

# **SE CAPITALIA**

**Unaudited interim financial statements**

For the period 01.01.2023 – 31.12.2023

## 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 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 December 31, 2023

## Branches

Branch Name	SE Capitalia Lithuania branch
Address of the subsidiary	Smolensko g. 10B, A13, 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 2023 Capitalia reported a turnover of EUR 1.45 million and a profit of EUR 2 thousand. The annual revenue grew by almost 16% last year, however, due to additional costs in transitioning to licensed operations the net profitability was impacted. While in October we again observed low activity it started picking up in November and in December we managed to issue a solid monthly funding amount of EUR 2.2 million.

## On key events

In the last quarter of 2023, we managed to issue a funding amount of EUR 4.5 million (EUR 5.3 million in the third quarter of 2022). Among the financed businesses during this period were, for example, such companies as Ozermedia, SIA (manufacturing and wholesale trade), Digital Mind, AS (information technologies), and JMD, SIA (real estate).

In the last quarter, we have successfully received the European Crowdfunding Service Provider license from the Bank of Latvia. We also completed internal reorganization as a result of which the Capitalia SE and Capitalia Fund Management SIA have become daughter companies of the Capitalia Investment Holding AS. The reorganization has been initiated due to the licensing requirements of the crowdfunding platform operations.

In alternative fund management, we have made 7 new investments from our cost-efficient Baltic bond fund and acquired bonds of made 7 new investments: Civinity AB (building maintenance and engineering solutions company), Eco Baltia (waste management company), Eleving Group (financial technology company), Capitalica (asset management company), iCotton (cotton products manufacturing company), Modus Grupe (renewable energy, mobility services, auto business provider), Omberg Group (real estate management company). Our venture capital fund has made two new investments in an Estonian real estate rental management platform Rendin and in Giraffe360, which already was part of the Fund's portfolio. The last quarter marked the end of the investment period of the Fund.

## On plans for the next quarter

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

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Juris Grišins  
Chairman of the board

Riga, February 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 increased compared to the previous reporting period. Equity capital is EUR 627 thousand while profits were reported at EUR 1.7 thousand. The licensing costs and impairment expenses still had a strong effect on the profitability. Equity and other liabilities subordinated to the outstanding bond issues constituted 56% of the total assets or well above the benchmark bond covenant of 20%.

### Summary of balance sheet figures

<b>EUR</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total assets	2 839 029	2 965 105	2 798 569	3 091 606
Loan portfolio on books	1 461 007	1 572 088	1 325 140	1 373 011
Equity capital	532 691	690 678	629 064	627 459

### Summary of profit and loss figures

<b>EUR</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Net sales	978 478	1 194 273	1 248 316	1 445 440
Costs of services provided	(203 869)	(176 406)	(139 219)	(198 210)
Impairment expenses	(5 570)	(14 734)	4111	(48 998)
Sales and marketing expenses	(394 468)	(427 933)	(603 367)	(546 461)
Administrative costs	(444 881)	(445 114)	(492 065)	(721 897)
Net profit	30 337	174 121	48 034	1 659

### Key operating ratios

<b>EUR</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Equity to assets	18.76%	23.29%	22.48%	20.30%
Turnover growth	n/a	22.05%	4.53%	15.79%
Return on equity (ROE)	5.70%	28.80%	11.37%	0.40%
Net profitability	2.06%	14.58%	3.85%	0.11%
Annualized impairment loss	0.43%	0.97%	(0.28)%	(3.63)%

## Interim profit and loss statement, January 1, 2023 – December 31, 2023

	<b>2023</b>	<b>2022</b>
	<b>EUR</b>	<b>EUR</b>
Net sales	1 445 440	1 248 316
Costs of services provided	(198 210)	(139 219)
<b>Gross profit</b>	<b>1 247 230</b>	<b>1 109 097</b>
Selling expense	(546 461)	(603 367)
Administrative expense	(721 897)	(492 065)
Other operating income	104 161	63 729
Other operating expense	(80 544)	(2 337)
<b>Profit/(loss ) before taxes</b>	<b>2 489</b>	<b>75 057</b>
Corporative income tax	(830)	(27 023)
<b>Current year's profit/(loss)</b>	<b>1 659</b>	<b>48 034</b>

## Interim balance sheet, December 31, 2023

	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>EUR</b>	<b>EUR</b>
<b><u>Assets</u></b>		
<b>Long term investments</b>		
Intangible assets	68 207	50 988
Fixed assets	82 595	94 414
Other securities and investments	407 939	392 688
Investments in the capital of affiliated companies	-	200 000
Issued loans	108 525	197 279
<b>Total long-term investments:</b>	<b>667 266</b>	<b>935 369</b>
<b>Current assets</b>		
Issued loans	856 547	735 172
Other debtors	33 735	79 172
Loans to shareholders and management	231 467	154 402
Loans to related parties	188 521	66 620
Cash	1 114 070	827 834
<b>Total current assets:</b>	<b>2 424 340</b>	<b>1 863 200</b>
<b><u>Total assets</u></b>	<b>3 091 606</b>	<b>2 798 569</b>

## Interim balance sheet, December 31, 2023

	31.12.2023 EUR	31.12.2022 EUR
<b><u>Equity and liabilities</u></b>		
<b>Shareholders' funds</b>		
Share capital	500 000	500 000
Other reserves	(10 679)	(10 679)
Reorganisation reserve	100 315	100 315
Prior year's accumulated profit/ losses	36 164	(8 606)
Current year's profit	1 659	48 034
<b>Total shareholders' funds:</b>	<b>627 459</b>	<b>629 064</b>
<b>Liabilities</b>		
<b>Long-term liabilities</b>		
Bonds issued	750 000	1 270 000
<b>Total long-term liabilities:</b>	<b>750 000</b>	<b>1 270 000</b>
<b>Short-term liabilities</b>		
Bonds issued	616 792	623 508
Other liabilities, advances received	1 005 081	91 000
Borrowings from related parties	-	59 817
Accrued liabilities	47 844	92 877
Trade payables and accrued liabilities	12 338	12 976
Taxes	32 092	19 327
<b>Total short-term liabilities:</b>	<b>1 714 147</b>	<b>899 505</b>
<b><u>Total equity and liabilities:</u></b>	<b><u>3 091 606</u></b>	<b><u>2 798 569</u></b>