

JSC "CAPITALIA INVESTMENT HOLDING"

Consolidated unaudited interim financial statements

For the period 01.01.2024 – 31.12.2024

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 (77.55%) Resident of the Republic of Latvia (22.45%)
Names and positions of Council members	Laura Komisare – Chairman of the Council Mārtiņš Krūtainis – Deputy Chairman of Council Viktors Grišins – Council member Juris Grišins – Chairman of the Board
Names and positions of Board members	
The reporting period	January 1 to December 31, 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 2024 Capitalia reported a turnover of EUR 1.66 million and a profit of EUR 8 thousand. The annual revenue grew by almost 15% last year. We kept hiring and growing our sales and financing team throughout the year to facilitate further growth. This has impacted cost base growth and thus the net profitability remained modest for 2024. During 2024 our managed loan portfolio has grown by 36%. Our platform investor base has grown significantly during 2024 by 118% and reached almost 1.5k investors at the end of the year. In October we observed a record level of activity and during the Q4 we managed to issue a solid monthly funding amount of EUR 6.5 million.

On key events

In the last quarter of 2024, we managed to issue a funding amount of EUR 6.5 million (EUR 4.5 million in the last quarter of 2023). Among the financed businesses during this period were, for example, such companies as Brain games, SIA (retail trade), Ondato, UAB (software), Aeonpump, SIA (manufacturing), Timberex group, SIA (manufacturing).

In alternative fund management, we have made three new investments from our cost-efficient Baltic bond fund and acquired bonds of Four Finance (consumer finance), Zalvaris (waste management), and Latraps (agriculture). Our venture capital fund investment period has ended, and no realizations have been made in the last quarter. We have launched one new special purpose fund, SWG Secondaries Fund, which has bought out a few early investors in Startup Wise Guys Ventures Fund 1 (Challenger 1).

On plans for the next quarter

The first quarter of the new year started slower than expected. While the available capital of investors to be deployed in business loans is at record levels, companies willing to borrow are not rushing. We continue focusing energy on building a strong sales pipeline and stronger relationships with our existing client portfolio.

Juris Grišins
Chairman of the board

Riga, January 24, 2025

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 have decreased, while the loan portfolio on the books has increased compared to the previous reporting period. Equity capital is EUR 624 thousand while profits were reported at EUR 8 thousand. Equity and other liabilities subordinated to the outstanding bond issues constituted 37% of the total assets or well above the benchmark bond covenant of 20%.

Summary of balance sheet figures

EUR	2021	2022	2023	2024
Total assets	2 965 105	2 798 569	3 585 070	2 694 538
Loan portfolio on books	1 572 088	1 325 140	1 621 996	1 791 789
Equity capital	690 678	629 064	615 737	623 855

Summary of profit and loss figures

EUR	2021	2022	2023	2024
Net sales	1 194 273	1 248 316	1 446 852	1 661 926
Costs of services provided	(176 406)	(139 219)	(203 582)	(227 443)
Sales and marketing expenses	(427 933)	(603 367)	(546 490)	(588 736)
Administrative costs	(445 114)	(492 065)	(744 881)	(880 101)
Net profit	174 121	48 034	10 881	8 118

Key operating ratios

EUR	2021	2022	2023	2024
Equity to assets	23.29%	22.48%	17.18%	23.15%
Turnover growth	22.05%	4.53%	-	14.86%
Return on equity (ROE)	28.80%	11.37%	1.90%	1.33 %
Net profitability	14.58%	3.85%	0.27%	0.49 %

Interim profit and loss statement, 2024

	2024	2023
	EUR	EUR
Net sales	1 661 926	1 446 852
Costs of services provided	(227 443)	(203 582)
Gross profit	1 434 483	1 243 270
Selling expense	(588 736)	(546 490)
Administrative expense	(880 101)	(744 881)
Other operating income	45 658	153 042
Other operating expense	(3 034)	(89 956)
Valuation of long-term financial assets	-	(3 274)
Profit/(loss) before taxes	8 270	11 711
Corporative income tax	(152)	(830)
Current year's profit/(loss)	8 118	10 881

Interim balance sheet, December 31, 2024

	31.12.2024 EUR	31.12.2023 EUR
<u>Assets</u>		
Long term investments		
Intangible assets	120 286	68 207
Fixed assets	78 854	82 595
Other securities and investments	680 639	444 092
Issued loans	282 565	321 357
Total long-term investments:	1 162 344	916 251
Current assets		
Issued loans	818 585	856 547
Receivables	42 879	10 950
Other debtors	64 665	40 218
Loans to shareholders and management	258 972	231 467
Loans to related parties	158 818	188 521
Cash	178 275	1 341 116
Total current assets:	1 552 194	2 668 819
Total assets	2 694 538	3 585 070

Interim balance sheet, December 31, 2024

	31.12.2024 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	8 118	10 881
Total shareholders' funds:	623 855	615 737
Liabilities		
Long-term liabilities		
Bonds issued	921 000	1 147 000
Other creditors	56 000	-
Total long-term liabilities:	977 000	1 147 000
Short-term liabilities		
Bonds issued	771 428	622 526
Other borrowing	201 550	100 511
Other liabilities, advances received	6 081	1 005 081
Accrued liabilities	57 616	48 863
Trade payables	8 884	12 338
Taxes	48 124	33 014
Total short-term liabilities:	1 093 683	1 822 333
Total equity and liabilities:	2 694 538	3 585 070