

SE CAPITALIA

Unaudited interim financial statements

For the period 01.01.2024 – 31.03.2024

Information about the company

Name of the Company	SE CAPITALIA
Legal status of the Company	European company
Number, place, and date of registration	40003933213, Commercial Register Riga, 21.06.2007
Operations as classified by NACE	64.92 Other credit service activities 64.99 Financial service activities not elsewhere specified, except insurance and pension accumulation 70.22 Business and management consultancy
Address	Stabu street 20-1, Riga, LV-1011, Latvia
Shareholders (beneficiaries)	Resident of the Republic of Latvia (100%)
Names and positions of Council members	Mārtiņš Krūtainis – Chairman of the Council
Names and positions of Board members	Juris Grišins – Chairman of the Board
The reporting period	January 1 to March 31, 2024

Branches

Branch Name	SE Capitalia 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.
Operations as classified by NACE	64.92 Other credit service activities
Branch Name	SE Capitalia 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
Operations as classified by NACE	64.92 Other credit service activities

Interim management report

On operating results

In the first quarter of 2024, Capitalia reported a turnover of EUR 353 thousand and a profit of EUR 57 thousand. The operating revenue remained stable in the last reporting quarter and solid profit growth was achieved. We expect the revenue to remain stable or slightly decrease due to changes in investing in crowdfunded loans on our platform. Since the reception of the ECSP licence Capitalia SE as a platform operator cannot invest in loans and our holding company continues this activity. January and February activity was strong while March was slower. During the first quarter of 2024, we managed to issued funding amount reached EUR 5.9 million.

On key events

In the first quarter of 2024, we managed to issue a funding amount of EUR 5.9 million (EUR 4.5 million in the last quarter of 2023). Among the financed businesses during this period were, for example, such companies as Kalna 22A, SIA (retail trade), SFM Latvia, SIA (metal products manufacturing), Adamlights, AS (lighting solutions manufacturing).

In alternative fund management, we have made 3 new investments from our cost-efficient Baltic bond fund and acquired bonds of Orkela (real estate development), Mapon (fleet management and asset tracking SaaS), and SBA Furniture Group (furniture manufacturing). Our venture capital fund investment period has ended, and no realizations made in the last quarter.

On plans for the next quarter

The second quarter of the new year started with strong business financing activity and we expect it to continue this way. We continue implementing final changes on our platform to ensure compliance with the European Crowdfunding Service Provider requirements. We continue building up our sales team for stronger outreach both to potential borrowers as well as to new investors.

Juris Grišins
Chairman of the board

Riga, April 24, 2024

Summary of financial performance

The summary of financial results portrays the development of key 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 686 thousand while profits were reported at EUR 57 thousand. Equity and other liabilities subordinated to the outstanding bond issues constituted 52% of the total assets or well above the benchmark bond covenant of 20%.

Summary of balance sheet figures

EUR	2021	2022	2023	Q1 2024
Total assets	2 965 105	2 798 569	3 093 454	2 628 628
Loan portfolio on books	1 572 088	1 325 140	1 374 859	1 298 505
Equity capital	690 678	629 064	629 307	686 420

Summary of profit and loss figures

EUR	2021	2022	2023	Q1 2024
Net sales	1 194 273	1 248 316	1 445 440	353 379
Costs of services provided	(176 406)	(139 219)	(198 210)	(2 677)
Impairment expenses	(14 734)	4111	(48 998)	(24 988)
Sales and marketing expenses	(427 933)	(603 367)	(546 490)	(110 427)
Administrative costs	(445 114)	(492 065)	(730 664)	(195 120)
Net profit	174 121	48 034	3 507	57 113

Key operating ratios

EUR	2021	2022	2023	Q1 2024
Equity to assets	23.29%	22.48%	20.34%	26.11%
Turnover growth	22.05%	4.53%	15.79%	-
Return on equity (ROE)	28.80%	11.37%	0.69%	34.73%
Net profitability	14.58%	3.85%	0.24%	16.16%
Annualized impairment loss	0.97%	(0.28)%	(3.63)%	(7.48)%

Interim profit and loss statement, January 1, 2024 – March 31, 2024

	01.01.-31.03.2024	01.01.-31.03.2023
	EUR	EUR
Net sales	353 379	363 148
Costs of services provided	(2 677)	(28 879)
Gross profit	350 702	334 269
Selling expense	(110 427)	(150 830)
Administrative expense	(195 120)	(128 944)
Other operating income	12 561	15 669
Other operating expense	(603)	(39)
Profit/(loss) before taxes	57 113	70 125
Corporative income tax	-	-
Current year's profit/(loss)	57 113	70 125

Interim balance sheet, March 31, 2024

	31.03.2024	31.12.2023
	EUR	EUR
<u>Assets</u>		
Long term investments		
Intangible assets	69 684	68 207
Fixed assets	81 055	82 595
Other securities and investments	422 587	409 787
Issued loans	57 514	108 525
Total long-term investments:	630 840	669 114
Current assets		
Issued loans	818 404	856 547
Other debtors	49 187	33 735
Loans to shareholders and management	257 423	231 467
Loans to related parties	191 015	188 521
Cash	681 759	1 114 070
Total current assets:	1 997 788	2 424 340
<u>Total assets</u>	2 628 628	3 093 454

Interim balance sheet, March 31, 2024

	31.03.2024 EUR	31.12.2023 EUR
<u>Equity and liabilities</u>		
Shareholders' funds		
Share capital	500 000	500 000
Other reserves	(10 679)	(10 679)
Reorganisation reserve	100 315	100 315
Prior year's accumulated profit/ losses	39 671	36 164
Current year's profit	57 113	3 507
Total shareholders' funds:	686 420	629 307
Liabilities		
Long-term liabilities		
Bonds issued	750 000	750 000
Total long-term liabilities:	750 000	750 000
Short-term liabilities		
Bonds issued	616 792	616 792
Other liabilities, advances received	490 000	1 005 081
Borrowings from related parties	-	-
Accrued liabilities	39 279	47 844
Trade payables and accrued liabilities	9 973	12 338
Taxes	36 164	32 092
Total short-term liabilities:	1 192 208	1 714 147
<u>Total equity and liabilities:</u>	<u>2 628 628</u>	<u>3 093 454</u>