

AS CAPITALIA

Unaudited consolidated interim financial statements

For the period 01.01.2015 – 30.09.2015

Prepared in accordance with the international
financial reporting standards as adopted by EU

Information about the group

Name of the Company	AS CAPITALIA
Legal status of the Company	Join-stock company (from 17.03.2014)
Number, place and date of registration	40003933213, Commercial Register Riga, 21.06.2007
Operations as classified by NACE classification code system	64.99 Other financial service activities, except insurance and pension funding 70.22 Business and management consultancy
Address	Krišjāņa Barona street 13/15-51, Riga, LV-1011 Latvia
Names and addresses of shareholders	Resident of the Republic of Latvia (100%)
Names and positions of Council members	Mārtiņš Krūtainis – Chairman of the Council from 17.03.2014 Andrejs Strods – Deputy Chairman of the Council from 17.03.2014 Jānis Dubrovskis – Member of the Council from 17.03.2014
Names and positions of Board members	Juris Grišins – Chairman of the Board from 17.03.2014 (Member of the Board till 17.03.2014)
Financial year	January 1, 2015 – June 30, 2015
Subsidiaries' Name	Capitalia kreditai UAB (parent company interest in subsidiary – 100%)
Address of the subsidiary	Musninku g. 22-39, Vilnius, Lithuania
Number, place and date of registration	302718931, registered in 30.01.2012
Operations as classified by NACE classification code system	64.99 Other financial service activities, except insurance and pension funding
Associated company	CH1 SIA (25%)
Number, place and date of registration	50103700191, Riga August 14, 2013
Address of associated company	Krišjāņa Barona street 13/15-51, Riga, LV-1011 Latvia

Interim management report

Group's performance during the reporting period

In the third quarter of 2015 JSC Capitalia reported turnover of EUR 389 thousands and the total asset size of EUR 2,126,039. Compared to the previous quarter, the total asset size of the company has not changed, which is result of started cooperation with crowdfunding platform Mintos. Through Mintos JSC Capitalia is selling and servicing to retail investors loans that the company has originated. Under ALTUM co-financing program JSC Capitalia has issued financing to over 65 companies, which indicates that enterprises in Latvia are in need of state co-financing products offered by the company. Unfortunately, respective state institutions do not display any interest of continuing this program hence JSC Capitalia will end issuing loans with government co-financing in the December of 2015.

Similarly to previous quarter, the core focus of JSC Capitalia in the nearby future will be aimed towards developing operations in Lithuania and Estonia. In Estonia JSC Capitalia has successfully acquired domain name www.capitalia.ee, as well as is undergoing the last preparations to start loan origination activities in this country. In Lithuania competitors and potential competitors have started more active entry in the business lending niche of JSC Capitalia. Since September this year, JSC Capitalia is offering a new financial product to its clients – invoice purchasing. We plan to develop this product in all of the Baltic States.

The equity and subordinated capital reached 27% of the total assets of the company. Ratio improved as a result of both retained profits as well as successful activities under ALTUM co-financing program. In October 2015 the company plans to issue additional 750 bonds on NASDAQ stock exchange. This additional issue along with previously sold bonds will serve as backbone of long-term financing of JSC Capitalia.

Future plans

The most important future plans in the last quarter of 2015 will be aimed towards starting operations in Estonian market. Further emphasis will be placed on the introduction of invoice purchasing product in all of the countries of operations.

Juris Grišins
Chairman of the board

Riga, October 23, 2015

Interim condensed profit and loss statement

	01.01.-30.09.2015	01.01.-31.12.2014
	EUR	EUR
Interest and similar income	389 149	393 856
Interest expense	-150 944	-130 471
Impairment (provision)	-33 381	-158 127
Selling expense	-21 419	-35 314
Administrative expense	-135 413	-134 256
Other operating income	10 594	26 658
Other operating expense	-10 485	-18 678
Interest payable and similar expense	-102	-303
Profit/(loss) before Income Tax	47 998	-56 635
Corporate Income tax	-4 391	-18 792
Deferred Income	-	-
Net profit/(loss) for the period	43 607	-75 427

Juris Grišins
Chairman of the board

Riga, October 23, 2015

Interim condensed balance sheet

	30.09.2015	31.12.2014
	EUR	EUR
Assets		
Long term investments		
Fixed assets	58 703	13 309
Participating interest in associated company	6 250	6 250
Loans and receivables	696 051	227 317
Loans to shareholders and management	46 812	56 403
Other investments	5 000	-
Total long-term investments:	812 816	303 279
 Current assets		
Receivables from associated companies	50 396	57 990
Loans and receivables	1 098 254	890 956
Other debtors	25 658	11 722
Loans to shareholders and management	33 743	28 875
Other securities and equity participation	5 692	5 691
Cash and bank	99 480	92 768
Total current assets:	1 313 223	1 088 002
 Total assets	 2 126 039	 1 391 281

Juris Grišins
Chairman of the board

Riga, October 23, 2015

Interim condensed balance sheet

	30.09.2015	31.12.2014
	EUR	EUR
<u>Liabilities</u>		
Shareholders' funds:		
Share capital	226 490	226 490
Other reserves	-10 679	-10 679
Prior years' retained earnings	-83 775	-8 348
Current year's profit / (losses)	43 607	-75 427
Total shareholders' funds:	175 643	132 036
Creditors:		
Long-term creditors:		
Bonds issued	932 216	915 728
Other borrowings	399 361	55 418
Deferred tax liabilities	290	290
Total long-term creditors:	1 331 867	971 436
Short-term creditors:		
Bonds issued	22 333	22 333
Other borrowings	551 754	204 091
Accounts payable to affiliated companies	-	3 266
Trade creditors and accrued liabilities	11 786	13 561
Taxes and social insurance	6 413	18 419
Deferred income	26 243	26 139
Total short-term creditors:	618 529	287 809
<u>Total liabilities and shareholders' funds</u>	<u>2 126 039</u>	<u>1 391 281</u>

 Juris Grišins
 Chairman of the board

Riga, October 23, 2015