

JSC "CAPITALIA INVESTMENT HOLDING"

Consolidated unaudited interim financial statements

For the period 01.01.2024 – 30.06.2024

Information about the group companies

Head of group	CAPITALIA INVESTMENT HOLDING
Legal status of the Company	joint-stock company
Number, place, and date of registration	40203483481, Commercial Register Latvija, Riga, 07.11.2023
Address	Stabu street 20-1, Riga, LV-1011, Latvia
Shareholders (beneficiaries)	Non-resident of the Republic of Estonia (79,44%) Resident of the Republic of Latvia (20.56%)
Names and positions of Council members	Laura Komisare – Chairman of the Council Mārtiņš Krūtainis – Deputy Chairman of Council Viktors Grišins – Council member
Names and positions of Board members	Juris Grišins – Chairman of the Board
The reporting period	January 1 to June 30, 2024

Subsidiary companies

Subsidiary Name	Capitalia, SE
Address of the subsidiary	Stabu street 20-1, Riga, LV-1011, Latvia
Number, place, and date of registration	40003933213, Latvia, registered in 21.06.2007
Subsidiary Name	Capitalia Fund Management AIFP, SIA
Address of the subsidiary	Stabu street 20-1, Riga, LV-1011, Latvia
Number, place, and date of registration	50203288031, Latvija, registered in 26.01.2021

Branches Capitalia SE

Branch Name	Capitalia, SE Lithuania branch
Address of the subsidiary	Smolensko g. 10B, Vilnius, LT-03201, Lithuania
Number, place, and date of registration	304914672, Lithuania, registered in 12.09.2018.
Branch Name	Capitalia, SE Estonia branch
Address of the subsidiary	Harjumaa, Tallinn, Tartu maantee 83, 10115, Estonia
Number, place, and date of registration	14558272, Estonia, registered in 04.09.2018

Group operations as classified by NACE	64.20 Holding company activities 64.91 Finance lease 64.92 Other credit service activities 64.99 Financial service activities not elsewhere specified, except insurance and pension accumulation 66.30 Fund management 70.22 Business and management consultancy
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Interim management report

On operating results

In the first half of 2024, Capitalia reported a turnover of EUR 764 thousand and a profit of EUR 27 thousand. This is the first time we are reporting consolidated figures. Operating revenue slightly grew and a positive net profit was achieved. We expect the consolidated revenue to continue growing together with the consolidated portfolio under management. Financing activity remained stable in the second quarter of 2024. During the first half of 2024, we managed to issue a funding amount of EUR 10.60 million (EUR 13.03 million during the first half of 2023). The lower issued amount and higher portfolio under management are explained by a discontinuation of a few larger factoring type of contracts and the average term of issued loans getting longer.

On key events

In the second quarter of 2024, we managed to issue a funding amount of EUR 4.7 million (EUR 5.9 million in the first quarter of 2024). Among the financed businesses during this period were, for example, such companies as Digital mind AS (information technologies), Genocode AS (scientific research), and MIG Baltic SIA (wholesale & retail trade).

In alternative fund management, we have made 1 new investment from our cost-efficient Baltic bond fund and acquired bonds of Given Jewellery, AS (Latvian jewelry retail company). Our venture capital fund investment period has ended, and no realizations made in the last quarter.

On plans for the next quarter

The third quarter, despite the slower season of summer, continues with a stable business financing activity and we expect no changes here. We continue implementing final changes on our platform to ensure compliance with the European Crowdfunding Service Provider requirements, as well as executing other performance updates for the benefit of the financing clients and investors.

Juris Grišins
Chairman of the board

Riga, July 24, 2024

Summary of financial performance

The summary of financial results portrays the development of key consolidated financial indicators of Capitalia over the last reporting period. Total assets and loan portfolio on the books have decreased compared to the previous reporting period. Equity capital is EUR 642 thousand while profits were reported at EUR 27 thousand. Equity and other liabilities subordinated to the outstanding bond issues constituted 34% of the total assets or well above the benchmark bond covenant of 20%.

Summary of balance sheet figures

EUR	2021	2022	2023	Q2 2024
Total assets	2 965 105	2 798 569	3 585 070	2 775 264
Loan portfolio on books	1 572 088	1 325 140	1 621 996	1 781 745
Equity capital	690 678	629 064	615 737	642 927

Summary of profit and loss figures

EUR	2021	2022	2023	Q2 2024
Net sales	1 194 273	1 248 316	1 446 852	764 102
Costs of services provided	(176 406)	(139 219)	(203 582)	(100 251)
Sales and marketing expenses	(427 933)	(603 367)	(546 490)	(256 542)
Administrative costs	(445 114)	(492 065)	(744 881)	(423 566)
Net profit	174 121	48 034	10 881	27 190

Key operating ratios

EUR	2021	2022	2023	Q2 2024
Equity to assets	23.29%	22.48%	17.18%	23.17%
Turnover growth	22.05%	4.53%	-	5.62%
Return on equity (ROE)	28.80%	11.37%	1.90%	8.64%
Net profitability	14.58%	3.85%	0.75%	3.56%

Interim profit and loss statement, January 1, 2024 – June 30, 2024

	01.01.-30.06.2024	2023
	EUR	EUR
Net sales	764 102	1 446 852
Costs of services provided	(100 251)	(203 582)
Gross profit	663 851	1 243 270
Selling expense	(256 542)	(546 490)
Administrative expense	(423 566)	(744 881)
Other operating income	44 615	153 042
Other operating expense	(1 168)	(89 956)
Valuation of long-term financial assets	-	(3 274)
Profit/(loss) before taxes	27 190	11 711
Corporate income tax	-	(830)
Current year's profit/(loss)	27 190	10 881

Interim balance sheet, June 30, 2024

	30.06.2024	31.12.2023
	EUR	EUR
<u>Assets</u>		
Long term investments		
Intangible assets	69 824	68 207
Advance payments for intangible assets	12 000	-
Fixed assets	81 824	82 595
Other securities and investments	645 709	444 092
Issued loans	420 763	321 357
Total long-term investments:	1 230 120	916 251
Current assets		
Issued loans	715 273	856 547
Receivables	22 993	10 950
Other debtors	37 913	40 218
Loans to shareholders and management	271 967	231 467
Loans to related parties	193 880	188 521
Cash	303 118	1 341 116
Total current assets:	1 545 144	2 668 819
<u>Total assets</u>	2 775 264	3 585 070

Interim balance sheet, June 30, 2024

	30.06.2024 EUR	31.12.2023 EUR
<u>Equity and liabilities</u>		
Shareholders' funds		
Share capital	535 000	535 000
Other reserves	(10 679)	(10 679)
Reorganization reserve	34 792	34 792
Prior year's accumulated profit/ losses	56 624	45 743
Current year's profit	27 190	10 881
Total shareholders' funds:	642 927	615 737
Liabilities		
Long-term liabilities		
Bonds issued	1 147 000	1 147 000
Other creditors	56 000	-
Total long-term liabilities:	1 203 000	1 147 000
Short-term liabilities		
Bonds issued	622 526	622 526
Other borrowing	201 500	100 511
Other liabilities, advances received	12 536	1 005 081
Borrowings from related parties		
Accrued liabilities	39 993	48 863
Trade payables and accrued liabilities	11 719	12 338
Taxes	41 063	33 014
Total short-term liabilities:	929 337	1 822 333
<u>Total equity and liabilities:</u>	<u>2 775 264</u>	<u>3 585 070</u>