balance sheet assets are reported above based on the net carrying amount as they appear in the statement of financial position.

In managing credit risk of cash the Company diversifies cash keeping places and stores cash, in the opinion of the management, with secure Lithuanian and foreign banks and financial brokerage firms. The management actively monitors ratings of banks and status of financial brokerage firms, therefore the management believes that the parties of the transaction would implement their liabilities.

FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

Information on loans granted and trade receivables and advances as of 31 December is provided in the table below:

	2016		2015	
	Loans	Trade receivables and pre-payments	Loans	Trade receivables and pre-payments
Loans and receivables neither past due nor impaired	1,140.265	162.732	673.684	557.540
Loans and receivables, past due but not impaired	-	66.242	-	57.406
Impaired loans and receivables	10.000	151.488	10.000	165.133
Gross	1,150.265	380.462	683.684	780.079
Less: allowance for impairment	(10.000)	(151.488)	(10.000)	(165.133)
Net	1,140.265	228.974	673.684	614.946

Past due but not impaired loans and receivables mean loans and receivables that are past due but have no individual allowances for impairment considering collaterals and other risk mitigating circumstances.

Impaired loans and receivables mean loans and receivables that have individual allowances for impairment by 100 percent, as it is not expected to recover loans and receivables.

Analysis of past due but not impaired loans and receivables for 31 December is as follows:

	2016		2015	
	Loans	Trade receivables and pre-payments	Loans	Trade receivables and pre-payments
Past due 1 -30 days	-	35.686	-	15.999
Past due 31-60 days	-	2.476	-	8.909
Past due 61-90 days	-	3.820	-	20.799
Past due over 90 days	-	24.260	-	11.699
Total	-	66.242	-	57.406

Having evaluated the financial status of debtors the Company as of 31 December 2015 and 2016 did not impair past due loans and trade receivables as well as pre-payments.

Securities designated at fair value through profit (loss) in the Comprehensive income statement

Below is the analysis of trading securities per trade geographical zone:

	31 December 2016	31 December 2015
Baltic countries	470.337	471.847
Other EU states	53.181	137.813
USA	9.558	117.790
Other	276.854	7.737
Total	809.930	735.186

FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

Derivative financial instruments

The credit risk arising from derivative instruments is managed daily by assessing the potential market value changes. Margining agreements are established with the clients. To manage credit risk of these financial instruments security measures (deposited funds or securities) are granted, therefore, the management believes that credit risk associated to derivative financial instruments is not significant.

General assessment of risk

In the table provided below, low risk transactions are secure transactions, i.e. sound financial status, stable operations, implementation of agreements without major violations, no past due receivables, no past due receivable loans and up to one year maturity. Cash are considered of low risk if they are kept with banks of the EU states and the USA, the parent banks of which have investment ratings and the share of cash at accounts of EU countries and USA brokers' platforms, which are covered by liabilities with the same platform, receivables, which are secured with collaterals from customers.

Transactions that have loss factors and have risk of loan not being repaid, also cash at accounts of EU states and USA brokers platforms, are assessed as those having higher risk.

Unclassified risk concerns such positions which have no credit assessment.

Low risk equity securities are securities traded in regulated stock markets.

Low risk debt securities are securities of rating BBB- and above, securities of higher risk – securities of rating below BBB-.

31 December 2016	Low risk	Higher risk	Not class- ified	Total
Credit risk exposures relating to on-balance sheet assets are as follows:				
Loans	816.811	246.898	76.556	1.140.265
Cash and cash equivalents	983.229	-	-	983.229
Securities designated at fair value through profit (loss)	799.350	10.580	-	809.930
Trade receivables and prepayments	164.770	57.827	6.377	228.974
Derivative financial instruments	-	244.462	-	244.462
Total	2.764.160	559.767	82.933	3.406.860

31 December 2015	Low risk	Higher risk	Not class- ified	Total
Credit risk exposures relating to on-balance sheet assets are as follows:				
Loans	393.705	178.285	101.694	673.684
Cash and cash equivalents	543.245	180.212	-	723.457
Securities designated at fair value through profit (loss)	725.155	10.031	-	735.186
Trade receivables and prepayments	539.544	15.999	59.403	614.946
Derivative financial instruments	-	419.699	-	419.699
Total	2.621.348	804.226	161.097	3.166.972

As of 31 December 2015 the Company classified derivative financial instruments (EUR 419.699) as low risk transactions. As of 31 December 2016 management of the Company re-assessed derivative financial instruments credit risk and due to transactions nature and credit risk profile made the decision to classified derivative financial instruments as higher risk transactions. Respectively 31 December 2015 classification of derivative financial instruments was amended.

FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk

The policy of the Company is to coordinate cash flows from highly probable future sales with purchases in each foreign currency. The Company uses no financial instruments contributing to management of foreign currency risk. As of 31 December 2016 and 2015 cash assets and cash liabilities in different currency were as follows (in equivalent in euros):

	31 December 2016		31 December 2015	
	Assets	Liabilities	Assets	Liabilities
EUR	2.834.721	617.000	1.477.726	499.016
USD	433.000	721.000	848.720	740.359
CAD	184.000	-	-	-
PLN	22.000	-	1.444	-
SEK	7.000	-	27.788	4.085
GBP	-	8.000	18.227	28.196
RUB	-	-	60.304	-
Total	3.480.721	1.346.000	2.434.209	1.271.656

The table below provides sensitivity of the Company's profit before tax and equity to possible foreign currency changes, when all other variables are treated as fixed (considering changes of cash assets and fair values of liabilities).

	Change	31 December 2016	31 December 2015
USD	-10 proc	(28.800)	(10.836)
CAD	-10 proc	(18.400)	-
PLN	-10 proc	(2.200)	(144)
GBP	-10 proc	(800)	(2.370)
SEK	-10 proc	(700)	(997)
RUB	-10 proc	-	(6.030)
Total	-10 proc	(50.900)	(20.377)

Sensitivity of foreign exchange risk is calculated by assessing possible losses from open positions, i.e. open foreign Exchange position is multiplied by expected foreign currency change.

Interest rate risk

Interest rate risk is the risk that the Company will incur losses due to fluctuations of financial assets and liabilities designated at fair value through profit or loss, concerning changes in market interest rate.

Loans granted and received by the Company have fixed interest rates, thus the Company is not subject to interest rate risk.

FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk means the risk that the Company is unable to meet its financial obligations in time. The Company's policy is to maintain a sufficient amount of cash and cash equivalents or ensure financing due to respective number of credit lines to other borrowing instruments in order to implement its liabilities both in everyday and complicated circumstances without unacceptable losses and without risk to loose reputation.

Management of liquidity risk is performed by implementing internal control by establishing procedures limiting incidental risk and performance continuity plans, evaluating the acceptability or non-acceptability of services provided by the Company, performing functions of management of pricing of products and services and reallocation of internal resources, analysing processes and procedures of the Company by identifying risks and sufficiency of control thereof.

Undiscounted cash flows below describe financial liabilities of the Company till 31 December 2016.

	Up to 3 month	3 to 12 months	1 to 5 years	Over 5 years	No term /on demand	Total
Liabilities						
Trade debts	46.362	-	-	-	-	46.362
Other financial liabilities	12.730	-	-	-	70.000	82.730
Derivative financial instruments	-	-	-	-	152.512	152.512
Borrowings	-	371.163	-	-	511.709	882.872
Total liabilities	59.092	371.163	-	-	734.221	1.164.476

Undiscounted cash flows below describe financial liabilities of the Company till 31 December 2015.

	Up to 3 month	3 to 12 months	1 to 5 years	Over 5 years	No term /on demand	Total
Liabilities						
Trade debts	28.332	-	-	-	-	28.332
Other financial liabilities	156.060	-	-	-	95.284	251.344
Derivative financial instruments	-	-	-	-	189.144	189.144
Borrowings	-	208.000	-	-	411.095	619.095
Total liabilities	184.392	208.000	-	-	695.523	1.087.915

Operational risk

The Company defines the operational risk as a risk to suffer direct or indirect losses due to improper or inefficient internal procedures or processes, technologies, employee actions or external factors.

Management of operation risk is based on internal control, by establishing procedures limiting the possible incidental risks, insuring tangible assets of the Company, assessing acceptability and non-acceptability of services provided by the Company, management of pricing of products and services and reallocation of internal resources, analysing processes and procedures of the Company, identifying risk points and assessing sufficiency of its control.

Internal capital for operational risk is calculated on a basic indication method, following European Parliament and Council regulation 575/2013 (CRDIV / CRR).

The table below discloses the method of calculation of operational risk according to basic indicator approach in thousand EUR.

31 December 2016	Year -3	Year -2	Last year	Average
1. ALL BUSINESS LINES ACCORDING TO BASIC INDICATOR APPROACH	628	701	1.622	984
CAPITAL CHARGE, %.	-	-	-	15 %
Exposure value, thousand EUR (Average* coefficient)	-	-	-	148
Capital requirements, thousand EUR (148*12.5)	-	-	-	1.850

FINANCIAL RISK MANAGEMENT (continued)

Operational risk (continued)

31 December 2015	Year -3	Year -2	Last year	Average
1. ALL BUSINESS LINES ACCORDING TO BASIC INDICATOR APPROACH	587	628	701	639
CAPITAL CHARGE, %.	-	-	-	15 %
Exposure value, thousand EUR (Average* coefficient)				96
Capital requirements, thousand EUR (96*12.5)	-	-	-	1.200

Fair value of financial assets and liabilities

The following items of financial assets and financial liabilities are not disclosed in the statement of financial position at their fair value: cash and cash equivalents, trade receivables and prepayments, loans granted, borrowings, other financial liabilities, trade payables. The management of the Company have evaluated that the fair value of these assets and liabilities as of 31 December 2015 and 2016 approximately are equal to their carrying amount. Fair value of trade receivables and payables, loans and other non-derivative financial assets as well as liabilities was treated as their carrying amount due to relatively short term of instruments concerned.

Next tables below summarize the fair value measurement hierarchy of the Company financial assets and liabilities accounted for at fair value. Financial instruments are categorised by 3 levels of fair value:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Fair value of all Company contracted derivatives is defined as level 2. These are mainly contracts for differences (CFD) revaluation of which is based on market observable inputs.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no movements of financial instruments between the levels during 2016 and 2015.

Valuation of financial assets and liabilities measured at fair value was performed on the statement of financial position date:

2016	Level 1	Level 2	Level 3	Total
Derivative financial instruments, assets (Note 12)	-	244.462	-	244.462
Derivative financial instruments, liabilities (Note 12)	-	(152.512)	-	(152.512)
Securities designated at fair value through profit or loss (Note 11):				
Debt securities	-	10.580	-	10.580
Equity securities	799.350	-	-	799.350
Total	799.350	102.530	-	901.880
2015	Level 1	Level 2	Level 3	Total
Derivative financial instruments, assets (Note 12)	-	419.699	-	419.699
Derivative financial instruments, liabilities (Note 12)	-	(189.144)	-	(189.144)
Securities designated at fair value through profit or loss (Note 11):				
Debt securities	-	10.031	-	10.031
Equity securities	725.155	-	-	725.155
Total	725.155	240.586	-	965.741

FINANCIAL RISK MANAGEMENT (continued)

Capital management

The Company's capital adequacy is calculated and distributed to risks in accordance with European Parliament and Council directive 2013/36/EU, European Parliament and Council regulation 575/2013 (CRDIV / CRR) as well as Basel III standards and legal acts approved by the Bank of Lithuania. Purposes of the Company's capital management are as follows:

- 1) Follow capital requirements established by the European Union and higher capital ratios to be achieved, which are established by the main shareholder.
- 2) Ensure continuity of the Company's performance, return for shareholders and benefits for other interested parties.
- 3) Promote the development of the Company's business based on stable capital basis.

Every quarter information on capital adequacy is provided to the supervising institution based on the requirements of the European Union and the Bank of Lithuania. The capital of the Company is subdivided in the following 2 levels:

- 1) 1st level equity ratio (CET1 Capital ratio), which consists of registered capital, retained earnings of the previous financial year, other reserves, accrued other comprehensive income, value adjustments according to requirements of valuation based on risk limiting principles, less intangible assets, prepayments and deferred tax assets.
- 2) 2nd level equity ratio consists of other transitional adjustments related to other accrued comprehensive income.

As of 31 December 2015 and 2016 the Company had no capital of 2nd level.

Assets evaluated according risk is calculated based on risk-weighting of assets, which are attributed to classes according to the type of assets and type of party of the transaction, also considering collaterals and guarantees, which are adequate for risk minimisation. Accordingly, with modifications, off-balance sheet items are assessed based on risk.

The table below provides the composition of capital and ratios of the Company as of 31 December for the year ended. Considering requirements of the supervising institutions the Company is subject to 8 % capital adequacy ratio. Moreover, in 2015 new capital requirements were introduced, which must be met by the Company, i.e. in 2015 additional capital conservation buffer of 2.5% was applied to all financial brokerage firms of category A. In 2015 and 2016 the Company met all capital requirements to which it was subject.

	Ratios	2016	2015
1.	1st level equity ratio	1.819	1.811
1.1.	Share capital	1.593	1.593
1.2.	Reserves	159	92
1.3.	Total value of additional valuation adjustments (AVA) estimates	(5)	(5)
1.4.	Earnings of reporting year	141	208
1.5.	Intangible assets	(8)	(19)
1.6.	Deferred income tax assets	(31)	(28)
1.7.	Prepayments and deferred expenses	(30)	(30)
2.	Capital requirements (CR)	7.412	5.434
2.1.	Credit risk	3.536	3.071
2.2.	Position risk	1.263	225
2.3.	Foreign currency risk	500	588
2.4.	Operational risk	1.850	1.200
2.5.	Credit valuation adjustment risk	263	350
3.	Capital ratio (1 line/ 2 line)	24.54 %	33.33%

OTHER NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 NET INCOME FROM SERVICES AND COMMISSION FEES

	2016	2015
Income from services and commission fees:		
Income from commission fees	1.936.947	1.586.467
Valuation and consulting services	331.209	447.681
Accounting for and storage of securities	156.849	64.072
Market making and other fixed fee services	104.201	91.279
Accounting services	35.720	37.184
Currency exchange income	59.010	25.029
Total income from services and commission fees	2.623.936	2.251.712
Costs of services and commission fees:		
Fees to brokers	(553.014)	(337.827)
Fees to stock exchanges, depositories	(116.082)	(119.710)
Consultations	(96.775)	(97.542)
Fees for access to trading and data platforms	(72.468)	(50.793)
Software maintenance	(34.715)	(27.004)
Other costs	(19.534)	(21.307)
Total costs of services and commission fees	(892.588)	(654.183)
Net income from services and commission fees	1.731.348	1.597.529

NOTE 2 NET INTEREST INCOME

	2016	2015
Interest income		
Interest from loans	26.055	34.768
REPO transaction interests	28.456	13.162
Other	429	1.360
Total interest income	54.940	49.290
Interest expenses		
Interest for loans	(14.947)	(14.544)
Total interest expenses	(14.947)	(14.544)
Net interest income	39.993	34.746

NOTE 3 NET PROFIT (LOSS) OF TRADE IN SECURITIES, DERIVATIVES AND FOREX TRANSACTIONS

	2016	2015
Realised gains (loss) from trade in shares	853	16.631
Positive (negative) impact of forex changes	11.103	36.846
Net dividend income	1.861	4.821
Net unrealised revaluation result of financial assets and liabilities designated at fair value through profit or loss	16.029	(18.110)
Total	29.846	40.188

NOTE 4 IMPAIRMENT AND OTHER PROVISIONS

	2016	2015
Bad debts impairment change (Notes 10 and 13)	3.630	(50.916)
Fines and penalties expenses	6.954	(20.000)
Total	10.584	(70.916)

On 18 November 2015 the Supervisory Board of the Bank of Lithuania imposed a fine of EUR 20,000 on UAB FMJ Orion Securities for violation of the restriction to directly or indirectly transfer the non-public information to the other person, which was imposed by the Law on Markets in Financial Instruments of the Republic of Lithuania. The Company appealed this decision to Vilnius Regional Court, asking to set aside this decision of the Bank of Lithuania. Based on this order, a provision of EUR 20,000 was accounted for as of 31 December 2015.

On 30 September 2016 Vilnius Regional Court changed the Supervisory Board of the Bank of Lithuania decision and decreased fine to EUR 10,000. Fine was paid by the Company in 2016.

NOTE 5 PERSONNEL EXPENSES

	2016	2015
Salaries	(533.791)	(683.901)
Social insurance costs	(164.898)	(211.567)
Contributions to guarantee fund	(1.065)	(1.366)
Change in vacation accrual	(9.335)	1.757
Total	(709.089)	(895.077)

NOTE 6 DEPRECIATION AND AMORTISATION

	2016	2015
Amortisation of intangible assets	(11.776)	(12.503)
Depreciation of property, plant and equipment	(13.830)	(12.305)
Total	(25.606)	(24.808)

NOTE 7 ADMINISTRATIVE EXPENSES

	2016	2015
Legal services	(117.257)	(79.034)
Taxes (excluding income tax)	(80.774)	(66.773)
Advertising and marketing costs	(78.355)	(76.811)
Premises rent and utilities expenses	(65.027)	(91.837)
Vehicle lease and maintenance costs	(61.234)	(52.744)
Compensations to clients	(55.811)	(2.653)
Donations	(54.500)	(8.396)
Professional training and business trips costs	(34.231)	(31.364)
Office costs	(20.964)	(19.229)
Insurance costs	(17.509)	(15.388)
Audit costs	(13.000)	(6.000)
Accounting services	(11.470)	(11.470)
Other	(18.013)	(15.385)
Total	(628.145)	(477.084)

NOTE 8 INCOME TAX

	2016	2015
Components of income tax expenses (income)		
Income tax expenses for the previous year	76.627	-
Income tax expenses for the reporting year	67.171	-
Deferred income tax (income) expenses	(2.209)	(3.005)
Income tax (income) expenses, accounted for under the statement of comprehensive income	141.589	(3.005)
	31 December 2016	31 December 2015
Deferred income tax assets		
Impairment of assets	165.125	173.133
Vacation accrual	12.783	10.578
Unrealised gain/loss on revaluation of financial assets	73.128	89.390
Deferred income tax assets before valuation allowance	251.036	273.101
Less: valuation allowance	(49.600)	(86.395)
Net deferred income tax assets	201.436	186.706
Deferred income tax liabilities	-	-
Net deferred income tax	30.215	28.006

As of 31 December 2015 and 2016 the deferred income tax assets (liabilities) were estimated at 15% rate.

Due to uncertainties related to taxable profit to be earned from disposal of securities, in 2016 the Company have not recognised the related deferred income tax of EUR 13.6 thousand (2015 – EUR 28 thousand).

The changes of temporary differences before and after tax effect in the Company were as follows:

	2014	In the statement of comprehensive income	2015	In the statement of comprehensive income	2016
Impairment of assets	125.991	47.142	173.133	(8.008)	165.125
Social insurance contributions	10.993	(415)	10.578	2.205	12.783
Financial assets unrealised revaluation result	79.292	10.098	89.390	(16.262)	73.128
Total temporary differences	216.276	56.825	273.101	(22.065)	251.036
Less: valuation allowance	(49.600)	(36.795)	(86.395)	36.795	(49.600)
Net deferred income tax	25.001	3.005	28.006	2.209	30.215

The amount of income tax expenses may be aligned to income tax expenses, calculated based on income tax rate established by the Law, on the Company's profit before tax:

	2016	2015
Income tax expenses (income), at 15 % rate	67.856	30.687
Permanent differences	1.773	(37.906)
Other change	(4.667)	36.795
Netting with taken over tax losses (from affiliates)	-	(32.581)
Income tax expenses for the previous year adjustment	76.627	-
Income tax expenses (income), accounted for under the statement of comprehensive income	141.589	(3.005)

NOTE 9 CASH AND CASH EQUIVALENTS

	31 December 2016	31 December 2015
Cash in banks	983.229	723.457
Total	983.229	723.457

On 31 December 2015 and 2016, cash included resources in different currencies in Lithuanian and foreign bank accounts and financial brokerage firms. On 31 December 2015 and 2016 the Company had no short-term fixed maturity deposits.

NOTE 10 TRADE RECEIVABLES AND PRE-PAYMENTS

	31 December 2016	31 December 2015
Trade receivables from contracts for differences	10.893	417.658
Trade receivables	275.609	262.102
Accrued CFD commission fee	61.003	59.962
Prepayments	32.957	40.357
	380.462	780.079
Less: doubtful trade receivables and prepayments allowances	(151.488)	(165.133)
	228.974	614.946

Trade receivables are non interest bearing and usually employ a 30 day payment term.

Trade receivables and prepayments with nominal value of EUR 151 thousand as of 31 December 2016 (EUR 161 thousand as of 31 December 2015) were impaired by 100%.

Change of receivable allowance in 2016 and 2015 is included under the impairment and other provisions expenses caption.

The aging analysis of trade receivables and prepayments of the Company for 31 December 2015 and 2016 is provided under Liquidity risk section of the Financial Risk Management note.

Movement of receivables and prepayments allowances:

	Trade receivables	Prepayments
Balance at 31 December 2014	(99.411)	(26.580)
Reversal	1.603	-
Charge	(40.745)	-
Balance at 31 December 2015	(138.553)	(26.580)
Reversal	13.645	-
Balance at 31 December 2016	(124.908)	(26.580)

NOTE 11 SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT (LOSS)

	31 December 2016			31 December 2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equity securities						
Baltic countries	381.431			377.553	-	-
Other EU states	53.181	-	-	123.034	-	-
USA	-	-	-	104.830	-	-
Other	266.274	-	-	7.737	-	-
Total equity securities	700.886	-	-	613.153	-	-
Collective investment fund units						
Baltic countries	88.906	-	-	94.293	-	-
Other EU states	-	-	-	4.749	-	-
USA	9.558	-	-	12.960	-	-
Total collective investment fund units	98.464	-	-	112.002		
Debt securities						
Other countries	-	10.580	-	-	10.031	-
Total debt securities	-	10.580	-	-	10.031	-
Total trade securities	799.350	10.580	-	725.155	10.031	-

There were no movement between the fair value levels in 2016 and 2015.

Weighted yields of debt securities and their duration are presented in the table:

	2016		2015	
	%	Term (in years)	%	Term (in years)
Structural bonds	7	1,08	7	2,08

NOTE 12 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are financial instruments predominantly used for hedging against risks under the Company's risk management positions. The Company enters into transactions involving contracts for differences seeking to hedge against contracts for differences fair value fluctuation risk.

The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in share prices considering the terms of transactions entered.

Aggregate amounts of derivative contracts can fluctuate within the risk ratio limits set by the Company. Fair values of derivative financial assets and liabilities may fluctuate significantly subject to market development.

The fair values of derivative financial instruments are set out in the following table.

	Nominal amounts (set out in the agreement)	Fair values	
		Assets	Liabilities
As at 31 December 2016			
Contracts for differences (CFD based on acquired securities)	977.464	80.266	-
Contracts for differences (CFD based on acquired equivalent CFD)	271.722	144.135	144.134
Contracts for differences (CFD entered based on borrowed securities)	44.502	20.061	-
Contracts for differences (acquired by the Company)	9.605	-	8.378
Total	1.303.293	244.462	152.512
As at 31 December 2015			
Contracts for differences (CFD based on acquired securities)	811.286	189.120	-
Contracts for differences (CFD based on acquired equivalent CFD)	1.133.593	181.129	181.129
Contracts for differences (CFD entered based on borrowed securities)	43.856	49.450	-
Contracts for differences (acquired by the Company)	9.189	-	8.015
Total	1.997.924	419.699	189.144

NOTE 13 LOANS

	31 December 2016	31 December 2015
Loans granted to related parties	280.153	294.156
Loans pledged by other collateral than securities*	261.918	238.825
Loans pledged by securities	521.638	125.082
Other loans	86.556	25.621
Total	1.150.265	683.684
Total impairment loss:	(10.000)	(10.000)
Other loans	(10.000)	(10.000)
Total loans granted and trade receivables designated at fair value	1.140.265	673.684
Fair value of collaterals received (unaudited)	1.179.327	547.705

* Collateral received is monetary funds, securities. The circumstances of use thereof are established in agreements with clients.

As of 31 December 2016 the terms of loans granted were from 2 months to 3 years (as of 31 December 2015: from 6 months to 2 years and 3 months). Average interest rate of the loans granted in 2016 was 6% (5% in 2015).

Change in allowances for the loans is accounted for under impairment and other provisions expenses caption.

NOTE 13 LOANS (CONTINUED)

Movement of loan impairment:

	Individual impairment
Balance at 31 December 2014	-
Additional allowance	(10.000)
Balance at 31 December 2015	(10.000)
Balance at 31 December 2016	(10.000)

NOTE 14 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Vehicles	Other property, plant and equipment	Total property, plant and equipment	Intangible assets
Acquisition cost:				
At 31 December 2014	1.380	65.901	67.281	95.196
Acquisitions	-	11.610	11.610	11.867
At 31 December 2015	1.380	77.511	78.891	107.063
Acquisitions	-	15.061	15.061	775
Disposals and write-offs	1.380	600	1.980	-
At 31 December 2016	-	91.972	91.972	107.838
At 31 December 2014	153	40.255	40.408	75.731
Depreciation costs for the year	919	11.386	12.305	12.503
At 31 December 2015	1.072	51.641	52.713	88.234
Disposals and write-offs	1.302	466	1.768	-
Depreciation costs for the year	230	13.600	13.830	11.776
At 31 December 2016	-	64.775	64.775	100.010
Net book value:				
At 31 December 2014	1.227	25.646	26.873	19.465
At 31 December 2015	308	25.870	26.178	18.829
At 31 December 2016	-	27.197	27.197	7.828

Intangible assets include computer software and their licences.

No assets were pledged to a third party as at 31 December 2016 and 31 December 2015.

The Company had ownership title to all of the property and equipment as at 31 December 2016 and 31 December 2015.

Part of property, plant and equipment of the Company, the cost of which at 31 December 2016 was equal to EUR 40 thousand, was fully depreciated (EUR 31 thousand at 31 December 2015), but was still in use. The largest part of depreciated property which was still in use were computer equipment.

Part of intangible assets of the Company, the cost of which at 31 December 2016 was equal to EUR 75 thousand, was fully depreciated (EUR 66 thousand at 31 December 2015), but still in use. The largest part of depreciated assets which were still in use was software and licences.

NOTE 15 LOANS RECEIVED

	31 December 2016	31 December 2015
Overdrafts (credit balance of current accounts)	511.709	411.095
Loans pledged with securities	371.163	-
Shareholder's loan	-	200.000
Total	882.872	611.095

	2016	2015	2016	2015
	Average duration		Average interest rate	
Overdrafts (credit balance of current accounts)	Open-ended	Open-ended	1 – 2 %	1 – 2 %
Shareholder's loan		1 year	-	4 %
Loans pledged with securities	-	-	4 – 4,6 %	-

NOTE 16 OTHER FINANCIAL LIABILITIES

	31 December 2016	31 December 2015
Liabilities to return borrowed shares	64.564	92.823
Liabilities to return borrowed shares*	40.997	37.668
Collaterals for loans received from clients	-	137.287
Other	12.729	18.774
Total gross carrying amount of financial liabilities:	118.290	286.552
Net-off amounts *	(35.560)	(35.208)
Total net carrying amount of financial liabilities:	82.730	251.344

*A liability to return borrowed shares occurred according to agreement of market making services, net-off amount reflects a change of fair value of shares to be returned.

NOTE 17 SALARY LIABILITIES

	31 December 2016	31 December 2015
Accrued vacations	54.127	44.792
Payable social insurance contributions	38.584	23.330
Accrued bonuses payable to employees	-	167.895
Payable guarantee fund contributions	191	116
Total	92.902	236.133

NOTE 18 OTHER CURRENT LIABILITIES

	31 December 2016	31 December 2015
Accrued expenses	40.618	34.494
Payable VAT	1.195	7.273
Other taxes payable to the budget	3.230	3.230
Debts to accountable persons	732	1.349
Total	45.775	46.346

NOTE 19 EQUITY AND LEGAL RESERVE

Authorised share capital

The Company's authorised share capital consists of 78,572 ordinary shares with a par value of EUR 20,27 each, and the authorised share capital in amount of EUR 1,592,654.

By managing capital the management of the Company constantly monitors that the Company's equity would be not lower than 1/2 of its share capital, as it is required by the Law on Companies of the Republic of Lithuania. As of 31 December 2016 and 2015 the Company met all the above-mentioned requirements.

Capital adequacy ratio is disclosed under Capital Management section of the Financial Risk Management note.

Legal reserve

According to legal acts of the Republic of Lithuania, legal reserve is compulsory. At least 5% of net accounting profit must be annually allocated to legal reserve until it reaches at least 10% of the authorised share capital. At 31 December 2016 the Company's legal reserve was fully formed. Legal reserve may not be allocated as dividends, but may be used to cover future loss.

NOTE 20 ASSETS ASSIGNED FOR MANAGEMENT (UNAUDITED)

Assets managed on trustee basis and liabilities accounted for in the off-balance sheet accounts.

		31 December 2016	31 December 2015
I.	Guarantees and sureties granted	-	-
II.	Managed assets of clients	507,419,158	327,946,852
II.1.1.	Clients' cash and cash equivalents	42,879,130	24,506,843
II.1.2.	Securities purchased on behalf of clients	115,242,914	92,003,675
II.1.3.	Accounted securities of clients, represented at the Central Securities Depository of Lithuania	348,122,306	211,172,525
II.1.4.	Pledged securities of clients	-	-
II.1.5.	Securities purchased from clients under reverse repurchase agreements	1,174,808	263,809
III.	Other off-balance sheet liabilities	4,344	56,476
IV.	Amount of clients' transactions with a third party concluded on derivative financial instruments	3,800,896	2,204,366
V.	Financial instruments, based on which clients concluded CFD with a third party	28,766,347	29,361,596
VI.	Financial instruments, based on which clients concluded CFD with the company	1,143,104	1,480,726
VI.1.	Financial instruments, based on which the company purchased securities as CFD leverage	708,622	623,580
VI.2.	Financial instruments, based on which the company concluded CFD with a third party	434,482	857,146
	Total	541,133,849	361,050,016

NOTE 21 CONTINGENT LIABILITIES

State Tax Inspectorate has not performed any comprehensive tax inspection in the Company. Tax Inspectorate is allowed to inspect accounting books and accounting records and calculate additional taxes and fines, at any time in five years proceeding the reporting financial year. The management of the Company is not aware of any circumstances, which might cause potentially significant liability in this regard.

NOTE 22 RELATED PARTY TRANSACTIONS

The parties are considered as related when one party is allowed to control the other party or may significantly affect the other party in making financial and operating decisions. Related parties of the Company are its shareholders and other companies, which are controlled by shareholders of the Company.

In 2016 transactions of the Company with related parties and balances as of 31 December 2016 were as follows:

	Purchase	Sales	Receivables/ loans	Payables
Shareholders	8.603	520	-	-
Other related entities	93.462	123.899	307.821	-
Total	102.065	124.419	307.821	-

In 2016 and 2015 the Company provided accounting and funds units distribution services to funds managed by UAB „Orion asset management“ employees.

Loan agreements with related parties terms are starting from 2017.02.01 to 2019.12.20 with the average interest rate of 3%.

In 2015 transactions of the Company with related parties and balances as of 31 December 2015 were as follows:

	Purchase	Sales	Receivables	Payables
Shareholders	11.470	967	88	201.157
Other related entities	-	71.732	19.326	-
Total	11.470	72.699	19.414	201.157

The Company has no guarantees from related parties concerning receivables or payables to related parties. As of 31 December 2016 and 2015 the Company did not account for any impairment on doubtful debts related to receivables from related parties.

Salary of the management and other payments

In 2016 the salary of the management was EUR 150 thousand (EUR 159 thousand in 2015). In 2016 the Company's management consisted of 2 employees (2 employee in 2015). In 2016 and 2015 the Company's management was not provided any guarantees, neither paid nor calculated any amounts or asset transfers.

NOTE 23 SUBSEQUENT EVENTS

There were no significant events in the Company after the balance sheet date.