

SE CAPITALIA

Reg.No. 40003933213

Stabu 20 - 1, Riga, LV-1011

Annual accounts for the year 2023

Translation from Latvian

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Information about the Company

Name of the Company	SE CAPITALIA
Legal status of the Company	Societas Europaea
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 granting 64.99 Financial service activities not elsewhere classified, except insurance and pension accumulation 70.22 Business and management consultancy
Address	Stabu street 20-1, Riga, LV-1011, Latvia
Shareholders	Until December 11, 2023 residents the Republic of Latvia (92%) Non-residents of the Republic of Latvia (8%) From December 11, 2023 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
Financial year	1 January 2023 – 31 December 2023
Previous financial year	1 January 2022 – 31 December 2022
Branch' Name	SE Capitalia filialas Lietuvoje
Address of the branch	Smolensko g. 10B, Vilnius, LT-03201
Number, place and date of registration	304914672, Lithuania, registered in 12.09.2018.
Operations as classified by NACE	64.92 Other credit granting
Branch' Name	SE Capitalia Eesti filiaal
Address of the branch	Tallinn, Kesklinna linnaosa, Tartu mnt 83, 10112
Number, place and date of registration	14558272, Estonia, registered in 04.09.2018.
Operations as classified by NACE	64.92 Other credit granting
Person responsible for accounting	Ruta Circene
Name and address of the auditor	SIA “Grant Thornton Baltic Audit” Certified Auditors' Company, license No. 183 Blaumana street 22, Riga, LV-1011, Latvia Responsible Certified Auditor: Raivis Irbitis, Certificate No. 205

Management's report

On operating results

SE Capitalia (the “Company”) ended its financial year with a net profit in the amount of EUR 3 507 and a turnover in the amount of EUR 1 445 440. The Company's total turnover experienced a 16% increase in comparison to the previous year. As a result of the rapid increase in the rate of inflation and due to other unfavorable market conditions (including significant investments to adapt the Company's operations to the requirements of the crowdfunding provider's license), the total profit of the Company decreased. Our liquidity and balance sheet positions have remained strong and with significant cash reserves.

On the most important events

Last year, we successfully received the European crowdfunding provider license provided by the Bank of Latvia. We also completed the internal reorganization and, as a result, Capitalia SE and Capitalia Fund Management SIA have become subsidiaries of Capitalia Investment Holding AS. The reorganization was initiated in relation to the licensing requirements for crowdfunding platform operations.

On risk management

The risk management role in the Company is to identify the most important operational risks and develop tools to prevent those risks as well as to create a policy to control the compliance with the risk management procedures. The board of Capitalia once a year updates the analysis of the operational risks and the related policies. The actions which must be undertaken to prevent the operational risks are included in the yearly strategy document of the Company. The risk analysis and the actions for risk management are confirmed and monitored by the audit committee of Capitalia. At the end of 2016, an independent internal audit department was created whose mission is to train and control the employees in the operational procedures. Meanwhile the annual report of Capitalia is confirmed by sworn auditors who provide that the financial data corresponds the accounting standards. In 2020, the procedures for identification of suspicious business partners and their true beneficiaries were significantly revised and introduced to meet the requirements of the Law on the Prevention of Money Laundering of Latvia.

On internal control procedures

The board confirms that the internal risk procedures are effective and risk management and internal control has been performed accordingly to the stated control procedures during the whole year.

On share capital

After the reorganization which took place in 2018, the share capital of the Company is EUR 500 000 of ordinary shares with the nominal value of EUR 1.

On proposed distribution of profits

The board recommends that net profits for the financial year is used for financing the Company's further development.

On going concern

The Company's short-term assets are significantly larger than the short-term liabilities; therefore, the Company's board is confident that the Company has sufficient resources to continue the business activities in the foreseen future.

On future plans

The plan of the Company for 2024 is to continue promoting the existing products in the market, focusing on attracting new customers and adjusting operational activities, in accordance with the requirements of the new regulation.

On post balance sheet events

In the time period since the last day of the reporting period, no significant events have occurred that would significantly affect the Company's financial position on December 31, 2023.

Juris Grišins, Chairman of the Board

Riga, May 30, 2024

**PROFIT OR LOSS STATEMENT FOR THE YEAR
 ENDED 31 DECEMBER 2023**

	Notes	2023 EUR	2022 EUR
Net sales	2	1 445 440	1 248 316
Costs of services provided	3	(198 210)	(139 219)
Gross profit		1 247 230	1 109 097
Selling expense	4	(546 490)	(603 367)
Administrative expense	5	(730 664)	(492 065)
Other operating income	6	114 805	63 729
Other operating expense	7	(80 544)	(2 337)
Profit/ (loss) before taxes		4 337	75 057
Corporative income tax	8	(830)	(27 023)
Current year's profit/ (loss)		3 507	48 034

Notes on pages from 7 to 15 are integral part of these financial statements

 Juris Grišins
 Chairman of the Board

 Ruta Circene
 Person responsible for the preparation of the Annual Report

Riga, May 30, 2024

BALANCE SHEET AS AT 31 DECEMBER 2023

	Notes	31.12.2023 EUR	31.12.2022 EUR
<u>Assets</u>			
Long- term investments			
Intangible assets	9	68 207	50 988
Fixed assets	10	82 595	94 414
Total fixed assets:		150 802	145 402
Long-term financial investments			
Participation in the capital of affiliated companies	11	-	200 000
Other securities and investments	12	409 787	392 688
Issued loans and other long-term debtors	13	108 525	197 279
Total long-term financial investments:		518 312	789 967
Total long-term investments:		669 114	935 369
Current assets			
Debtors			
Issued loans	13	856 547	735 172
Loans to shareholders and management	14	231 467	154 402
Other debtors	15	33 735	79 172
Loans to related parties	16	188 521	66 620
Total debtors:		1 310 270	1 035 366
Cash	17	1 114 070	827 834
Total current assets:		2 424 340	1 863 200
<u>Total assets</u>		3 093 454	2 798 569
<u>Equity and liabilities</u>			
Equity			
Share capital	18	500 000	500 000
Other reserves	18	(10 679)	(10 679)
Reorganization reserve	18	100 315	100 315
Prior year's accumulated losses		36 164	(8 606)
Current year's profit		3 507	48 034
Total equity:		629 307	629 064
Liabilities			
Long-term liabilities			
Bonds issued	19	750 000	1 270 000
Total long-term liabilities:		750 000	1 270 000
Short-term liabilities			
Bonds issued	19	616 792	623 508
Other liabilities, advances received	20	1 005 081	91 000
Debts to related parties	21	-	59 817
Trade payables and accrued liabilities	22	12 338	12 976
Taxes	23	32 092	19 327
Accrued liabilities	24	47 844	92 877
Total short-term liabilities:		1 714 147	899 505
Total liabilities:		2 464 147	2 169 505
<u>Total equity and liabilities:</u>		3 093 454	2 798 569

Notes on pages from 7 to 15 are integral part of these financial statements

Juris Grišins
Chairman of the Board

Ruta Circene
Person responsible for the preparation of the Annual Report

Riga, May 30, 2024

Note

(1) Accounting policies

a) General principles

The annual report for the year 2023 is prepared in accordance with the laws of the Republic of Latvia “Accounting Law” and “The Law of the Annual Accounts and Consolidated Annual Accounts” and the Regulations No. 775 of the Cabinet of Ministers of the Republic of Latvia “On Application of the Law of the Annual Accounts and Consolidated Annual Accounts”. The profit and loss account is prepared in accordance with the format set in Appendix 3 of “The Law of the Annual Accounts and Consolidated Annual Accounts” (classified in accordance with the expenditure function). In accordance with Article 5 of “The Law of the Annual Accounts and Consolidated Annual Accounts” the company is classified as a small company. The annual report is prepared in accordance with the requirements of Article 9 of “The Law of the Annual Accounts and Consolidated Annual Accounts”.

On November 2018, the Company daughter companies were reorganized. As a result of the reorganization, the subsidiaries of the Company in Lithuania and Estonia have been added to the Company by establishing branches of the Company in Lithuania and Estonia (see also Note 11). Subsidiaries are added to the Company's financial statements from 1st November, 2018.

On the 1st of November 2023, the Company received the Crowdfunding service provider license No.27-10/2023/255 issued by the Bank of Latvia. In accordance with this license, the Company is eligible to provide crowdfunding services in the European Union member states as well as the credit risk assessment for crowdfunding projects, set crowdfunding offer prices and/or interest rates, and individual management services for investor loan portfolios.

b) Information on the Company

Information requested by law on the Company has been disclosed in separate part of this annual report, on page 3.

c) Net sales

Net sales represent the total of goods and services sold during the year net of value added tax. The Company's net turnover is comprised of interest income on loans secured by pledge or other loans.

The Company assigns part of the issued loans to third parties without repurchase obligation, providing portfolio management and payment administration services of the assigned loans. The Company recognizes interest income and related interest expense on loans disposed of under the repurchase obligation on a net basis, showing only the portion of interest income attributable to the Company in net sales.

Interest income is recognised based on accruals principle. Interest income is not recognized if there is doubt about the recoverability of the debt. Other income is recognised based on accruals principle. Fines and similar income, for which there is some doubt, are recognized on a cash basis.

d) Foreign currency translation

The Company maintains its accounts in euros. During the reporting period transactions in foreign currencies are recorded using euro foreign exchange reference rates that are published based on a regular daily concertation procedure between central banks of the European System of Central Banks and other central banks. At the end of the reporting year foreign currency cash balance and balances of advances and loans denominated in foreign currencies as well as other debtors' or creditors' debts payable in foreign currencies are translated from the foreign currency to the euro in accordance with the foreign exchange rates in force on the last date of the reporting year. The resulting profit or loss is charged to the profit and loss account.

e) Intangible and tangible fixed assets

Intangible non-current assets are stated at cost and amortized over their estimated useful lives on a straight-lines basis. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. Losses from impairment are recognized where the carrying value of intangible non-current assets exceeds their recoverable amount.

Depreciation is calculated on a straight- line basis over estimated useful life of the asset as follows:

Specialized program, database	- over 5 years
Webpage	-over 3 years

Equipment is stated at cost less accumulated depreciation and any impairment in values.

Depreciation is calculated on a straight- line basis over estimated useful life of the asset as follows:

PCs	- over 3 years
Furniture	- over 5 years
Vehicles	- over 5 years

Depreciation is calculated starting with the following month after the asset is put into operation or engaged in commercial activity. The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash- generating units are written down to their recoverable amount. The recoverable amount of equipment is the higher of an asset's net selling price and its value in use.

Note (continued)

(1) Accounting policies (continued)

e) Intangible and tangible fixed assets (continued)

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement in the impairment caption.

Recognition of the fixed asset is discontinued on disposal of the asset or if future use of the asset will not generate any operating benefits. Any profit or loss arising from disposal of the asset (which is calculated as a difference between net income and net book of the asset) is recognized in the statement of comprehensive income in the reporting year.

f) Accounts receivable

Accounts receivable comprise loans and other receivables (other debtors, advances and deposits) that are non-derivative financial assets with fixed or determinable payments. All loans and receivables are recognized when cash is advanced to borrowers and derecognized on repayments. Restructured loans are no longer considered to be past due unless the loan is past due according to the renegotiated terms. Interest income is recognized on an accrual basis in accordance with the terms of the loan agreement.

At each balance sheet date the Company evaluates any objective evidence of the possible impairment of issued loans. If any such evidence exists, the amount of the allowances for loan impairment is assessed as the difference between the carrying amount and the recoverable amount, including amounts recoverable from collateral using management's estimates, assumptions and estimates.

When loans cannot be recovered they are written off and charged against allowances for loan impairment losses. They are not written off until all the necessary legal procedures have been completed and the amount of the loss is finally determined

Provisions for loan impairment losses are reduced when the estimated recoverable value of the loan exceeds the value reflected in the balance sheet.

In accordance with the provisioning policy developed by the Company on the basis of the limitation days for receivables, in addition to the special provisions created by individual loans separately, the following general provisions for bad and doubtful receivables have been established for the other debtors on the basis of the following basic principles (except where the recoverable value of the late debtor's debt collateral substantially exceeds the amount of the outstanding debt:

Day's late	Provision amount
0-30	0%
31-60	10%
61-90	30%
91-180	60%
181-360	80%
361+	100%

The recoverability of other debtors, advances and deposits paid is valued on individual basis if there are any indications of net book value of the asset exceeding its recoverable amount.

Part of the receivables the Company ceded to third parties while continuing to provide receivables management and payment administration services. Part of the ceded receivables has been ceded without a repurchase obligation: such receivables and associated liabilities to the assignees are not reflected in the Company's balance sheet.

g) Other securities

Other securities are listed in the value of their purchases, adjusted for their values in the event of persistent impairment.

h) Finance lease

Where the property, plant and equipment are acquired under a finance lease arrangement and the Company takes over the related risks and rewards, the property, plant and equipment items are measured at the value at which they could be purchased for an immediate payment. Leasing interest is charged to the profit and loss in the period in which it arises.

Note (continued)

(1) Accounting policies (continued)

i) Operating lease

The Company as a lessee

Lease in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and prepayments made under operating leases (net of any financial incentives received from the lessor) are charged to the profit and loss account on a straight-line basis over the period of the lease.

j) Corporate income tax

Corporate income tax for the reporting period is included in the financial statements based on the management's calculations prepared in accordance with Latvian Republic tax legislation.

k) Provisions

Provisions are made in cases when the liability is clearly definable as at the balance sheet date and there is a reasonable possibility of realisation of the noted liability, although the timing and amount of the liability may vary.

l) Loans

Loans are recognised initially at the proceeds received net of transaction costs incurred. Afterwards loans are recognised at historic cost which is diminished by the amounts of principal repayment made. The difference between the cash proceeds received net of transactions costs incurred and the net amount of borrowing principal repayable is released to the profit and loss account over the term of borrowing repayment. Interest expense is recognised on accruals basis in accordance with the provisions of the loan agreement.

m) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents comprise cash on hand, balances of current account with banks and short-term deposits with maturity up to 90 days.

n) Related parties

Related parties are defined as shareholders of the Company, members of the board, their close relatives and companies in which they have a significant influence or control. The term "Related parties" corresponds with the term used in annex IAS 24 "Related Party Disclosures" of COMMISSION REGULATION (EC) No 1126/2008 of 3rd November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council.

o) Payment of dividends

Dividends payable to members are recognized in the financial statements as a liability for the period in which the members approve the payment of the dividend.

p) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense, and disclosure of contingencies. Future events occur which cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

q) Subsequent events

Post-period-end events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-period-end events that are not adjusting events are disclosed in the notes when material.

r) Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Notes (continued)

(2) Net sales

	2023	2022
	EUR	EUR
Interest income and commission fees from loans	1 152 161	1 143 040
Income from fines	209 382	105 276
Commissions under the Crowdfunding Service Provider licence	83 897	-
	1 445 440	1 248 316

Net sales by geographic markets

Latvia	900 144	759 864
The European Union, with the exception of Latvia	545 296	488 452
	1 445 440	1 248 316

(3) Costs of services provided

Interest on loans received	134 949	144 005
Provision for doubtful debts, written-off receivables	48 998	(4 063)
Legal services and debt collection costs	14 263	(723)
	198 210	139 219

(4) Selling expense

Selling staff costs	325 594	378 744
Financing costs	89 188	62 630
Professional services costs	67 487	105 393
Advertising services and materials	34 285	14 646
Office rent, utilities	27 105	39 098
Other selling costs	2 856	2 856
	546 490	603 367

(5) Administrative expense

Staff costs	413 015	226 955
Professional services costs	217 651	189 267
Depreciation of fixed assets, low value items	37 996	33 120
Other costs	27 033	15 237
Office rent, utilities,	22 226	12 747
Office expenses	12 743	14 739
	730 664	492 065

(6) Other operating income

Revenue from securities trading	67 371	-
Revenue from intermediation in the provision of financial services	20 328	47 272
Revenue from debt repayments	13 138	2 179
Revenue from management and business valuation services	10 838	14 278
Income from investments in funds	1 256	-
Other income	1 874	-
	114 805	63 729

(7) Other operating expense

Loss on sale of equity	80 323	-
Donations	-	2 000
Other costs	221	328
Paid fines and penalties	-	9
	80 544	2 337

Notes (continued)

(8) Corporate income tax

Corporate income tax for the reporting year is calculated in accordance with the requirements of the legislation in force during the reporting year.

(9) Intangible Assets

	Concessions, patents, licenses, trademarks and similar rights	Total
	EUR	EUR
Cost		
31.12.2022.	183 755	183 755
Additions	29 373	29 373
Disposals	-	-
31.12.2023.	213 128	213 128
Amortization		
31.12.2022.	132 767	132 767
Charge for period	12 154	12 154
For disposals	-	-
31.12.2023.	144 921	144 921
Net book value as at 31.12.2022.	50 988	50 988
Net book value as at 31.12.2023.	68 207	68 207

(10) Fixed assets

	Other fixed assets and inventory	Total
	EUR	EUR
Cost		
31.12.2022.	133 490	133 490
Additions	9 475	9 475
Disposals	(966)	(966)
31.12.2023.	141 999	141 999
Amortization		
31.12.2022.	39 076	39 076
Charge for period	21 294	21 294
For disposals	(966)	(966)
31.12.2023.	59 404	59 404
Net book value as at 31.12.2022.	94 414	94 414
Net book value as at 31.12.2023.	82 595	82 595

Notes (continued)

(11) Participation in the capital of affiliated companies

	31.12.2023	31.12.2022
	EUR	EUR
Investment in a subsidiary	-	200 000
	<u>-</u>	<u>200 000</u>

SE Capitalia's subsidiary SIA Capitalia Investment Services, whose share capital was increased up to EUR 225 000.00 on the 19th of April 2023, was sold on the 3rd of May, 2023.

SE Capitalia's subsidiary SIA Capitalia Fund Management AIFP with the share capital of 25 000 EUR was sold on the 15th of November, 2023.

(12) Other securities and investments

Long-term part:

Participation in the fund's capital AIF Capitalia Co-investment Fund	201 503	200 000
Participation in the fund's capital (Estonia)	100 000	100 000
Participation in the fund's capital Capitalia Feeder Fund	43 567	37 971
Participation in a company's capital (United Kingdom)	39 717	54 717
Participation in fund's capital Capitalia Bond Fund	25 000	-
Long-term part total:	<u>409 787</u>	<u>392 688</u>

On 15th September 2021, the limited liability partnership AIF Capitalia Co-investment Fund was established. The principal activity of the company is the fundraising in trusts, funds and similar financial entities (NACE 64.30).

On 27th December 2021, the limited liability partnership AIF Capitalia Feeder Fund was established. The principal activity of the company is the fundraising in trusts, funds and similar financial entities (NACE 64.30). The first capital contribution was made on 17th February 2022.

On 28th September 2022, AIF Capitalia Bond Fund, managed by Capitalia Fund Management AIFP, SIA (Reg. No. 50203288031) was established in the form of an aggregate of assets, and the Fund's assets are joint assets. The Fund's investment strategy consists of investments in fixed-income financial instruments. The first capital contribution was made on January 30, 2023.

(13) Issued loans

Long-term part:

Receivable for issued loans	117 926	215 930
Provisions for doubtful debtors	(9 401)	(18 651)
Long-term part total:	<u>108 525</u>	<u>197 279</u>

Short-term part:

Receivable for issued loans	1 172 993	1 037 287
Provisions for doubtful debtors	(316 446)	(302 115)
Short-term part total:	<u>856 547</u>	<u>735 172</u>

Total:	<u><u>965 072</u></u>	<u><u>932 451</u></u>
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Until the 1st of November, 2023, A part of the issued loans the Company cedes to third parties, providing the management and payment administration services of the ceded loan portfolio. The ceded loans are presented in the Company's financial reports as off-balance sheet liabilities. On the 31st of December, 2023, the balance value of loans ceded to third parties without a repurchase obligation was EUR 12 664 628 (On the 31st of December 2022: EUR 13 702 729).

On the 1st of November, 2023, the Company received the Crowdfunding service provider license. With Crowdfunding service provider license and the intermediary of Capitalia platform the value of investors' issued loans at the end of the reporting period was EUR 2 652 489. See also note 27.

(14) Short- terms loans to shareholders and management

Loan to the Company's management	231 467	154 402
Short-term part:	<u>231 467</u>	<u>154 402</u>

The Company has issued unsecured loan to the member of the board of the Company at a fixed annual interest rate. Loan is to be repaid by 2024.

Notes (continued)

(15) Other debtors

	31.12.2023	31.12.2022
	EUR	EUR
Prepaid expenditure	29 618	64 471
Trade and customer debtors	2 833	11 674
Lease security deposit	1 026	2 687
Overpaid taxes	191	262
Other debtors	67	78
	33 735	79 172
	33 735	79 172

(16) Receivables from affiliated companies

Loan to Sparta Capital OÜ	188 521	66 620-
Short-term part:	188 521	66 620
	188 521	66 620

The Company has issued unsecured loan to the parent company at a fixed annual interest rate. Loan is to be repaid by 2024.

(17) Cash

Cash in the bank	1 114 070	827 834
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(18) Share capital and reserves

The Company's registered and paid share capital is EUR 500 000 (500 000 ordinary dematerialized registered shares with a nominal value of EUR 1 each)

The item "Other reserves" reflects the reorganization reserve for previous years.

The item " Reorganisation reserve " reflects the reorganization reserve for 2018.

(19) Bonds issued

In July 2021 the Company made closed issue of 600 bonds at nominal value of EUR 1,000, which basically were realized at nominal value. Coupon rate on the bonds is 7% per annum. The bonds were realized until the due date on the 25th of July, 2023

In July 2021 the Company made closed issue of 600 bonds at nominal value of EUR 1,000, which basically were realized at nominal value. Coupon rate on the bonds is 8% per annum. The bonds are due on 25th of July 2024.

In October 2022 the Company made closed issue of 750 bonds at nominal value of EUR 1,000, which basically were realized at nominal value. Coupon rate on the bonds is 6% per annum. The bonds are due on 25th of October 2025.

Securities nominal value	1 350 000	1 950 000
Unrealized bonds	-	(80 000)
Accrued coupon interest payments at the period end	16 792	23 508
Long term part:	750 000	1 270 000
Short term part:	616 792	623 508
	1 366 792	1 893 508

In order to protect the investments made on October 2022 of corporate bondholders, the Company has entered into agency agreement with the SIA Juridiskais birojs „Reguls” (reg. No. 50103222921). As a result, the Company has pledged all its assets for the benefit of the bondholders' security agent SIA Juridiskais birojs „Reguls”. The maximum amount of the secured claim is EUR 1 000 000 and the pledge holder has the right to sell the pledged assets without an auction. The commercial pledge is issued until the Company has fulfilled all of its obligations to the holders of the secured bond issue.

(20) Other liabilities, advances received

Advances received	1 005 081	91 000
	1 005 081	91 000

Investments received from investors in the bank account, either issued to borrowers or invested in companies' shares at the beginning of the year following the accounting year.

Notes (continued)

(21) Debts to related parties

	31.12.2023	31.12.2022
	EUR	EUR
Loans from related companies	-	59 817
	<u>-</u>	<u>59 817</u>

(22) Trade payables and accrued liabilities

Debt for goods and services received	12 338	12 976
	<u>12 338</u>	<u>12 976</u>

(23) Taxes and social insurance

Corporate income tax	-	39
Taxes of the Company's Estonian and Lithuanian branches	3 868	2 909
Value added tax	1 509	679
Social insurance contribution	12 644	10 320
Personal income tax	14 066	5 375
Corporate risk duty	5	5
Total:	<u>32 092</u>	<u>19 327</u>

(24) Accrued liabilities

Accrued liabilities for EIF guarantee loans	-	48 397
Accrued liabilities for vacation pay	39 280	34 225
Accrued liabilities for suppliers	8 564	10 255
	<u>47 844</u>	<u>92 877</u>

(25) Average number of the Company's employees

	2023	2022
Average number of the Company's employees:	<u>18</u>	<u>18</u>

(26) Management's remuneration

Board members' remuneration		
· salary expenses	56 059	54 174
· social insurance	13 224	12 780
· Corporate risk duty	4	4
Executive Director's remuneration		
· salary expenses	35 242	-
· social insurance	8 314	-
· Corporate risk duty	2	-
	<u>112 845</u>	<u>66 958</u>

(27) Off-balance sheet assets and liabilities

Until November 1, 2023, the Company cedes a part of the issued loans to third parties, providing management and payment administration services of the assigned loan portfolio. Assigned loans are presented in the Company's financial statements as off-balance sheet liabilities.

On November 1, 2023, the Company has received a Crowdfunding service provider license. The Company provides clients (investors and project owners) with crowdfunding services through its online platform. A crowdfunding service is the facilitation of lending by bringing together potential investors with companies looking for financing, for which they receive an intermediary fee.

Notes (continued)

(27) Off-balance sheet assets and liabilities (continued)

In the balance sheet of the company. On December 31, 2023, the Company's off-balance sheet assets and liabilities can be reflected as follows:

	31.12.2023	31.12.2022
	EUR	EUR
Other securities and investments (long-term)*	165 000	165 000
Crowdfunding loans (long-term)	1 352 076	-
Other loans and other long-term debtors (long-term)	1 565 826	1 848 536
Total Other loans and other long-term debtors	3 082 902	
Crowdfunding loans (short-term)	1 300 413	-
Other loans and other long-term debtors (short-term)	11 098 802	11 854 193
Total Other loans and other short-term debtors	12 399 215	13 702 729
Total Off-balance sheet assets	15 482 117	13 867 729
Other creditors (long-term)	3 082 902	2 013 536
Other creditors (short-term)	12 399 215	11 854 193
Total Off-balance sheet liabilities	15 482 117	13 867 729

*On 20th December 2022, SE Capitalia, attracting investors, organized the contribution of EUR 165 000 in the capital of a company founded in United Kingdom.

(28) Subsequent events

There are no other subsequent events since the last date of the reporting year, which would have a significant effect on the financial position of the Company as of 31st December 2023 or should be disclosed in these financial statements.

 Juris Grišins
 Chairman of the Board

 Ruta Circene
 Person responsible for the preparation of the Annual Report

Riga, May 30, 2024