

SIA “ExpressCredit”

**UNAUDITED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD 01.01.2017.-31.03.2017.**

**PREPARED IN ACCORDANCE WITH THE INTERNATIONAL
FINANCIAL REPORTING STANDARDS AS ADOPTED BY EU**

Translation from Latvian

**EXPRESSCREDIT SIA
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD 01.01.2017.-31.03.2017. (TRANSLATION FROM LATVIAN)**

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Information on the Company

Name of the Company	ExpressCredit SIA
Legal status of the Company	Limited liability company
Number, place and date of registration	40103252854 Commercial Registry Riga, 12 October 2009
Operations as classified by NACE classification code system	NACE2 64.92 Other credit granting NACE2 47.79 Retail sale of second-hand goods in stores
Address	Raunas street 44 k-1, Riga, LV-1039 Latvia
Names and addresses of shareholders (from 30.10.2013)	Lombards24.lv, SIA (till 05.05.2015. Express Holdings, SIA) (51.00% - till 18.06.2015, 67.55% from 18.06.2015 till 23.12.2015, 65.86% from 23.12.2015 – 29.12.2016, 65.9942% from 29.12.2016), Raunas street 44k-1, Riga, Latvia AE Consulting, SIA (24.50% till 18.06.2015, 32.45% - from 18.06.2015 – 23.12.2015, 31.64% - from 23.12.2015 – 29.12.2016, 31.5058% from 29.12.2016), Posma street 2, Riga, Latvia Private individuals (2.5% - from 23.12.2015)
Ultimate parent company	AS EA investments, reģ. Nr. 40103896106 Raunas street 44k-1, Riga, Latvia
Names and positions of Board members	Agris Evertovskis - Chairman of the Board Kristaps Bergmanis - Member of the Board Didzis Admidins - Member of the Board
Names and positions of Council members	Ieva Judinska-Bandeniece – Chairperson of the Council Uldis Judinskis - Deputy Chairman of the Council Ramona Miglane - Member of the Council
Responsible person for accounting	Santa Šoldre - Chief accountant
Financial period	1 January - 31 March 2017

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Information on the Subsidiaries

Subsidiary	SIA ExpressInkasso (parent company interest in subsidiary – 100%)
Date of acquisition of the subsidiary	22.10.2010
Number, place and date of registration of the subsidiary	40103211998; Riga, 27 January 2009
Address of the subsidiary	Raunas Street 44 k-1; Riga, LV 1039, Latvia
Operations as classified by NACE classification code system of the subsidiary	66.1 Financial support services except insurance and pension accrual
Subsidiary	SIA MoneyMetro (from 30.04.2015. līdz 29.07.2016. SIA Banknote, till 30.04.2015 – SIA Rīgas pilsētas lombards) (parent company interest in subsidiary – 100%)
Date of acquisition of the subsidiary	23.02.2015
Number, place and date of registration of the subsidiary	40003040217, Riga, 06 December 1991
Address of the subsidiary	Raunas Street 44 k-1; Riga, LV 1039, Latvia (till 30.04.2015 – Kalēju street 18/20, Riga)
Operations as classified by NACE classification code system of the subsidiary	64.92 Other financing services
Subsidiary	SIA EC Finance (parent company interest in subsidiary – 100%)
Date of acquisition of the subsidiary	01.12.2015
Number, place and date of registration of the subsidiary	40103950614, Riga, 01 December 2015
Address of the subsidiary	Raunas Street 44 k-1; Riga, LV 1039, Latvia
Operations as classified by NACE classification code system of the subsidiary	64.20 Activities of holding companies
Subsidiary	SIA EC Investments (parent company interest in subsidiary – 100%)
Date of acquisition of the subsidiary	06.11.2015
Number, place and date of registration of the subsidiary	40103944745, Riga, 06 November 2015
Address of the subsidiary	Raunas Street 44 k-1; Riga, LV 1039, Latvia
Operations as classified by NACE classification code system of the subsidiary	64.20 Activities of holding companies

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Group's performance during the period

The Group's operations during the period from 1 January to 31 March 2017 has been successful. In line with plans, total revenue for the period was up by 31.3% against the 2016 respective period and reached 4 263 619 euro.

Following introduced business strategy, the Company focused on increasing the loan portfolio and cost-effectiveness measures.

In the first quarter of 2017 the Group invested in the brand awareness of "Banknote" and "MoneyMetro". Additional investments were made in IT systems development and training of staff to ensure a high service quality and to maintain high standards of customer service.

By implementing business strategy and all planned activities the following financial results of the Group were achieved in the period:

- during period net loan portfolio increased by 19.2% to 13.8 million euro;
- the Group's total assets at 31 March 2017 was 17.9 million euro;
- Consolidated profit for the first quarter of 2017 was 681 398 euro (in 2016 respective quarter EUR 196 980 euro)

The Group's loan portfolio was funded from the profits, from the cooperation with the mutual lending platform, as well as in the first quarter of 2017 the Group attracted funding of 600,000 euros with respect to emitted the closed bond issue of 5 million euros at the end of 2016. As at the end of period of the new bonds are subscribed for the total amount of 1 574 000 euro.

Branches

During the period from 1 January to 31 March 2017, continued to work on the branch network efficiency. As at 31 March 2017 the Group had 92 branches in 39 cities in Latvia (31.12.2016. - 91 branches in 39 cities).

Post balance sheet events

There are no subsequent events since the last date of the reporting year, which would have a significant effect on the financial position of the Company as at 31 March 2016.

Agris Evertovskis
Chairman of the Board

Kristaps Bergmanis
Member of the Board

Didzis Ādmīdiņš
Member of the Board

Riga, 11 May 2017

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Profit or loss account for the first quarter of 2017

	01.01.2017.- 31.03.2017. EUR	01.01.2016.- 31.03.2016. EUR
Net sales	977 763	1 280 844
Cost of sales	(656 585)	(949 283)
Interest income and similar income	3 285 856	1 966 695
Interest expenses and similar expenses	(399 462)	(241 740)
Gross profit	3 207 572	2 056 516
Selling expenses	(1 877 035)	(1 067 763)
Administrative expenses	(484 910)	(523 814)
Other operating income	45 308	196 095
Other operating expenses	(9 335)	(423 709)
Profit before taxes	881 600	237 325
Corporate income tax for the reporting year	(200 202)	(40 345)
Deferred tax	-	-
Current year's profit	681 398	196 980
Earnings per share	0.45	1.06

Comprehensive income statement for 2016

	2016 EUR	2016 EUR
Current year's profit	681 398	196 980
Other comprehensive income	-	-
Total comprehensive income	681 398	196 980

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Balance sheet as at 31 March 2017

	31.03.2017.	31.12.2016.
Assets	EUR	EUR
Long term investments		
Fixed assets and intangible assets	579 912	581 905
Loans and receivables	1 100 112	964 108
Loans to shareholders and management	1 069 328	1 216 601
Participating interest in subsidiaries	513 000	-
Other investments	20	20
Deferred tax asset	145 252	145 252
Total long-term investments:	3 407 624	2 907 886
Current assets		
Finished goods and goods for sale	583 621	700 715
Loans and receivables	12 675 809	10 591 251
Receivables from affiliated companies	242 356	169 146
Other debtors	454 794	249 958
Deferred expenses	71 257	92 741
Assets held for sale	1 000	1 000
Cash and bank	508 740	1 279 410
Total current assets:	14 537 577	13 084 221
Total assets	17 945 201	15 992 107
Liabilities		
Shareholders' funds:		
Share capital	1 500 000	1 500 000
Prior years' retained earnings	1 306 066	345 348
Current year's profit	681 398	960 717
Total shareholders' funds:	3 487 464	2 806 065
Creditors:		
Long-term creditors:		
Bonds issued	5 601 760	5 213 760
Other borrowings	2 572 721	1 292 032
Total long-term creditors:	8 174 481	6 505 792
Short-term creditors:		
Bonds issued	1 017 675	1 017 773
Other borrowings	4 291 267	4 847 977
Accounts payable to affiliated companies	540	181
Trade creditors and accrued liabilities	714 538	735 137
Taxes and social insurance	259 236	79 182
Total short-term creditors:	6 283 256	6 680 250
Total liabilities and shareholders' funds	17 945 201	15 992 107

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