

SIA " HEDGE CAPITAL COMPANY"

ANNUAL REPORT - 2018

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INFORMATION ABOUT COMPANY

Company's name	"Hedge Capital Company"
Legal form	Limited liability company
Registration number and date, register	40103968692, 11.02.2016 Commercial register, Riga
Activity code (NACE)	NACE2 64.92 Other credit granting
Address	Gustava Zemgala gatve 74 (from 15.12.2018.) Riga, LV-1039, Latvija Baznicas iela 31-12 (till 14.12.2018.) Riga, LV-1010, Latvija
Shareholders	DKS Holding, SIA reg. No. 40103984663 Dzilnas iela 19-32, Riga, LV-1021 100%
Member of the board	Andrejs Saricevs - member of the board
Accountant	Ruta Circene - chief accountant
Reporting year	01.01.2018 - 31.12.2018
Currency used in annual report	EUR
Average number of employees	21

MANAGEMENT REPORT

Main activities NACE2 64.92 Other credit granting

Brief description of the company's activities during the reporting year

The Company was established on February 11, 2016. On August 15, 2016 it started its activity in providing credit services. Consumer Credit Services License No. NK-2016-007.

Company's brand "NordCard" is an unsecured lender. Loans are issued in the form of a credit limit up to 3000 EUR. The application and registration process is done remotely on the Internet. Repayment is made by making a minimum monthly payment, which allows client to repay its principal for a quite long period of time, as well as to continue to use the remaining credit limit even if all the credit limit amount has not yet been repaid. The clients of SIA Hedge Capital Company are private individuals, citizens of Latvia.

In 2018, the company has been successful and ended the year with a profit. By implementing the business strategy and all planned measures, the following financial indicators have been achieved in 2018:

Financial indicator	EUR	Increase/ (decrease) %
Net loan portfolio	1.6 mill.	7.5
Assets	2.08 mill.	2.1

Net profit for 2018 is EUR 11 271 (2017 ended with a loss of EUR 642 693)

Events after the last day of the reporting year

Since the last day of the reporting date until the date of signing this report, there have been no significant events that could materially affect the result of the reporting year.

Future prospects and future developments

NordCard (SIA Hedge Capital Company) has set itself the goal of becoming a non-bank lending company with the best customer service in the industry. The company has optimized costs, completed the product. From now on, the main focus of management will be on improving customer service and ease of use.

Financial Performance Indicators

LIQUIDITY

- a) Total liquidity
- b) Operational liquidity
- c) Absolute liquidity ratio

	2018	2017
a) Total liquidity	15.43	21.86
b) Operational liquidity	15.37	21.78
c) Absolute liquidity ratio	0.64	3.46

Risk management policy

The Company is not exposed to a significant risk of exchange rate fluctuations as the credits are issued in euros. The Company is exposed to the risks related to changes in legislation regarding the procedure for issuing non-bank loans and calculation of interest and penalties on the loans. The most significant financial risks of the Company are liquidity and credit risk. The management of the Company seeks to minimize the negative impact of potential financial risks on the Company's financial position. The Company does not use derivative financial instruments for financial risk management.

Proposals for the use of the company 's profit or loss coverage

The company's profit for 2018 will be invested in the company's development

SIA "Hedge Capital Company" member of the board

Andrejs Saricevs

SIA "Hedge Capital Company" chief accountant

Ruta Circene

14.03.2019

PROFIT OR LOSS STATEMENT for 2018
 (by turnover cost method)

Indicator name	Note No.	2018	2017
		EUR	EUR
1	2	3	4
Net turnover			
Credit registration fee, payment card commissions	1	15	23 593
Cost of goods sold and services provided	2	-7 920	-9 709
Interest revenue and similar revenue	3	1 265 486	646 110
Interest and similar costs	4	-59 000	-97 943
Gross profit or loss		1 198 581	562 051
Sales costs	5	-830 771	-863 739
Administration costs	6	-342 649	-335 499
Other operating income of the company	7	1 196	147
Other operating expenses of the company	7	-253	-5 653
Profit or loss before corporate tax		26 105	-642 693
Corporate income tax for the reporting period	8	-14 834	-
Profit or loss after corporate income tax		11 271	-642 693
Profit or loss for the reporting period		11 271	-642 693

The Annexes from pages 7 to 10 form an integral part of this financial statement.

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14.03.2019

BALANCE SHEET

ASSETS	Note No.	End of the year, EUR	Beginning of the year, EUR
1	2	3	4
1. LONG-TERM INVESTMENT			
I Intangible investments			
2. Concessions, patents, licences, trade marks and similar rights	9	233 311	111 420
I TOTAL		233 311	111 420
II Fixed assets			
6. Other fixed assets and inventory	10	25 815	29 738
8. Advance payments for fixed assets		501	
II TOTAL		26 316	29 738
1. TOTAL SECTION AMOUNT		259 627	141 158
2. CURRENT ASSETS			
I Inventory			
1. Raw materials and consumables	11	6 623	6 623
I TOTAL		6 623	6 623
III Debtors			
1. Debtors' claims on loans granted	12	1 686 197	1 569 298
4. Other debtors	13	41 404	10 586
7. Costs of future reporting periods	14	8 316	7 083
III TOTAL		1 735 917	1 586 967
V Cash and cash equivalents			
V TOTAL	15	74 938	299 910
2. TOTAL SECTION AMOUNT		1 817 478	1 893 500
BALANCE		2 077 105	2 034 658

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BALANCE SHEET

LIABILITIES	Note No.	End of the year, EUR	Beginning of the year, EUR
1	2	3	4
1. OWN CAPITAL			
1. Fixed capital	16	425 000	425 000
5. Retained earnings:			
a) accumulated profit (loss) for the previous years		-1 426 969	-784 276
b) profit or loss of the reporting year		11 271	-642 693
1. TOTAL SECTION AMOUNT		-990 698	-1 001 969
3. CREDITORS			
I Long-term creditors			
4. Other loans	17	2 950 000	2 950 000
I TOTAL		2 950 000	2 950 000
II Short-term creditors			
4. Other loans	17	49 167	10 998
6. Debts to suppliers and employees	18	7 134	7 767
10. Taxes and state social insurance contributions	19	31 880	23 137
11. Other creditors	20	29 622	23 001
14. Accrued liabilities		-	21 724
II TOTAL		117 803	86 627
3. TOTAL SECTION AMOUNT		3 067 803	3 036 627
BALANCE		2 077 105	2 034 658

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