

AS "Moda Kapitāls"
ANNUAL REPORT FOR THE YEAR 2017
prepared in accordance with IFRS as adopted in EU

Riga, 25th April, 2018

AS "Moda Kapitāls"

Annual report for the year 2017.

Prepared in accordance with International
Financial Reporting Standards as adopted in EU

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GENERAL INFORMATION

Name of the company	Moda Kapitāls		
Legal status of the company	Joint Stock Company		
Registration number, place and date of registration	LV 40003345861, Riga, June 9, 1997		
Registered office	Ganību dambis 40A-34, Rīga, LV-1005		
Shareholders	Andris Banders (14.75%), Guntars Zvīnis (24,75%), Ilvars Sirmaiis (24,75%), Verners Skrastiņš (21%), MK Investīcijas, SIA (14,75%)		
Board Members	Guntars Zvīnis Ilvars Sirmaiis		
Supervisory Board Members	Verners Skrastiņš - head of the Council Andris Banders - deputy of the head of the Council Inese Kanneniece - member of the Council Diāna Zvīne - member of the Council Aleksandrs Sirmaiis - member of the Council		
Financial year	from	01.01.2017	to 31.12.2017
Auditors	Crowe DNW SIA Dignājas iela 3B-3, Rīga LV - 1004 Licence No 157		Certified auditor Iveta Rutkovska Certificate No 43

MANAGEMENT REPORT

Type of activity

The main activity of the joint-stock company "Moda Kapital" is the provision of non-bank lending services, incl. issuance of short-term loans against pledges of movable property, pledges of precious metals, antiques, pledges of real estate, issuance of consumer credit and sale of goods in the Internet shop.

Description of the company's activities in the reporting year and financial position

In 2017, changes in the branch structure of JSC "Moda kapitāls" have not occurred and significant changes are not planned in 2018.

Taking into account the current market situation in the non-bank lending sector, the company's priorities have not changed, and the company's priority is not the opening of new branches, but increasing the profitability of existing branches and improving

The company continuously continues its work on improving the qualifications of the employees, as well as improving the company's customer service system. In order to improve the quality of work, the company rotation and recruitment of new employees are carried out. Branch improvement and modernization are continuing.

In 2017, the company started a new operation by opening a wide assortment of online stores using a website named emoda.lv.

Taking into account the changes in customer behavior and the development of general Internet shops, the company plans to activate its activities in this field and become one of the largest online stores in Latvia in the next three years.

The company continues to actively work on increasing sales of existing assortment of goods by offering its customers a wide range of various types of used household appliances and electrical engineering items by agreeing on cooperation with new suppliers. In 2017, as in previous years, no significant changes in customer activity were observed, and the demand for services provided by the Company has remained at the previous level.

After evaluating the results of the 2017 statistics, it can be concluded that some of the types of lending services have been increasing and the activity of customers has slightly increased, while some of the types of lending services have experienced a

In 2017, the most significant increase in customer activity was loans against movable property pledges and consumer loans.

There is a tendency that not in all branches of companies loan growth or decrease is observed in identical forms of a loan. Depending on the branch, each branch can be characterized by a variable growth or decline in loan segments.

The company does not provide clients with services that intend to receive loans remotely, but all loans are issued at the branches of the company. We anticipate that in future, a growing share of the company's loan portfolio will take consumer loans that are provided to customers without collateral.

Also, in 2017 customer interest in the subject of used household appliances and the purchase of used gold products continued to increase. Accordingly, the number of clients who regularly use the company's services both in terms of loans and purchases of existing goods increases. The company plans to expand the assortment of precious metals to be sold in the coming year by purchasing new and unused precious metal products from suppliers. As in previous years, in 2017, much attention is paid to the discipline of customer payments and individual work is done with clients who have solvency problems during the use of the loan in order to find a compromise on a possible solution to their obligations.

Future outlook and future development

We forecast that in 2018 net turnover will increase and will be higher than the net turnover in 2017. According to the company's plan, in 2018 we plan to significantly improve the results of trading in the online store website. Given that the development of this segment involves significant additional costs, it will have an impact on the company's results. The company plans to resume profit from operating activities in the second half of 2018 or in the first half of 2019.

Significant events since the end of the reporting year

From the end of the reporting year to the day of writing this report there have not been any significant events that would have a material impact on the financial position of the Company as at 31 December 2017.

Branches of the company

On December 31, 2017, the Company provides its services in twenty-seven branches located in twenty-six largest Latvian cities: Aizkraukle, Alūksne, Balvi, Bauska, Cēsis, Daugavpils, Dobeles, Gulbene, Jēkabpils (two branches); Jelgava, Kraslava, Kuldīga, Limbaži, Liepāja, Ludza, Madona, Ogres, Preiļi, Rēzekne, Rīga, Saldus, Talsi, Tukums, Valmiera, Valka and Ventspils.

Guntars Zvinis

Ilvars Sirmāis



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STATEMENT OF MANAGEMENT RESPONSIBILITY

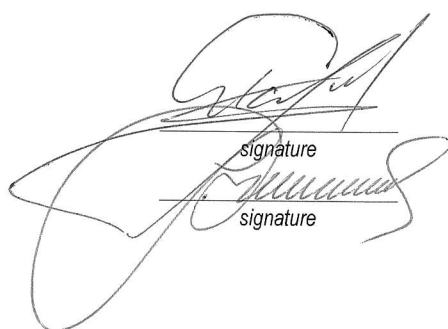
The Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted the EU. The financial statements give a true and fair view of the financial position of the Company at the end of the reporting year, and the results of its operations and cash flow for the year then ended.

The Management certifies that proper accounting methods were applied to preparation of these financial statements on page 6 to page 27 and decisions and assessments were made with proper discretion and prudence. The accounting policies applied have been consistent with the previous period. The Management confirms that the financial statements have been prepared on going concern basis.

The Management is responsible for accounting records and for safeguarding the Company's assets and preventing and detecting of fraud and other irregularities in the Company. It is also responsible for operating the Company in compliance with the legislation of the Republic of Latvia.

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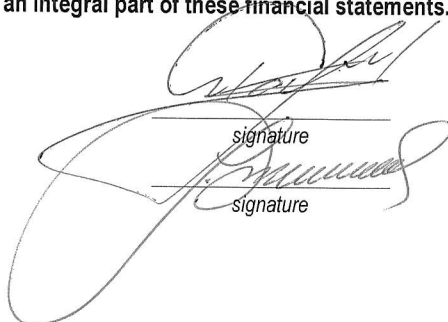
STATEMENT OF COMPREHENSIVE INCOME

	Notes	2017 EUR	2016 EUR
Net turnover	3	1 476 127	1 206 260
Finance income	3	1 176 104	1 281 250
Cost of sales	4	-1 256 860	-992 968
Finance costs	5	-424 107	-418 198
Gross profit		971 264	1 076 344
Selling costs	6	-771 642	-787 648
Administrative expenses	7	-300 149	-303 708
Other income	8	111 412	22 891
Other expenses	9	-126 067	-65 350
Profit or loss before corporate income tax		-115 182	-57 471
Corporate income tax	11	31 021	-34 230
Net profit or loss		-84 161	-91 701
Other income (loss)		18 147	81 999
Total income / loss		-66 014	-9 702

Pages 10. to 27. are an integral part of these financial statements.

Guntars Zvīnis

Ilvars Sirmāis



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25th April, 2018

STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	31.12.2017 EUR	31.12.2016 EUR
Non-current assets			
Intangible assets	12	57 136	51 359
Fixed assets	12	514 751	597 061
Other non-current assets		142	142
Total non-current assets		572 029	648 562
Current assets			
Inventories	13	1 327 074	1 123 520
Loans and receivables	14	2 031 258	2 137 805
Other current assets	15	41 174	41 695
Cash and its equivalents	16	165 334	240 394
Total current assets		3 564 840	3 543 414
TOTAL ASSETS		4 136 869	4 191 976

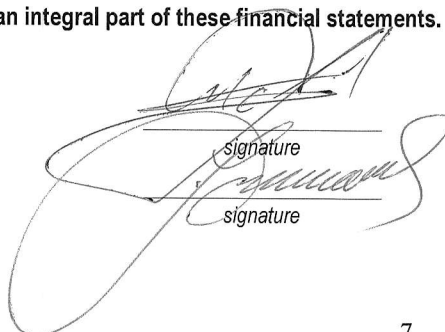
EQUITY AND LIABILITIES	Notes	31.12.2017 EUR	31.12.2016 EUR
Equity			
Share capital	18	426 862	426 862
Revaluation reserves of non-current assets	12	174 240	156 093
Retained earnings/ (accumulated deficit)		-358 566	-274 405
Total equity		242 536	308 550
Liabilities			
Non-current liabilities			
Borrowings	19	3 418 748	3 323 152
Deferred income tax liabilities	11		54 435
Total non-current liabilities:		3 418 748	3 377 587
Current liabilities			
Borrowings	19	356 200	369 317
Trade and other payables	20	119 385	136 522
Total current liabilities		475 585	505 839
Total liabilities		3 894 333	3 883 426
TOTAL EQUITY AND LIABILITIES		4 136 869	4 191 976

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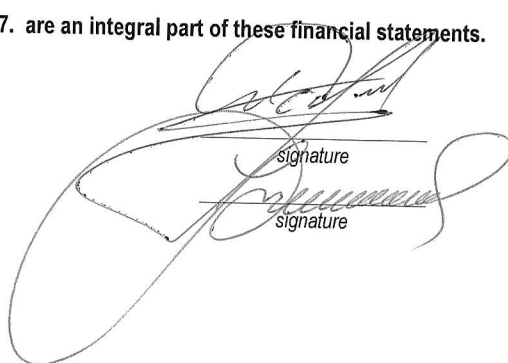
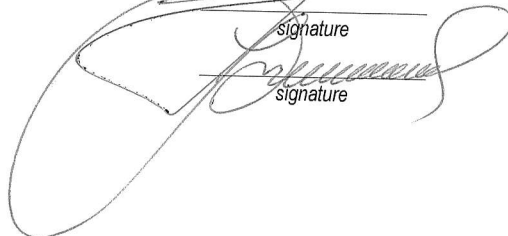
CASH FLOW STATEMENT

	Notes	2017 EUR	2016 EUR
Cash flow from operating activities			
Profit/ loss before corporate income tax			
Adjustments:		-115 182	-57 471
Depreciation and amortization	12	77 655	93 097
loss / (profit) from disposal of fixed assets		-24 902	-2 717
Changes in provisions		11 422	0
Interest payments		424 107	418 198
Changes in current assets:			
Inventories		-203 554	121 785
Receivables		107 068	-71 921
Liabilities		-1 190	17 615
Corporate income tax paid		275 424	518 586
Cash flow from operating activities		0	0
		275 424	518 586
Cash flow from investing activities			
Acquisition of fixed assets and intangible investments	12	-9 451	-6 913
Net cash flow from investing activities		-9 451	-6 913
Cash flow from financing activities			
Income from the sale of fixed assets and intangible investments		521	3 557
Loan received, neto	19	148 500	0
Borrowings repaid, neto	19	-50 000	-116 500
Interest payments		-424 107	-418 720
Payments for financial leasing contracts		-15 947	-24 834
Net cash flow from financing activities		-341 033	-556 497
Net increase / (decrease) in cash and cash equivalents		-75 060	-44 824
Cash and cash equivalents at beginning of the financial year		240 394	285 218
Cash and cash equivalents at the end of the financial year		165 334	240 394

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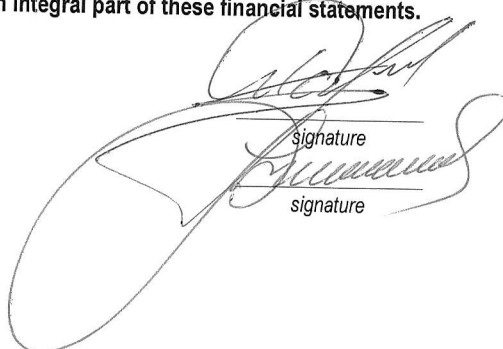
STATEMENT OF CHANGES IN EQUITY

	Share capital	Revaluation reserves of non- current assets	Retained earning/ (accumulated loss)	Total
	EUR	EUR	EUR	EUR
Balance as at 31.12.2015	426 862	133 288	-239 717	320 433
Accounting error correction effect on profit of 2015			2 181	2 181
Retrospective effect of accounting error correction		-71 468	69 287	-2 181
Balance as at 01.01.2016 after adjustment	426 862	61 820	-168 249	320 433
Recognized gain from asset appreciation in the result of revaluation		96 454		0
Deferred income tax liabilities attributable to the revaluation reserve			-14 455	-14 455
Depreciation of fixed assets attributable to the revaluation reserve		-2 181		
Profit for the financial year			-91 701	
Balance as at 31.12.2016	426 862	156 093	-274 405	308 550
Deferred income tax liabilities attributable to the revaluation reserve		23 414		23 414
Depreciation of fixed assets attributable to the revaluation reserve		-5 267		-5 267
Profit for the financial year			-84 161	-84 161
Balance as at 31.12.2017	426 862	174 240	-358 566	242 536

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NOTES TO THE FINANCIAL STATEMENTS

(1) GENERAL INFORMATION

AS Moda Kapitāls (further - Company) main activity is the issuing of short-term loans against pledge of movable and immovable property. AS Moda Kapitāls is a joint stock company founded and operating in Latvia. Registered address of the Company is at Ganību dambis 40A-34, Rīga, LV-1005.

The auditor of the Company is SIA "Crowe DNW".

Reporting period

Financial year 01.01.2017 to 31.12.2017

(2) ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted for use in the European Union (IFRS).

They are prepared according to the original cost principle.

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the following notes.

Preparation of the financial statements in compliance with the IFRS requires critical assumptions. Moreover, preparation of the statements requires from the Management to make estimates and judgments applying the accounting policies adopted by the Company. Critical estimates and judgments are as follows.

a) Standards, amendments and interpretations effective in the current year and have no impact on the Company's financial statements

Amendments to IAS 7. Cash Flow Statement - Disclosure Initiative (effective for annual periods beginning on or after 1 January 2017). Amendments are intended to clarify IAS 7 and improve the quality of information provided to users of financial statements on the company's financing activities. Amendments require companies to disclose information that enables to users of financial statements to evaluate changes in liabilities arising from financing activities, including both two changes from cash flows and changes in non-cash items. The Company does not consider that the amendments have a significant effect on the financial statements.

Amendments to IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealized Losses (effective for annual periods beginning on or after 1 January 2017). Amendments to IAS 12 specify how to record deferred tax assets related to debt instruments measured at fair value. The Company does not consider that the amendments have significant effect on the financial statements.

b) Standards that have been issued but not yet effective

Standards that have been issued but not yet effective or are not approved by the EU and which have not been applied before the effective date.

The Company has not applied the following IFRS and IFRIC Interpretations that have been issued for the approval day of financial statements, but not yet effective:

IFRS No 9 "Financial Instruments" (effective once adopted by the EU for annual periods beginning on 1 January 2018 or later).

The Company does not consider that the issued standard will have a significant effect on the financial statements.

IFRS No14. Deferred liabilities determined by IFRS Regulator (effective for annual periods beginning on or after 1 January 2016, not approved by the EU, as the European Commission has decided not to initiate the application of the interim standard, but expect the standard version to be finalized). This standard will allow companies that apply IFRS for the first time and which are currently accounting by the regulator for deferred items in accordance with previous accounting standards, and will continue to do so after applying fully IFRS. The issued standard will have no impact on the financial statements.

IFRS No 17 Insurance Contracts (effective for annual periods beginning on or after 1 January 2021). IFRS 17 replaces IFRS 4 Insurance Contracts and Related Interpretations.

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Amendments to IFRS No 2 Share-based Payment - Classification and measurement of transactions for share-based payment transactions (effective for annual periods beginning on or after 1 January 2018, not confirmed by the EU).

Amendments to IFRS No 4 Insurance Agreements - IFRS 9 Financial Instruments, in conjunction with IFRS 4 Insurance Contracts (effective for annual periods beginning on or after 1 January 2018, or IFRS 9 Financial Instruments applied for the first time, not authorized by the EU).

Explanatory notes to IFRS No 15 Revenue from Customer Contracts (effective for annual periods beginning on or after 1 January 2018, not authorized by the EU)

Amendments to IFRS No 10 Consolidated Financial Statements and IAS 28 Investments in associates and joint ventures - Sale or investing of assets between an investor and its associates or joint ventures and subsequent amendments (postponed for an indefinite period until a draft study on the equity method is concluded)

Amendments to IAS No 28 Investments in associates and joint ventures - Non-current investments in associates and joint ventures (effective for annual periods beginning on or after 1 January 2019).

Amendments to IAS No 40 Investments - Transfer of Investment Contributions (effective for annual periods beginning on or after 1 January 2018, not approved by the EU).

Amendments to several standards and improvements to International Financial Reporting Standards (Cycle 2015-2017), which are derived from the annual IFRS (IFRS 3, IFRS 11, IAS 12 and IAS 23) improvements to the project, primarily with a view to eliminating inconsistencies and providing explanations for the wording (effective for annual periods beginning on or after 1 January 2019).

IFRIC 22 Transactions in foreign currencies or prepayment terms (effective for annual periods beginning on or after 1 January 2018, not approved by the EU).

IFRIC 23 Uncertainty regarding Income Tax Treatment (effective for annual periods beginning on or after 1 January 2019).

The Company is in the process of assessing the impact of the guidance on the financial position or performance of the Company. The Company plan to adopt the above mentioned standards and interpretations on their effectiveness date.

Foreign currencies

The company's functional currency and presentation currency is the Latvian national currency Euro (EUR).

Foreign currency transactions are translated into euro at the European Central Bank's official exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into euros at the European Central Bank's official exchange rate at the period end. Exchange rate differences arising from foreign currency transactions or financial assets and liabilities using the exchange rates that differ from the initial transaction accounting rates are recognized in profit or loss in net worth.

Segment disclosure

An operation segment is a component of entity which qualifies for the following criteria: (i) engages in business activities from which it may earn revenues and incur expenses; (ii) whose operation results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and (iii) for which discrete financial information is available.

Revenue recognition

Income is recognised to such extent, for which substantial measurement is feasible and there is a reason to consider that the Company will gain economic advantage related thereof. Income is evaluated in the fair value of remuneration received, less sale discounts and the value added tax. The Company assesses its income gaining operations according to certain criteria, in order to establish whether it acts as the parent company or a representation. The Company considers that in all income gaining operations it acts as the parent company. Before income recognition the following preconditions shall be fulfilled:

Sales of goods

Sales income shall be recognised if the Company has transferred to the customer significant risks related to the goods ownership and remunerations, usually at the moment of delivery of goods.

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Mediation income

The Company gains income from mediation services for pledged goods. Mediation services refer to the Company basic type of operations, so these income is included in the income statement as net turnover. Income from such services are gained when the Company sells to a client the respective pledged goods.

Interest income and expense

For all financial instruments booked in their amortised acquisition value and financial assets, for which interest is calculated and which are classified as available for sale, the interest income and expenses are registered using the effective interest rate, namely, the rate which actually discounts the estimated monetary income through the whole useful life period of the financial instrument or - depending on the circumstances may be - a shorter time period until the balance sheet value of the respective financial asset or liability is reached.

Other income

Income from penalties charged from clients is recognised at the moment of receipt. Penalties mainly consist of fines imposed on clients for the delay in payment.

Intangible assets and fixed assets

Intangible assets, in general, consist of licenses and patents. Intangible assets are recognised at the cost of acquisition less accumulated amortisation. Amortisation is calculated from the moment the assets are available to use. Amortisation of intangible assets is calculated using the straight-line method to allocate amounts to their residual values over their estimated useful lives, as follows:

<u>Intangible assets:</u>	<u>Years</u>
Licenses and patents	3-5

Buildings are recognised at their fair value on the basis of assessment made by independent valuator from time to time less accumulated depreciation. Accumulated depreciation is liquidated as of revaluation date, net sum is charged to the revaluated cost. Land is recognised at their fair value on the basis of assessment made by independent valuator from time to time. Other assets are recognised at their acquisition value less accumulated depreciation. Acquisition value includes the costs directly related to acquisition of the asset.

Subsequent costs are recognised in the asset's carrying amount or as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other repairs and maintenance are recognised as an expense during the financial period when they are incurred.

Increase in value arising on revaluation is recognised in equity under "Revaluation reserve of non - current assets", but decrease that offsets a previous increase of the same asset's value (net of deferred tax) recognised in the said reserve is charged against that reserve; any further decrease is recognised in other comprehensive income for the year incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revaluated amounts to their residual values over their estimated useful live, as follows:

<u>Fixed assets:</u>	<u>Years</u>
Buildings	20-30
Computer equipment	3-5
Other machinery and equipment	4-10

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each end of the financial year.

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Impairment of non-financial assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill, if any, is allocated to such cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest budget.

An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount. A reversal of an impairment loss for a cash-generating unit is allocated to the assets of the unit, except for goodwill, pro rata with the carrying amounts of those assets. In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of: (a) its recoverable amount (if determinable) and (b) the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

Lease-to-buy (financial lease)

In cases when leased assets are received with lease-to-buy (financial lease) conditions, under which all risks and rewards of ownership are transferred to the Company, are recognized as Company's assets. Assets under the finance lease are recognized at the inception of lease at the lower of fair value of the leased assets or the present value of the minimum lease payments. Lease interest payments are included in the statement of comprehensive income by method to produce a constant periodic rate of interest on the remaining balance of the liability.

Inventories

The inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. When the net realizable value of inventories is lower than their cost, provisions are created to reduce the value of inventories to their net realizable value.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual obligations of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit and loss, which are measured at fair value.

The Company categorises its financial assets, except derivative financial instruments if any, under loans and receivables. The categorisation depends on the purpose for which the financial assets were acquired. Management determines the categorisation of its financial assets at initial recognition.

The Company's financial liabilities include borrowings, trade and other payables and obligations arising from derivative financial instruments (if formed).

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Loans and other receivables

Loans and receivables are non-derivative financial assets with fixed (including transaction costs) or determinable payments that are not quoted in an active market. They are included in current assets, except financial assets with maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Upon recognition loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of loans and receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the loans and receivables are impaired. The amount of the provision is the difference between the asset's carrying amount and recoverable value. The changes of the provision are recognised in the statement of comprehensive income. Loans and receivables carrying amount is reduced through the use of the provision account. Loss of the provision are recognized in the statement of comprehensive income as other operating expenses. When a loan or receivable is uncollectible, it is written off against the provision account for loans and receivables. Subsequent recoveries of amounts previously written off are credited against 'other operating expenses' in the statement of comprehensive income.

Borrowings

Borrowings are recognised initially at the amount of proceeds, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is gradually recognised in profit and loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash and the balances of the current bank account.

Share capital and dividends

Ordinary shares are classified as equity. Dividends to be paid to shareholders of the Company are represented as liabilities during the financial period of the Company, when shareholders of the Company approve the dividends.

Employee benefits

Short-term employee benefits, including salaries, social security contributions and bonuses are included in the statement of profit or loss on an accrual basis.

The Company pays social security contributions for state pension insurance and to the state funded pension scheme in accordance with Latvian laws. State funded pension scheme is a defined contribution plan under which the Company pays fixed contributions determined by the law and they will have no legal or constructive obligations to pay further contributions if the state pension insurance system or state funded pension scheme are not able to settle their liabilities to employees. The social security contributions are recognised as an expense on an accrual basis and are included in the staff costs.

Corporate income tax

Corporate income tax for the years 2016 and 2017 is calculated in accordance with the tax laws of the Republic of Latvia. Existing legislation sets a 15 percent tax rate.

In 2017, the government adopted a fundamental change in the Corporate Income Tax Law, which came into force on January 1, 2018. In accordance with this law, temporary differences between financial and tax balances are no longer present. Consequently, the Company withdrew the deferred tax recognition as of 31.12.2017. Corporate income tax liabilities incurred outside the profit and loss account were attributed to the equity item "Long-term revaluation reserve"; other liabilities were recognized as income in the income statement for the year 2017.

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Fair value estimation

In respect of financial assets and liabilities held in the balance sheet at carrying amounts other than fair values, the fair values are disclosed separately in notes.

The carrying value of trade receivables and payables are assumed to approximate their fair values. The fair value of financial instruments for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments unless there is information on market prices.

Related parties

Related parties are defined as shareholders of the Company, who have a significant influence or control over the Company, members of the Board and the Council, their close relatives and companies, in which they have a significant influence or control. Also companies located in ultimate control or significant influence by the controlling member are related parties.

Critical accounting estimates and judgments

Lai sagatavotu finanšu pārskatus saskaņā ar SFPS, nepieciešams izdarīt būtiskus pieņēmumus. Tāpat, sagatavojot pārskatus, vadībai ir nepieciešams izdarīt pieņēmumus un spriedumus, piemērojot Sabiedrības izvēlēto uzskaites politiku.

Preparation of financial statements in compliance with IFRS require estimates and assumptions affecting value of assets and liabilities recognised in the financial statements, and disclosures in the notes at the year-end as well as income and expenditures recognised in the reporting period. Actual results may differ from these estimates. Scopes, the most-affected by assumptions are revaluation of the land and building and determination of their useful life period, determination of revaluation regularity, as well as recoverable amount of receivables and inventories as disclosed in the relevant notes.

Revaluation of land and buildings

Management of the Company determines fair value of the assets based on assessment made by independent certified valuers in accordance with the property valuation standards and based on observable market price as well as future cash flow and construction costs methods.

The Management believes that assets must be revaluated at least once in 5 years or earlier if any indicators show the potential material changes in market values. By the management estimates, in the reporting year the factors that indicate a potentially significant changes in the value of those assets has not been identified, and, as a result, fair value measurement procedures has not been made. Last evolution of land and buildings was carried out in 2016 on preparation of financial statements.

Recoverability of receivables

The calculation of recoverable value is assessed for every customer individually. Should individual approach to each customer be impossible due to great number of the customers only bigger receivables shall be assessed individually. Receivables not assessed individually are arranged in groups with similar indicators of credit risks and are assessed jointly considering historical losses experience. Historical losses experience is adjusted on the basis of current data to reflex effect of the current conditions that did not exist at acquisition of the historical loss, effect and of conditions in the past that do not exist at the moment. Information on amount and structure of receivables is disclosed in Note (14) of the financial statements.

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Prior period errors

During the preparation of annual report for the year 2016, it was found that in 2011 the long-term revaluation reserve was incorrectly calculated and disclosed.

In accordance with the International Accounting Standard No 8 "Accounting Policies, Changes in Accounting Estimates and Errors", the Company accounted the adjustments in year 2016, but in the annual report it was disclosed retrospectively.

After making adjustments to prior period errors, changes have been occurred in the following financial report items:

Item adjusted	Annual report for the year 2015 before adjustments	Adjustment	Annual report for the year 2015 after adjustments
<u>Adjustment to Balance</u>			
<u>Sheet as at 31.12.2015</u>			
Long-term investments revaluation reserve	133 288	-61 654	71 634
Retained earnings from previous financial periods	-239 717	71 468	-168 249
<u>Adjustments to the income statement</u>			
<u>for the 2010</u>			
Depreciation of revalued fixed assets, which are recognized in equity	-110 238	2 181	-108 057

Due to adjustments Company's profit for the year 2015 was increased by 2181 EUR; the share equity as of 31.12.2015 was decreased by 9814 EUR and makes 320 433 EUR.

(3) Segment Information and net sales

Operation and reportable segment

Core activity of the Company is the issuing of short-term loans against pledge of movable and immovable property and the realization of the pledged property. As the Company's other business lines, including other commodity trade is irrelevant, the Company has only one operation and reportable segment. Operation segments are reported in a manner consistent with the internal reporting provided to the Company's chief operating decision maker being the Board.

Geographical markets

Currently there are twenty-seven branches: Aizkraukle, Alūksne, Balvi, Bauska, Cēsis, Dobele, Daugavpils, Gulbene, Jekabpils (two branches), Jelgava, Kraslava, Kuldīga, Liepāja, Limbaži, Madona, Ogre, Rēzekne, Rīga, Saldus, Talsi, Valmiera, Ventspils, Tukums, Preiļi, Ludza, and Valka.

(3) Types of net turnover

	2017	2016
	EUR	EUR
Income from sales of pledged assets	1 179 198	940 575
Income from other goods sales	296 929	265 685
Total	1 476 127	1 206 260

Finance income

	2017	2016
	EUR	EUR
Interest income on loans	1 048 113	1 138 448
Income from penalties, fines	127 991	142 802
Total	1 176 104	1 281 250

(4) Cost of sales

	2017	2016
	EUR	EUR
Cost of sold pledges	995 952	757 299
Cost of goods purchased for resale	260 908	235 669
Total	1 256 860	992 968

(5) Finance costs

	2017	2016
	EUR	EUR
Interest on loans and bonds	424 107	418 198
Total	424 107	418 198

(6) Selling costs

	2017	2016
	EUR	EUR
Personal costs	433 985	421 045
Rent of premises and maintenance costs	150 274	152 528
Depreciation of fixed assets	77 090	93 097
Non-deductible VAT	22 383	13 755
License expenses	14 225	14 228
Advertising expenses	3 613	3 512
Write-off of low value inventory and fixed asset	1 095	1 301
Other expenses	68 977	88 182
Total	771 642	787 648

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(7) Administrative expenses

	2017	2016
	EUR	EUR
Personal costs	218 074	207 594
Transport costs	36 727	37 612
Communication expenses	18 414	23 749
Professional service costs	10 912	19 107
Office expenses	6 366	6 350
Leasing interest	279	870
Bank charges	5 383	4 010
Representation costs	2 511	2 433
Donations	13	14
Business trip expenses	55	207
Other administrative expenses	1 415	1 762
Total	300 149	303 708

(8) Other income

	2017	2016
	EUR	EUR
Rent and lease income	11 779	9 447
Residual income	62 732	
Net gain on disposal and sales of fixed assets	570	3 557
Other income	36 331	9 887
Total	111 412	22 891

(9) Other expenses

	2017	2016
	EUR	EUR
Provisions for inventories (real estate – loan collateral owned by the Company, see Note 13)	20 565	19 720
Provisions for inventories (goods)	4 671	1 382
Provisions for impairment of loans (see Note 14)	39 158	29 662
Provisions for doubtful receivables	9 760	6 146
Loss on sale of inventories (real estate)	40 390	840
Real estate tax	5 628	4 945
Other expenses	5 895	2 655
Total	126 067	65 350

(10) Expense by nature

	2017	2016
	EUR	EUR
Purchase cost of goods sold	1 256 860	992 968
Personnel costs	652 059	628 639
Interest paid on credits, borrowings	424 107	418 198
Rent of premises and maintenance costs	150 274	152 528
Depreciation of fixed assets	77 090	93 097
Transport costs	36 727	37 612
Non-deductible VAT	22 383	13 755
Other expenses	259 325	230 972
Total	2 878 825	2 567 769

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(11) Corporate income tax

Components of corporate income tax

Changes in deferred income tax
Corporate income tax according to the tax declaration
Total

2017	2016
EUR	EUR
31 021	-32 931
0	-1 299
31 021	-34 230

Reconciliation of accounting profit to income tax charges

The actual corporate tax expenses consisting of corporate income tax as per tax return and changes in deferred tax differ from the theoretically calculated tax amount for:

Corporate income tax:

Profit or loss before taxes
Theoretically calculated tax at 15% tax rate

2017	2016
EUR	EUR
-115 182	-57 471
-17 277	-8 621

Tax effects on:

Non-deductible expenses for tax purposes

Total corporate tax charge

17 277	42 851
0	34 230

Movement and components of deferred tax

Deferred tax liabilities (asset) at the beginning of the financial year
Deferred tax changes charged to the income statement
On equity attributable deferred tax liability from revaluation included in other revenues
Deferred tax liabilities at the end of the financial year

2016
EUR
7 049
32 931
14 455
54 435

The deferred company income tax has been calculated from the following temporary differences between value of assets and liabilities in the financial statements and their tax base (tax effect 15% from temporary differences):

	2016
	EUR
Temporary difference on depreciation of fixed assets and intangible assets	39 953
Temporary difference on revaluation reserve	23 414
Gross deferred tax liabilities	63 367
Temporary differences on accruals	-8 932
Gross deferred tax assets	-8 932
Net deferred tax liability (assets)	54 435

The Company made a deferral of deferred tax assets and deferred tax liabilities in 2016 only if it is legally entitled to set off current tax assets against current tax liabilities and the deferred tax relates to the same tax administration.

In 2017, the government adopted a fundamental change in the Corporate Income Tax Law, which came into force on January 1, 2018. In accordance with this law, temporary differences between financial and tax balances are no longer present. The Company, in accordance with International Accounting Standard No. 12 "Income Tax" interrupted the recognition of deferred tax on December 31, 2017 as follows:

	Deferred income tax
	EUR
31.12.2016	54 435
Included in the profit and loss statement	-31 021
Reversed long-term investment revaluation reserve	-23 414
31.12.2017	0

(12) Intangible assets and fixed assets

		Intangible assets - licences	Lands and buildings	Fixed assets			Total fixed assets
				Leasehold improvements	Other fixed assets	Advances and development costs	
		EUR	EUR	EUR	EUR	EUR	EUR
Initial value	01.01.2016	67 977	336 652	16 207	651 177	12 060	1 016 096
Acquired							6 913
Disposed					6 913		-7 361
Reclassified		11 099	9 395		-7 361		-1 704
Overvalued			96 364			-11 099	-1 704
Initial value	31.12.2016	79 076	442 411	16 207	650 729	961	1 110 308
Accumulated depreciation	01.01.2016	23 238	50 058	13 156	365 754	0	428 968
Calculated depreciation		4 479	11 124	676	79 000		90 800
Depreciation of disposed fixed assets					-6 521		-6 521
Accumulated depreciation	31.12.2016	27 717	61 182	13 832	438 233	0	513 247
The residual value	01.01.2016	44 739	286 594	3 051	285 423	12 060	587 128
The residual value	31.12.2016	51 359	381 229	2 375	212 496	961	597 061
Initial value	01.01.2017	79 076	442 411	16 207	650 729	961	1 110 308
Acquired							9 451
Disposed		10 477		888	6 884	1 679	-18 093
Reclassified			-2 933	-1 626	-16 467		-3 652
Overvalued						-719	0
Initial value	31.12.2017	89 553	439 478	15 469	641 146	1 921	1 098 014
Accumulated depreciation	01.01.2017	27 717	61 182	13 832	438 233	0	513 247
Calculated depreciation		4 700	14 937	1 248	61 470		77 655
Depreciation of disposed fixed assets				-1 626	-6 013		-7 639
Accumulated depreciation	31.12.2017	32 417	76 119	13 454	493 690	0	583 263
The residual value	01.01.2017	51 359	381 229	2 375	212 496	961	597 061
The residual value	31.12.2017	57 136	363 359	2 015	147 456	1 921	514 751

At the December 31, 2017 The Company had 538 intangible assets and fixed assets with the residual value of 0 EUR. The purchase cost of these assets was 276 364 EUR.

Revaluation of fixed assets and fair value techniques used

As at 31 December 2004 the Company made first revaluation of real estate. As a result of revaluation, a revaluation reserve of non-current assets in the amount of 53 528 EUR was booked, where 15% of the reserve was attributed to deferred corporate income tax liabilities. Initially calculated revaluation reserve was corrected in 2011 decreasing it by 11 066 EUR to 41 040 EUR.

In June 2011 certified real estate valuator M. Vilnitis who was appointed by the Board of Company, appraised the market value of real estate classified under Land & Buildings. In November 2016 certified real estate valuator A. Vedike who was appointed by the Board of Company, appraised the market value of real estate classified under Land & Buildings. As a result of revaluation a revaluation reserve of non-current assets was increased by 96 364 EUR, where 15% or 14 455 EUR of the reserve was attributed to the liabilities of deferred corporate income tax liabilities. The valuation was determined by three valuation techniques:

- 1) Under cost approach - the value was calculated which would have been required to purchase an equivalent piece of land and to build a similar quality application building. Construction costs would have been adjusted with the factors that characterize the loss of the value of the building under influence of physical depreciation, functional loss of use, and regional economic situation.
- 2) Under market approach - the value was calculated, that characterizes appraises property compared to comparable properties, which are known in their market value.
- 3) Under income approach - the expected cash flow has been estimated based on the rental income for the similar properties. The projected future rental income less

Total revaluation surplus of fixed assets on 31 December 2016 was EUR 168 088 (31.12.2015 - EUR 71 634). Revaluation amount less the attributable deferred income tax Revaluation reserve can not be reclassified to other equity items, except at the disposal of assets, and paid to the shareholders as dividends.

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(13) Inventories

	31.12.2017	31.12.2016
	EUR	EUR
Real estate - loan collateral owned by the Company	320 115	358 957
Advances paid (Real estate – loan collateral owned by the Company)	49 692	54 221
Provision for inventories - loan collateral owned by the Company	-79 627	-59 062
Goods purchased for sales purposes	130 791	202 253
Advances for goods	9 945	18 374
Provisions for goods	-14 940	-10 269
Other collateral owned by the Company	911 098	559 046
Total	1 327 074	1 123 520

According to the loan agreements, failure to comply with terms of the contract, the Company is entitled to take over ownership of the pledged assets. These assets are held and available for sale.

Movement in provisions for impairment of inventories:

	31.12.2017	31.12.2016
	EUR	EUR
Provisions at the beginning of the year	69 331	49 611
Created/(reduced) provisions for real estate	20 565	23 062
Created provisions for slow moving and damaged goods	4 671	-3 342
Provisions at the end of the year	94 567	69 331

(14) Loans and trade receivables

	31.12.2017	31.12.2016
	EUR	EUR
Short-term loans secured with pledges	1 813 781	1 957 955
Provisions for impairment for loans secured with pledges	-103 308	-163 640
Consumer loans (Short-term loans without pledge)	295 181	268 017
Provisions for impairment of short-term loans not secured with pledges	-105 787	-66 629
Accrued interest payments	131 391	142 102
Total	2 031 258	2 137 805

Movement in provisions for impairment of accounts receivable:

	Individual impairment	Portfolio impairment	Total
	EUR	EUR	EUR
Provisions at the beginning of the year 2016	149 580	51 026	200 606
Charged/(reduced) provisions in 2016	23 188	6 475	29 663
Provisions at the end of the year 2016	172 768	57 501	230 269
Charged/(reduced) provisions in 2017	-28 214	7 040	-21 174
Provisions at the end of the year 2017	144 554	64 541	209 095

	2017	2016
	% month	% month
Loans against hand pledge	3-21%	3-21%
Loans against ore	3-21%	3-21%
Loans without collateral (consumer credit)	1,5-8,8%	1,5-8,8%
Loans against transport	>2,5 %	>2,5 %
Loans against real estate	>2%	>2%

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Issued short-term loans quality analysis:

	Loans secured with pledges	Loans not secured with pledges	Total
	EUR	EUR	EUR
Neither past due nor impaired loans	1 159 035	135 923	1 294 958
Past due but not impaired loans:	551 438	10 445	561 883
less than 30 days	149 932	10 445	160 377
31 to 59 days	78 578	0	78 578
60 to 89 days	43 877	0	43 877
more than 90 days	279 051	0	279 051
Impaired loans	103 308	148 813	252 121
Total gross loans	1 813 781	295 181	2 108 962
Impairment allowance	-103 308	-105 787	-209 095
Total net loans	1 710 473	189 394	1 899 867

*The gross amount of loans does not include accrued interest payments of EUR 131 391.

(15) Other current assets

	31.12.2017	31.12.2016
	EUR	EUR
Financial assets:		
Other receivables, neto	33 507	32 033
Provisions for other receivables (items confiscated by police)	-17 311	-21 540
Settlements for services	12 515	10 937
Provisions for settlements for services	-17 379	-5 790
Overpaid taxes	8 741	1 865
Total	20 073	17 505
Non-financial assets:		
Prepaid expense	21 101	24 190
Total other current assets	41 174	41 695

Movement in provisions for impairment of other accounts receivable:

	31.12.2017	31.12.2016
	EUR	EUR
Provisions at the beginning of the year	27 330	21 183
Created/(reduced) provisions	7 360	6 147
Provisions at the end of the year	34 690	27 330

(16) Cash and its equivalents

	31.12.2017	31.12.2016
	EUR	EUR
Cash at bank on current accounts	114 944	191 749
Cash on hand	50 390	48 645
Total	165 334	240 394

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(17) Financial instruments by category

All financial assets of the Company amounting at the year end to EUR 2 042 590 (31.12.2016 - EUR 2 229 967) fell under the category of loans and receivables.

All financial liabilities of the Company amounting to EUR 3 894 333 (31.12.2016 - EUR 3 828 306) fell under the category of other financial liabilities, there are no liabilities at fair value through profit or loss.

(18) Share capital

As by 31 December 2017, the share capital has been completely paid. It consists of 6 000 shares with the nominal value of 71.14 (71.1435905316) EUR and the total value of 426 862 EUR.

(19) Borrowings

		31.12.2017	31.12.2016
	Note	EUR	EUR
<u>Non-current</u>			
Non-convertible bonds	b)	3 310 000	3 310 000
Other loans	c)	108 500	10 000
Finance lease liabilities	d)	248	3 152
Total non-current		3 418 748	3 323 152
<u>Short-term</u>			
Non-convertible bonds	b)	53 297	53 297
Other loans	c)	300 000	300 000
Finance lease liabilities	d)	2 903	16 020
Total short-term		356 200	369 317
Total borrowings		3 774 948	3 692 469

a) Fair value of borrowings

Considering that the variable interest rate is applied to loans from credit institutions and financial leasing agreements, fair value is not materially different from the carrying value. The management assesses, that also carrying value of other borrowings is not materially different from their fair value.

During the reporting and previous year with the Company's bonds were not made transactions for which is available public information to assess their market value.

b) Bonds

11 November 2015, the Company made the refinancing of the bonds with a new bond issue. The total number of issued bonds under refinancing emission was 3310, denominations of bonds is 1 000 EUR, the coupon rate is 12%. Bond are maturing on 15 November 2020.

Bonds are included in Baltic bond list of NASDAQ OMX Riga AS stock exchange.

	2017		2016	
	Nuber of bonds	EUR	Number of bonds	EUR
At beginning of the reporting year	3 310	3 310 000	3 310	3 310 000
Issued during the year	0	0	0	0
At the end of the year	3 310	3 310 000	3 310	3 310 000

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C) Other loans

During the reporting and previous years, the Company has received loans from related and unrelated parties (see Note (21)). Borrowing interest rates range from 6% to 10% per year.

	31.12.2017	31.12.2016
	EUR	EUR
At beginning of the year	310 000	426 500
Borrowings received in the year	148 500	
Repaid borrowings in the year	-50 000	-116 500
At the end of the year	408 500	310 000

d) Finance lease liabilities

The Company has acquired fixed assets under finance lease. Interest payments are 2.5% + 3 M EURIBOR payable due on monthly basis.

In accordance with the agreements the minimum finance lease payments are:

	31.12.2017	31.12.2016
	EUR	EUR
Payable within 1 year	2 976	16 309
Payable from 2 to 5 years	248	3 225
Finance lease gross liability	3 224	19 534
Future finance costs	-73	-362
Present value of finance lease liability	3 151	19 172

(20) Trade and other payables

	31.12.2017	31.12.2016
	EUR	EUR
Salaries	33 013	32 639
Accruals for unused annual leave	8 336	14 017
Value Added Tax		1 277
Mandatory State social insurance contributions	16 874	15 893
Trade payables	5 937	10 117
Accrued liabilities	7 877	14 423
Personal income tax	7 203	6 757
Advances from customers	38 669	39 062
Other payables	1 476	1 038
Corporate Income tax		1 299
Total	119 385	136 522

The carrying values of trade and other payables approximate their fair values due to their short term nature. Trade and other payables carry no interest.

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(21) Transactions with related parties

In 2017 and 2016 the Company had economic transactions with the following entities that are directly or indirectly controlled by the Company's shareholders and members of the Board: Orheja SIA, Trezors SIA, Lielie rīta bulļi SIA and Premium Finance Group SIA.

Loans and interest payments

	Balances		Interest expenses	
	31.12.2017	31.12.2016	2017	2016
	EUR	EUR	EUR	EUR
Orheja SIA	58 500		5 053	
Trezors SIA	50 000	10 000	3 854	1 763
Lielie rīta bulļi SIA (Reorganizes in 2016 and added to Premium Finance Group SIA)				6 381
Total	108 500	10 000	8 907	8 144
The non-current part of the loans	108 500	10 000		
The non-current part of the loans	0			
	108 500	10 000		

Remuneration to the management

	Remuneration to Council members		Remuneration to Board members	
	2017	2016	2017	2016
	EUR	EUR	EUR	EUR
Salaries			88 685	89 133
Social security contributions			20 921	21 027
Other expenses				0
	0	0	109 606	110 160

(22) Number of employees

	2017	2016
The average number of persons employed by the company	59	53

(23) Operating leases - the Group as lessee

During the financial year was in effect a number of agreements of premises rent. Lease payments recognised as an expense during the reporting period amount to EUR 100 605 (2016: EUR 99 981). No sublease payments or contingent rent payments were made or received.

(24) Financial and capital risk management

The Company's activity is exposed to various financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Management of the Company seeks to minimize potential adverse effects of the financial risks on the Company's financial position.

Market risk

a) Foreign exchange risks

The Company's main financial assets and liabilities are in Euro (EUR). Revenues are collected in EUR. Daily purchases primarily are incurred in EUR. The Company is not exposed to foreign exchange risk.

b) Interest rate risks

The Company is exposed to interest rate risk as the part of the liabilities are interest-bearing borrowings with the variable interest rate (Note (19)), as well as the Company's interest bearing assets have fixed interest rate.

	31.12.2017	31.12.2016
	EUR	EUR
Financial liabilities with variable interest rate	3 151	19 172
	3 151	19 172

Taking into account insignificant proportion of financial liabilities with variable interest rate in total financial liabilities, possible changes of interest and interest rate does not leave significant effect on the Company's profit before tax.

c) Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate due to other market factors. The Company's management monitors the market fluctuations on a continuous basis and acts accordingly but does not enter into any hedging

Credit risk

Financial assets, which potentially subject the Company to a certain degree of credit risk concentration are primarily cash, trade receivables and loans. For the bank transactions only the local and foreign financial institutions with appropriate ranking is accepted.

Maximum exposure to credit risk

	31.12.2017	31.12.2016
	EUR	EUR
Loans and trade receivables	2 031 258	2 137 805
Other current assets	41 174	41 695
Cash and cash equivalents	165 334	240 394
Total	2 237 766	2 419 894

Within the Company the credit risk is managed using centralized procedures and control. The main credit risk occurs in connection with outstanding loans issued. To reduce these risks the Company applies a conservative credit policy – the sum of issued loans is smaller than the value of pledged movable and immovable property. Such policy allows the Company to reduce its credit risk to minimum. Information about the structure of the loan portfolio is provided in Note 14.

The Company is not subjected to income concentration risk because the Company gains income from many clients where the total payment of interest income or commission fees is formed by small amounts.

Liquidity risk

Company pursues a prudent liquidity risk management and maintain a sufficient quantity of cash and ensure the availability of financial funds through bonds emission, loans provided by banks and related parties. Company's management monitors the operational forecasting of liquidity reserves, based on estimated cash flows.

The following table shows the maturity structure of financial liabilities of the Company, that is based on non-discounted cash flows (excluding interest):

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31st December, 2016	Total EUR	<1 year EUR	1-2 years EUR	2-5 years EUR	>5 years EUR
Bonds	3 363 297	53 297		3 310 000	
Loans from credit institutions					
Other loans	310 000	300 000		10 000	
Finance lease liabilities	19 172	16 020	3 152		
Trade and other payables	136 522	136 522			
	3 828 991	505 839	3 152	3 320 000	0

31st December, 2017	Total EUR	<1 year EUR	1-2 years EUR	2-5 years EUR	>5 years EUR
Bonds	3 363 297	53 297		3 310 000	
Loans from credit institutions					
Other loans	408 500	300 000		108 500	
Finance lease liabilities	3 151	2 903	248		
Trade and other payables	119 385	119 385			
	3 894 333	475 585	248	3 418 500	0

All loans and trade receivables are short - term, with a maturity 1 year or less.

Capital Management

According to the Latvian Commercial Law requirements if the Company's losses exceed half of the share capital, the Board is required to address shareholders to make decisions on Company's going concern. Equity of the Company meets the Latvian legal requirements. Company's management manages the capital structure on going concern basis. During the reporting period there were no changes in capital management objectives, policies or processes.

Company's management controls the net debt to equity (gearing ratio).

	31.12.2017 EUR	31.12.2016 EUR
Total borrowings	3 774 948	3 692 469
Cash and its equivalents	-165 334	-240 394
Net debt	3 609 614	3 452 075
Equity	242 536	308 550
Total capital	3 852 150	3 760 625
Total assets	4 136 869	4 191 976
Net debt to equity	1488%	1119%
Equity ratio on total assets	6%	7%

(25) Events after balance sheet date

As of the last day of the reporting year until the date of signing these financial statements there have been no events requiring adjustment of or disclosure in the financial statements or notes.