

AS CAPITALIA

Unaudited consolidated interim financial statements

For the period 01.01.2016 – 31.03.2016

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

Information about the group

Parent Company

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	64.92 Other credit service activities 70.22 Business and management consultancy
Address	Brīvības street 40-35,Riga, LV-1050, 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 Andrejs Strods – Deputy Chairman of the Council Jānis Dubrovskis – Chairman of the Council
Names and positions of Board members	Juris Grišins – Chairman of the Board
The reporting period	2016, January 1 to March 31

Subsidiaries

Subsidiaries' Name	Capitalia Finance UAB (before Capitalia Kredītai UAB) (parent company interest in subsidiary – 100%)
Address of the subsidiary	Musninku g. 22-39, Vilnius, Lithuania
Number, place and date of registration	302718931, Lithuania, registered in 30.01.2012
Operations as classified by NACE classification code system	64.92 Other credit service activities
Subsidiaries' Name	Capitalia Finance OÜ (before Intelia Finance OÜ)
Address of the subsidiary	Harjumaa, Tallinn, Punane tn 16-604, 13619
Number, place and date of registration	12822836, Estonia, registered in 26.03.2015
Operations as classified by NACE classification code system	64.92 Other credit service activities
Associated company	CH1 SIA (25%)
Address of Associated company	Brīvības street 40-35,Riga, LV-1050, Latvia
Number, place and date of registration	50103700191, Latvia, registered in 14.08.2013
Operations as classified by NACE classification code system	68.10 Own real estate buying and selling

Interim management report

In the first quarter of 2016 AS Capitalia group increase the total turnover to EUR 200,412, which is 87% higher than for the corresponding period of the previous year. Company also reported net profit of EUR 3,706 and total assets of EUR 2,612,544. AS Capitalia is continuing on the established growth plan by developing newly introduced and popular product “Invoice purchasing” as well as starting operations in the Estonian market. As a result of the focus on the expansion, the net profitability of the company has decreased. It is expected that profitability will normalize in the second half of 2016.

Loan portfolio in Lithuania accounted for about 40% of the total asset volume, while Estonia accounted for about 5% of the assets. It is expected that the amount of issued loans in Estonia will increase and by the end of the year Estonia will contribute to 25% of the total assets of the group. Company successfully continued its cooperation with marketplace platform Mintos, offering investors to finance both invoices as well as loans issued by Capitalia. By March 31, 2016 Capitalia had issued the total of EUR 13,021,026 of financing to small and medium sized businesses. As a result we are the largest and most active non-bank financial institution for SMEs in the Baltic States.

Equity and subordinated capital (Altum co-financing) accounted for EUR 488,944 or 18.7% of the total assets of the company. We expect this ratio to be above the set 20% range as a result of selling of our issued loans through marketplace platform Mintos and hence refinancing our short term obligations.

Juris Grišins
Chairman of the board

Riga, April 25, 2016

Interim condensed profit and loss statement

	01.01.-31.03.2016	01.01.-31.12.2015
	EUR	EUR
Interest and similar income	200 412	574 568
Interest expense	-66 308	-211 639
Impairment (provision)	-16 482	-64 891
Selling expense	-32 433	-41 354
Administrative expense	-73 843	-195 986
Other operating income	1 693	12 087
Other operating expense	-7 824	-20 076
Other interest receivable and similar income	-	-
Other financial cexpense	-1	-113
Profit/(loss) before Income Tax	5 214	52 596
Corporate Income tax	-1 508	-6 032
Deferred Income	-	2 022
Net profit/(loss) for the period	3 706	48 586

Juris Grišins
Chairman of the board

Riga, April 25, 2016

Interim condensed balance sheet

	31.03.2016 EUR	31.12.2015 EUR
Assets		
Long term investments		
Intangible assets	42 449	48 865
Fixed assets	18 565	10 893
Participating interest in associated company	6 250	6 250
Receivables from affiliated companies	339 500	339 500
Loans and receivables	454 867	348 014
Loans to shareholders and management	27 500	43 520
Deferred tax assets	1 732	1 732
Total long-term investments:	890 863	798 774
Current assets		
Receivables from affiliated companies	5 471	2 500
Receivables from associated companies	45 693	51 278
Loans and receivables	1 522 589	1 590 885
Other debtors	48 825	33 985
Loans to shareholders and management	45 971	24 136
Other securities and equity participation	37 691	87 691
Cash and bank	15 441	33 959
Total current assets:	1 721 681	1 824 434
Total assets	2 612 544	2 623 208

Juris Grišins
Chairman of the board

Riga, April 25, 2016

Interim condensed balance sheet

	31.03.2016	31.12.2015
	EUR	EUR
Liabilities		
Shareholders' funds		
Share capital	226 490	226 490
Other reserves	-10 389	-10 389
Prior years' retained earnings	-42 945	-91 532
Current year's profit / (losses)	3 707	48 587
Total shareholders' funds:	176 863	173 156
Creditors		
Long-term creditors		
Bonds issued	1 629 261	1 617 576
Other borrowings	139 189	167 577
Deferred income	60 355	64 883
Total long-term creditors:	1 828 805	1 850 036
Short-term creditors		
Bonds issued	36 409	36 140
Other borrowings	484 728	488 855
Accounts payable to affiliated companies	30 680	23 360
Trade creditors and accrued liabilities	15 377	10 073
Deferred income	39 682	41 588
Total short-term creditors:	606 876	600 016
<u>Total liabilities and shareholders' funds</u>	<u>2 612 544</u>	<u>2 623 208</u>

 Juris Grišins
 Chairman of the board

Riga, April 25, 2016