



## **New Hanza Capital, AS**

Group and Company Condensed Interim Report  
for the nine month period ended 30 September 2018  
(unaudited)

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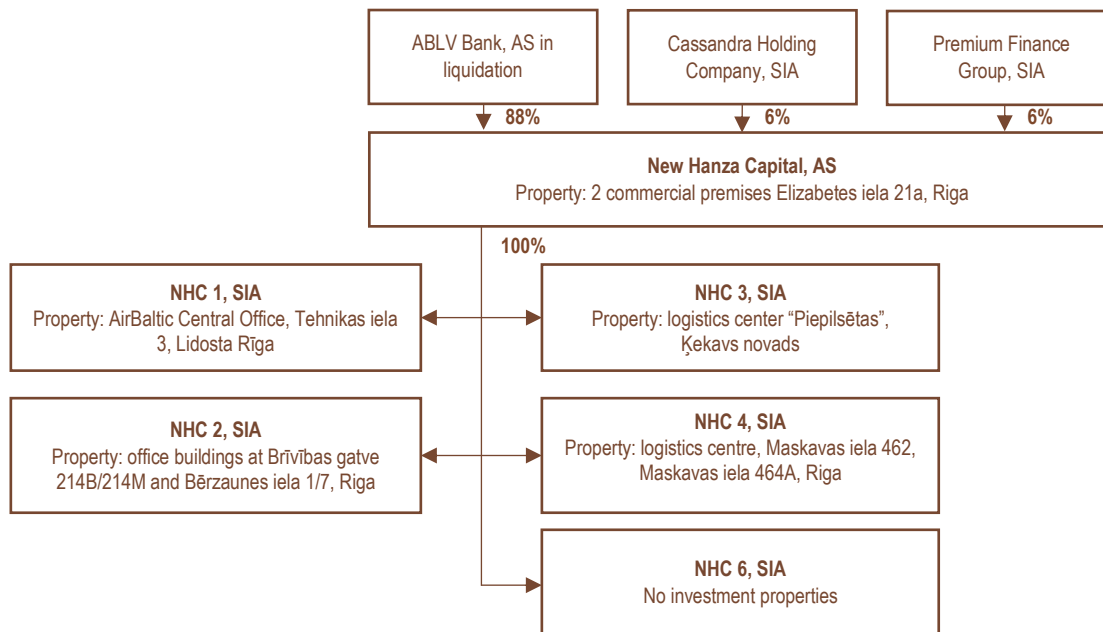
### Disclaimer

The financial statements were prepared in Latvian and English. In the event of any discrepancies between the Latvian and the English reports, the Latvian version shall prevail.

## General information

Name of the Company	New Hanza Capital
Legal status of the company	Joint Stock Company
Registration No, place and date	50003831571, Riga, 6 June 2006
Legal address	Pulkveža Brieža iela 28A, Riga, LV-1045, Latvia
Postal address	Pulkveža Brieža iela 28A, Riga, LV-1045, Latvia
NACE code, Type of primary activity	68.20 Renting and operating of own or leased real estate 70.10 Activities of head offices
Members of the Board and their positions	<p><u>From 20 March 2018</u>                      Edgars Miļūns, Chairman of the Board                      Aija Hermane-Sabule, Member of the Board                      Arnolds Romeiko, Member of the Board</p> <p><u>From 7 March 2018 till 19 March 2018</u>                      Aija Hermane-Sabule, Chairman of the Board                      Arnolds Romeiko, Member of the Board</p> <p><u>From 1 March 2018 to 6 March 2018</u>                      Arnolds Romeiko, Member of the Board</p> <p><u>From 4 August 2016 to 28 February 2018</u>                      Andris Kovaļčuks, Chairman of the Board                      Arnolds Romeiko, Member of the Board</p>
Members of the Council and their positions	<p><u>From 19 March 2018</u>                      Ernests Bernis, Chairman of the Council                      Edgars Pavlovičs, Deputy Chairperson of the Council                      Māris Kannenieks, Member of the Council</p> <p><u>From 13 February 2018 till 18 March 2018</u>                      Ernests Bernis, Chairman of the Council                      Edgars Miļūns, Deputy Chairperson of the Council                      Edgars Pavlovičs, Member of the Council                      Māris Kannenieks, Member of the Council</p> <p><u>From 4 august 2016 to 12 February 2018</u>                      Ernests Bernis, Chairman of the Council                      Ieva Valtere, Deputy Chairperson of the Council                      Māris Kannenieks, Member of the Council</p>
Reporting period	1 January 2018 – 30 September 2018

### Group structure



## Group Management Report

New Hanza Capital, AS, (hereinafter – the Company or NHC) is a company founded in 2006. The Company has been investing in commercial properties since 2015. New Hanza Capital, AS and its subsidiaries (hereinafter – the Group) focus on acquiring cash generating commercial properties with future income potential. The business objective of the Company is to invest its own funds, as well as third party funds in commercial properties, sustainably increase rental income and promote long-term property value and capital growth.

The Group specialises in the acquisition of office buildings, warehouses and logistic centres. Our priority is to invest in already existing and operating commercial properties. At the same time, part of investments are intended to be made in various property construction and development projects. The investment strategy entails direct acquisition of real estate, as well as purchase of equity interest in companies holding the respective properties.

### Group key financial and property performance indicators

The Group result for the reporting period amounts to a EUR 813 127 thousand profit after tax. The Company closed the 3<sup>rd</sup> quarter of 2018 with a post-tax profit of EUR 4 951 640. The Group profit for the reporting period is in line with management expectations. The Company profit was primarily generated by dividend income received from associates. Since the Group subsidiaries operating objectives are in line with the Company and the nature of their activities in the reporting period did not differ materially from that of the Company the Group management focusses on analysing only the consolidated results of the Group.

Group profit and cash flow indicators	Unit	01.01.2018 - 30.09.2018	01.01.2017 - 30.09.2017	Change %
Income	EUR	2 851 614	893 666	219.09%
Adjusted EBITDA	EUR	1 188 360	332 211	257.71%
Profit before tax	EUR	813 430	210 878	285.73%
Net income	EUR	813 127	173 445	368.81%
Cash flows from operating activities	EUR	379 541	(5 726 065)	n/a

Group balance sheet indicators	Unit	30.09.2018	31.12.2017	Change %
Gross asset value (GAV)	EUR	55 364 603	52 362 834	5.73%
Liabilities	EUR	21 597 236	19 408 593	11.28%
Net asset value (NAV)	EUR	33 767 367	32 954 241	2.47%

Group financial ratios	Unit	01.01.2018 - 30.09.2018	01.01.2017 - 30.09.2017
Adjusted EBITDA margin	%	34.15%	27.41%
Net profit margin	%	238.16%	4.32%
Equity ratio	%	64.83%	61.60%
Return on equity	%	29.62%	0.33%
Return on assets	%	19.20%	0.20%
Total liquidity ratio	%	844.49%	904.35%

Investment property indicators of the Group	Unit	30.09.2018	31.12.2017	Change %
Number of investment properties	pcs.	9	8	12.50%
Market value of investment properties	EUR	38 109 960	35 453 395	7.49%
Rentable area	m <sup>2</sup>	72 992	69 768	4.62%
Annual contractual rent fee	EUR	3 003 403	2 875 981	4.43%
Return on investment properties at market value	%	7.88%	8.11%	-2.85%
WALE	years	2.95	3.48	-15.23%
Weighted average rent rate	EUR/m <sup>2</sup> p.m.	4.28	4.24	1.02%
Occupancy	% of leasable area	80%	85%	-5.88%

#### Explanation of indicators and ratios

**Adjusted EBITDA** = earnings before interest, tax, depreciation and amortization, gains and losses from investment property revaluation

**Adjusted EBITDA margin** = adjusted EBITDA (in a 12 month period) / revenue (in a 12 month period) \* 100%

**Net profit margin** = net profit (in a 12 month period) / revenue (in a 12 month period) \* 100%

**Equity ratio** = (1/2 \* value of equity at the beginning of the 12 month period + 1/2 \* value of equity at the end of the 12 month period) / (1/2 \* value of assets at the beginning of the 12 month period + 1/2 \* value of assets at the end of the 12 month period) \* 100%

**Return on equity (ROE)** = net income (in a 12 month period) / (1/2 \* value of equity at the beginning of the 12 month period + 1/2 \* value of equity at the end of the 12 month period) \* 100%

**Return on assets (ROA)** = net income (in a 12 month period) / (1/2 \* value of assets at the beginning of the 12 month period + 1/2 \* value of assets at the end of the 12 month period) \* 100%

**Total liquidity ratio** = current assets at the reporting date / current liabilities at the reporting date

**Return on investment properties at market value** = annual rent defined in the agreements / market value of investment properties

**WALE** = area (m<sup>2</sup>) weighted average unexpired lease term at the given date

**Weighted average rental rate** = area (m<sup>2</sup>) weighted average rental rate at the given date, EUR/m<sup>2</sup> p.m.

**Occupancy** = occupied area (m<sup>2</sup>) of the investment properties at the given date expressed as a percentage of the total property leasable area

## Key events in the 1st half 2018

### February

On 20 February 2018, Group company NHC 4, SIA obtained a loan of EUR 3 000 000 from SEB Banka, AS. The loan matures on 7 February 2023.

On 22 February 2018, the Company received a payment of EUR 12 221 254 from ABLV Bank, AS in liquidation bond redemption and final bond coupon payment. The funds were used to cover the Company's loan from ABLV Bank, AS in liquidation of EUR 453 526. Additionally, the Company placed a deposit with ABLV Bank, AS in liquidation for EUR 6 000 000. The Company cancelled this deposit on 28 March 2018.

On 28 February 2018 the Company signed an agreement on the sale of shares of the associated company SG Capital Partners AIFP, SIA. The transaction value is EUR 15 000.

On 28 February 2018 Andris Kovaļčuks handed in a resignation notice from the position of Chairman of the Board and CEO of the Company and its subsidiaries effective from 28 February 2018. Deputy CEO, Arnolds Romeiko continues working on the Company Board. In the period from 7 March 2018 to 19 March 2018 Aija Hermane-Sabule served as the Company Chairman of the Board in the Company and its subsidiaries. Starting from 20 March 2018 Edgars Miļūns serves as the Company Chairman of the Board. Aija Hermane-Sabule and Arnolds Romeiko continue to serve on the Company Board as Board Members. Aija Hermane-Sabule continues to serve as the Chairman of the Board in the Company subsidiaries.

### April

On 9 April 2018 the Company increased its subsidiary NHC 5, SIA share capital to EUR 8 200 000. The Company has applied for 96 000 NHC 5, SIA shares, as well as gave up pre-emptive rights to the remaining NHC 5, SIA shares. As a result, the Company participation in NHC 5, SIA has decreased to 1.29%. Within the process of share capital increase ABLV Bank, AS in liquidation applied for NHC 5, SIA shares, and used property contribution to pay for the NHC 5, SIA share capital increase, acquiring 98.71% participation in NHC 5, SIA. On 11 April 2018 NHC 5, SIA share capital increase has been registered in the Register of Enterprises.

### May

On 10 May 2018 the Company has acquired a 0.28% participation in New Hanza Centre, SIA (reg. No. 40203037667), legal address Pulkveža Brieža iela 28A, Rīga, LV-1045, by acquiring 100 000 shares for EUR 100 000. 1 share nominal value is EUR 1.00. New Hanza Centre, SIA primary activity is renting and operating of own or leased real estate. The Company participation in New Hanza Centre, SIA aims to provide capital for technical design completion of the offices on M. Tāla iela 3, Riga and earn dividends upon project completion.

On 16 May 2018 the Company has acquired a 0.25% participation in Pillar Development, SIA (reg. No. 40103222826), legal address Pulkveža Brieža iela 28A, Rīga, LV-1045, by acquiring 100 000 shares for EUR 100 000. 1 share nominal value is EUR 1.00. Pillar Development, SIA primary activity is renting and operating of own or leased real estate. The Company participation in Pillar Development, SIA will facilitate reconstruction completion of the historical Riga cargo station Hanzas Perons and will allow the Company to earn dividends from its investment upon project completion.

### June

On 28 June 2018 the Group registered a decrease in the share capital of Group companies NHC 1, SIA and NHC 3, SIA in the Register of Enterprises. NHC 1, SIA share capital was reduced to EUR 500 000. NHC 3, SIA share capital was reduced to EUR 700 000. Taking into account future development plans, the Company optimized subsidiary share capital in order to ensure that share capital amounts reflect subsidiary long-term capital needs.

On 15 June 2018 New Hanza Capital, AS subsidiary NHC 2, SIA acquired an additional office building in the territory of the former State Electrotechnical Factory (VEF) at Bērzaunes iela 7 for EUR 1 900 000. This acquisition bears a strategic importance to the Group development plans in the VEF territory, as well as increases the value of Group previous investments in the neighbourhood. The Bērzaunes iela 7 office building total leasable area amounts to 3 200 square meters. Currently, there are 18 tenants in the building. The largest tenant is "Sky Dream Clinic", a dentistry and aesthetic medicine centre.

NHC 2, SIA took over the existing lease agreements, and recognized Bērzaunes 7 office building acquisition in the company books on 23 July 2018.

## Property performance detailed review

Property	Net leasable area, m2	Property value, EUR	Acquisitions and CAPEX 9M 2018, EUR	Direct property yield	Net initial yield	Acquisition year
<b>Small retail spaces</b>						
Elizabetes 21A, Rīga	below 500 m2	748 000	-	11.35%	10.18%	IVQ 2012
<b>Office spaces</b>						
AirBaltic HQ, Tehnikas iela 3, Lidosta Rīga	above 5 000 m2	6 750 000	-	7.49%	6.92%	IQ 2016
VEF - Brīvības gatve 214B/214M and Bērzaunes iela 1/7, Rīga	above 25 000 m2	10 142 000	2 291 395	5.42%	5.79%	IIIQ 2017 – IIIQ 2018
<b>Warehouse spaces</b>						
"Piepilsētas", Ķekavas nov.	above 10 000 m2	7 176 395	2 459	9.52%	8.30%	IVQ 2016
Maskavas iela 462 / 464A, Rīga	above 25 000 m2	10 637 000	362 712	12.40%	7.00%	IVQ 2017

### Indicator and ratio details:

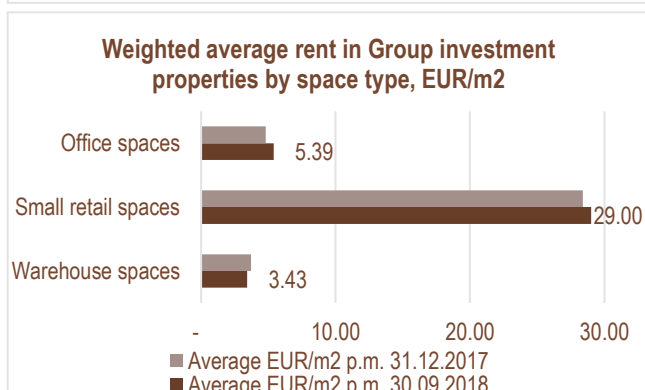
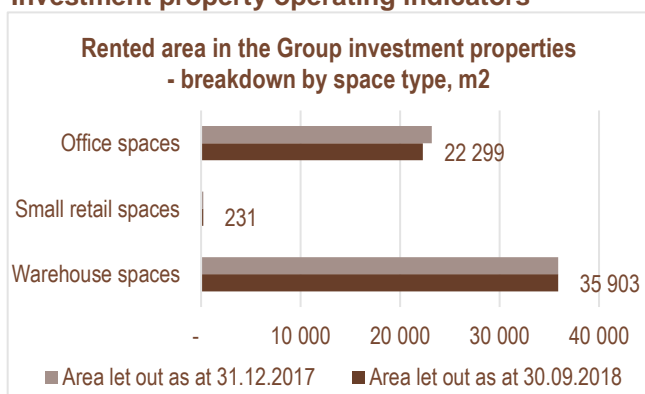
Property value = property fair value as at 31.12.2017

Acquisitions and CAPEX = property acquisition and renovation expenses capitalized during the reporting period

Direct property yield = net operating income (NOI) / (property acquisition value + accumulated capitalized expenses)

Net initial yield = Net Operating Income (NOI) / property value

## Investment property operating indicators



During the reporting period the Group expanded its investment property portfolio with the acquisition of Bērzaunes iela 7 office building in the VEF territory. As a result the total net leasable area in the Group investment properties exceeded 70 thousand square meters. The Group took over the existing lease agreements, and recognized Bērzaunes 7 office building acquisition in the company books on 23 July 2018. The Bērzaunes iela 7 office building total leasable area amounts to 3200 square meters. Currently, there are 18 tenants in the building. The largest tenant is "Sky Dream Clinic", a dentistry and aesthetic medicine centre.

In spite of the increase in the total leasable area in the Group office segment caused by the Bērzaunes iela 7 office acquisition there was a 4% decrease in the total leased office area during the reporting period. This change stems from the active property management works in the VEF territory offices, including rent increases to market level, as well as tenant payment discipline evaluation. The Group acquired the aforementioned office buildings in the 3<sup>rd</sup> quarter 2017. Tenant mix optimization, as well as planned rent indexation also lead to a 12% increase in the average monthly rent per square meter in the Group office spaces during the reporting period.

## Top 5 tenants in the Group investment properties by leased area:

Tenant	Leased area (m2), 30.09.2018
LATAKKO, SIA	25 926
Air Baltic Corporation, AS	6 217
Mikrotikls, SIA	4 355
FORANS, SIA	2 829
DLW Latvija, SIA	2 742
<b>Total</b>	<b>42 068</b>

## Group financial performance

### Group profit and loss statement

	01.01.2018 - 30.09.2018	01.01.2017 - 30.09.2017	Change, %
Revenue	2 851 614	893 666	
Operating expenses*	(1 234 743)	(285 951)	
<b>Gross profit</b>	<b>1 616 871</b>	<b>607 715</b>	<b>166.06%</b>
Administrative expenses	(315 222)	(238 412)	
Other operating income	64 609	17	
Other operating expenses	(177 898)	(37 109)	
<b>EBITDA</b>	<b>1 188 360</b>	<b>332 211</b>	<b>257.71%</b>
Depreciation and amortization*	(7 615)	(3 960)	
Other interest and similar income	76 352	1 296	
Interest and similar expenses	(509 813)	(118 669)	
Income from a partial loss of contributions to subsidiary share capital	66 146	-	
<b>Profit / (loss) before taxes</b>	<b>813 430</b>	<b>210 878</b>	<b>285.73%</b>
Taxes	(303)	(37 433)	
<b>Total amount of comprehensive income</b>	<b>813 127</b>	<b>173 445</b>	

\* The Group financial statement profit and loss includes depreciation and amortization in Group operating expenses

The growth in Group revenue and gross profit during the reporting period resulted from Group investment property portfolio expansion. Starting from the 1 January 2018 the Group is getting revenue from the logistics centre on Maskavas iela 462/464A. The Group has further expanded its revenue generating capabilities with the acquisition of the office building on Bērzaunes iela 7.

During the reporting period there has been an increase in indirect operating expenses. Slight growth in administrative expenses resulted from the need to process a relatively larger amount of data associated with the VEF territory tenant mix. The VEF territory office premises are dominated by a large amount of small tenants. Additionally, as a result of VEF office tenant creditworthiness revaluation the Group management has decided to make substantial accruals for bad debt recognized as other operating expenses in the current reporting period statements.

The increase in Group other operating expenses mentioned above also contains losses from financial instrument revaluation. Income from the aforementioned financial instruments has been recognized as other interest and similar income.

During the reporting period the Group has decreased its participation in NHC 5, SIA share capital to 1.29%. Given that NHC 5, SIA has accumulated losses from previous reporting periods, the Group recognized income from the transfer of control over NHC 5, SIA share capital to another entity as income from a partial loss of contributions to subsidiary share capital.

### Group financial position

	30.09.2018	31.12.2017	Change, %
Investment assets	38 109 960	35 453 395	
Other long term assets	384 762	74 293	
Current assets	16 869 881	16 835 146	
<b>Gross Asset Value (GAV)</b>	<b>55 364 603</b>	<b>52 362 834</b>	<b>5.73%</b>
Loans - long term part	10 098 743	8 046 159	
Bonds - long term part	9 414 004	9 414 004	
Other long term liabilities	86 854	86 854	
Short term liabilities	1 997 635	1 861 576	
<b>Net Asset Value (NAV)</b>	<b>33 767 367</b>	<b>32 954 241</b>	<b>2.47%</b>

The 6% growth in Group Gross Asset Value (GAV) has primarily resulted from the Group investment property portfolio expansion with Bērzaunes iela 7 office building acquisition, as well as capital expenditures within the existing development project scope. The Group management allows the possibility that the aforementioned capital expenditures will be recognized as significant improvements in the Group investment properties during the annual investment property valuation at the end of 2018.

Growth in Group other long term assets resulted from Group strategic investments in real estate development and management company share capital – Pillar Development, SIA, New Hanza Centre, SIA and NHC 5, SIA. The Group participation in New Hanza Centre, SIA aims to provide capital for technical design completion of the offices on M. Tāla iela 3, Riga and earn dividends upon project completion. The Group participation in Pillar Development, SIA will facilitate reconstruction completion

of the historical Riga cargo station Hanzas Perons and will allow the Company to earn dividends from its investment upon project completion.

## Statement of the Management's responsibility

The Board of New Hanza Capital, AS is responsible for the preparation of the Company interim condensed financial statements for the nine-month period, as well as for the preparation of the interim condensed consolidated financial statements of the Company and its subsidiaries.

The interim condensed financial statements for the nine month period and the notes thereto set out on pages 10 through 20 are prepared in accordance with the source documents and present truly and fairly the financial position of the Company and the Group as at 30 September 2018 and 30 September 2017, and the results of their operations, changes in the share capital and reserves and cash flows for the nine months of 2018 and the nine months of 2017.

The aforementioned interim condensed financial statements for the nine-month period are prepared on a going concern basis in conformity with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union. Prudent and reasonable judgments and estimates have been made by the management in preparation of these interim condensed financial statements.

The Board of the Company is responsible for the maintenance of proper accounting records, the safeguarding of the Group's assets, and the prevention and detection of fraud and other irregularities in the Group.

On behalf of the Board:



Edgars Mijūns  
*Chairman of the Board*

22 November 2018



Arnolds Romeiko  
*Member of the Board*



## Group and Company Condensed Interim Financial Statements

### Statements of Profit and Loss and Other Comprehensive Income for the nine month period ended 30 September 2018

	Notes	Group 01.01.2018 - 30.09.2018 EUR	Group 01.01.2017 - 30.09.2017 EUR	NHC 01.01.2018 - 30.09.2018 EUR	NHC 01.01.2017 - 30.09.2017 EUR
Income	7	2 851 614	893 666	970 157	103 670
Operating expenses	8	(1 242 358)	(289 911)	(176 879)	(131 536)
<b>Gross profit</b>		<b>1 609 256</b>	<b>603 755</b>	<b>793 278</b>	<b>(27 866)</b>
Administrative expenses	9	(315 222)	(238 412)	(232 408)	(199 570)
Other operating income		64 609	17	55 526	17
Other operating expenses		(177 898)	(37 109)	(68 404)	(25 416)
Other interest and similar income		76 352	1 296	642 238	170 098
Interest and similar expenses	10	(509 813)	(118 669)	(346 710)	(5 623)
Dividend income from subsidiaries		-	-	4 108 120	-
Income from a partial loss of contributions to subsidiary share capital		66 146	-	-	-
<b>Profit / (loss) before taxes</b>		<b>813 430</b>	<b>210 878</b>	<b>4 951 640</b>	<b>(88 360)</b>
Corporate income tax for the reporting period		(303)	(45 662)	-	-
Deferred tax		-	8 229	-	13 254
<b>Profit / (loss) of the reporting period</b>		<b>813 127</b>	<b>173 445</b>	<b>4 951 640</b>	<b>(75 106)</b>
<b>Total amount of comprehensive income</b>		<b>813 127</b>	<b>173 445</b>	<b>4 951 640</b>	<b>(75 106)</b>

The accompanying notes on pages 14 to 20 form an integral part of these financial statements.

On behalf of the Board:



Edgars Mijūns  
Chairman of the Board



Arnolds Romeiko  
Member of the Board


22 November 2018


## Statements of Financial Position as at 30 September 2018

	Notes	Group 30.09.2018 EUR	Group 31.12.2017 EUR	NHC 30.09.2018 EUR	NHC 31.12.2017 EUR
<b>Assets</b>					
<b>Non-current assets</b>					
Intangible assets		3 055	3 742	3 055	3 742
Property and equipment		61 807	56 258	61 807	56 258
Investment property	11	38 109 960	35 453 395	748 000	748 000
Investments in subsidiaries	12	-	-	4 310 000	5 696 362
Investment in associated companies		-	14 293	-	7 500
Investment in other companies		319 900	-	306 000	-
Loans to related parties	13	-	-	-	7 734 000
<b>Total non-current assets</b>		<b>38 494 722</b>	<b>35 527 688</b>	<b>5 428 862</b>	<b>14 245 862</b>
<b>Current assets</b>					
Trade receivables		65 963	144 517	2 581	6
Due from related parties		-	128	707 842	158 867
Loans to related parties	13	-	-	17 977 000	4 774 000
Other assets	14	668 066	287 586	62 269	59 589
Financial instruments at fair value through profit and loss		3 490 469	12 183 736	3 488 021	12 183 736
Cash	15	12 645 383	4 219 179	12 211 346	4 032 651
<b>Total current assets</b>		<b>16 869 881</b>	<b>16 835 146</b>	<b>34 449 059</b>	<b>21 208 849</b>
<b>Total assets</b>		<b>55 364 603</b>	<b>52 362 834</b>	<b>39 877 921</b>	<b>35 454 711</b>
<b>Liabilities</b>					
<b>Equity</b>					
Share capital	16	25 000 000	25 000 000	25 000 000	25 000 000
Reserves:			-		-
Retained earnings/ accumulated (loss) of previous periods		7 954 240	16 713	(362 756)	(14 650)
Profit / (loss) of the reporting period		813 127	7 937 528	4 951 640	(348 105)
<b>Total equity</b>		<b>33 767 367</b>	<b>32 954 241</b>	<b>29 588 884</b>	<b>24 637 245</b>
<b>Long-term liabilities</b>					
Loans	17	10 098 743	8 046 159	-	435 238
Bonds	17	9 414 004	9 414 004	9 414 004	9 414 004
Other liabilities	18	86 854	86 854	-	-
<b>Total long-term liabilities</b>		<b>19 599 601</b>	<b>17 547 017</b>	<b>9 414 004</b>	<b>9 849 242</b>
<b>Short-term liabilities</b>					
Loans	17	567 763	393 023	-	22 238
Bonds	17	790 161	689 440	790 161	689 440
Amounts due to suppliers		197 799	58 610	5 044	23
Payables to related companies		-	228 948	-	87 800
Corporate income tax		62	71 107	-	-
Other taxes		49 131	1 030	770	-
Other liabilities	18	329 313	224 657	15 652	14 200
Accrued liabilities		63 406	194 761	63 406	154 523
<b>Total short-term liabilities</b>		<b>1 997 635</b>	<b>1 861 576</b>	<b>875 033</b>	<b>968 224</b>
<b>Total liabilities and equity</b>		<b>55 364 603</b>	<b>52 362 834</b>	<b>39 877 921</b>	<b>35 454 711</b>

The accompanying notes on pages 14 to 20 form an integral part of these financial statements.

On behalf of the Board:

  
 Edgars Miļūns  
 Chairman of the Board

  
 Arnolds Romeiko  
 Member of the Board

22 November 2018

**Statements of Cash Flows for the nine month period ended 30 September 2018**

Notes	Group 01.01.2018 - 30.09.2018 EUR	Group 01.01.2017 - 30.09.2017 EUR	NHC 01.01.2018 - 30.09.2018 EUR	NHC 01.01.2017 - 30.09.2017 EUR
<b>Cash flows from operating activities</b>				
(Loss) / profit of the reporting period before tax	813 430	210 878	4 951 640	(88 360)
Adjustments for:	-	-	-	-
Depreciation of fixed assets	7 615	3 960	7 615	3 643
Interest income	(76 352)	(1 296)	(642 238)	(170 098)
Interest expenses	(509 813)	118 669	(346 710)	5 623
Dividend income	-	-	(4 108 120)	-
<b>Profit before changes in working capital</b>	<b>234 880</b>	<b>332 211</b>	<b>(137 813)</b>	<b>(249 192)</b>
Interest received	33 432	1 296	33 432	159 377
(Increase)/ decrease in trade receivables	(258 879)	(5 927 533)	54 576	(39 547)
Increase/ (decrease) in payables	277 691	24 265	174 047	(87 596)
Interest expenses	164 093	(110 642)	989	(5 384)
Corporate income tax paid	(71 675)	(45 662)	-	-
<b>Cash flows from/ (used in) operating activities</b>	<b>379 541</b>	<b>(5 726 065)</b>	<b>125 230</b>	<b>(222 342)</b>
<b>Cash flows from investing activities</b>				
Acquisition of investment property	11	(2 656 565)	(8 511 168)	-
Purchase of property, plant and equipment	(38 411)	(75 267)	(38 411)	(66 088)
Sale of property, plant and equipment	25 934	-	25 934	-
Acquisition of shares in related companies/ net cash paid	(319 900)	(8 238)	(306 000)	(3 087 500)
Sale of shares in associated companies/ net cash received	7 500	-	7 500	-
Decrease in contribution to share capital in associated companies	-	-	1 386 362	-
Dividends received	6 793	-	4 108 120	-
Loans issued	-	-	(5 469 000)	(16 675 000)
Loans repaid	-	25 705	-	9 384 705
Investments in financial instruments	8 693 267	(34 182)	8 695 715	-
<b>Net cash flows generated from/ (used in) investing activities</b>	<b>5 718 618</b>	<b>(8 603 150)</b>	<b>8 410 220</b>	<b>(10 443 883)</b>
<b>Cash flows from financing activities</b>				
Income from equity investments	-	10 000 000	-	10 000 000
Loans received	17	3 000 000	4 000 000	-
Loans repaid	17	(671 955)	(356 755)	-
Repayment of shareholder loans	-	(217 816)	-	(16 151)
<b>Net cash flows from financing activities</b>	<b>2 328 045</b>	<b>13 782 184</b>	<b>(356 755)</b>	<b>9 983 849</b>
<b>Increase/(decrease) in net cash during the reporting period</b>	<b>8 426 204</b>	<b>(547 031)</b>	<b>8 178 695</b>	<b>(682 376)</b>
Cash at the beginning of the reporting period	4 219 179	6 544 927	4 032 651	6 503 861
<b>Cash at the end of the reporting period</b>	<b>12 645 383</b>	<b>5 997 896</b>	<b>12 211 346</b>	<b>5 821 485</b>

The accompanying notes on pages 14 to 20 form an integral part of these financial statements.

On behalf of the Board:

  
 Edgars Miļūns  
 Chairman of the Board

  
 Arnolds Romeiko  
 Member of the Board

22 November 2018

**Group Statement of Changes to the Shareholders Equity for the nine month period ended 30 September 2018**

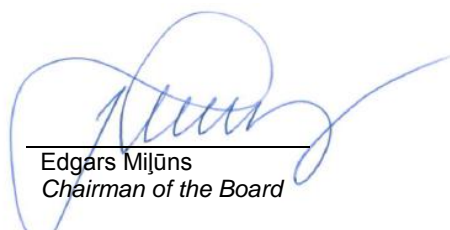
	Notes	Paid-in share capital	Reserves	Retained earnings/ (uncovered loss) of previous periods	Profit / (loss) of the reporting period	Total capital and reserves
<b>At 1 January 2017</b>		<b>15 000 000</b>	-	<b>(31 965)</b>	-	<b>14 968 035</b>
<b>Total comprehensive income</b>						
Total comprehensive income for the reporting period		-	-	-	173 445	173 445
Share issue		10 000 000	-	-	-	10 000 000
<b>At 30 September 2017</b>		<b>25 000 000</b>	-	<b>(31 965)</b>	<b>173 445</b>	<b>25 141 480</b>
<b>At 1 January 2018</b>		<b>25 000 000</b>	-	<b>7 954 240</b>	-	<b>32 954 240</b>
<b>Total comprehensive income</b>						
Total comprehensive income for the reporting period		-	-	-	813 127	813 127
<b>At 30 September 2018</b>	16	<b>25 000 000</b>	-	<b>7 954 240</b>	<b>813 127</b>	<b>33 767 367</b>

**Company Statement of Changes to the Shareholders Equity for the nine month period ended 30 September 2018**

	Notes	Paid-in share capital	Reserves	Retained earnings/ (uncovered loss) of previous periods	Profit / (loss) of the reporting period	Total capital and reserves
<b>At 1 January 2017</b>		<b>15 000 000</b>	-	<b>(14 650)</b>	-	<b>14 985 350</b>
<b>Total comprehensive income</b>						
Total comprehensive income for the reporting period		-	-	-	(75 106)	(75 106)
Share issue		10 000 000	-	-	-	10 000 000
<b>At 30 September 2017</b>		<b>25 000 000</b>	-	<b>(14 650)</b>	<b>(75 106)</b>	<b>24 910 244</b>
<b>At 1 January 2018</b>		<b>25 000 000</b>	-	<b>(362 756)</b>	-	<b>24 637 244</b>
<b>Total comprehensive income</b>						
Total comprehensive income for the reporting period		-	-	-	4 951 640	4 951 640
<b>At 30 September 2018</b>	16	<b>25 000 000</b>	-	<b>(362 756)</b>	<b>4 951 640</b>	<b>29 588 884</b>

The accompanying notes on pages 14 to 20 form an integral part of these financial statements.

On behalf of the Board:



Edgars Mijūns  
 Chairman of the Board



Arnolds Romeiko  
 Member of the Board

22 November 2018

## Notes to the condensed interim financial statements

### 1. The reporting entity and group

The entity preparing the condensed interim Group consolidated financial statements and the Company separate financial statements New Hanza Capital, AS (the Company or NHC) was registered with the Enterprise Register of the Republic of Latvia on 6 June 2006. The legal address of the Company is Pulkveža Brieža iela 28A, Riga, LV-1045. For information on the Company's ownership structure please refer to page 3. Information on ultimate beneficial owners of the Company largest shareholder is available on the respective shareholder's homepage [www.ablv.com](http://www.ablv.com). Since the end of 2015, the Company has been investing its own funds and the funds of third parties in cash generating commercial properties.

The interim condensed Group consolidated and the Company separate financial statements for the period from 1 January 2018 to 30 September 2018 present the financial information of the Company and its subsidiaries (the Group). In line with applicable requirements, these interim condensed consolidated financial statements for the period from 1 January 2018 to 30 September 2018 include the Company's interim condensed separate financial statements. The Company is the Group parent company.

#### **The Group consists of the following companies:**

New Hanza Capital, AS – the Company owns two commercial premises on Elizabetes iela 21A, Riga, leased to long term tenants.

NHC 1, SIA was registered in the Latvian Enterprise Register on 9 September 2009. The legal address of the company is Pulkveža Brieža iela 28A, Riga, LV-1045. NHC 1, SIA line of business is renting and operating of own or leased real estate. 100% of shares of NHC 1, SIA were acquired by the Company and included in the Group on 21 January 2016. NHC 1, SIA owns an office building at Tehnikas iela 3, Riga International Airport in Mārupe district, which is leased out to Air Baltic Corporation, AS.

NHC 2, SIA was registered in the Latvian Enterprise Register on 25 January 2016. The legal address of the company is Pulkveža Brieža iela 28A, Riga, LV-1045. NHC 2, SIA line of business is renting and operating of own or leased real estate. The Company holds 100% of share capital of NHC 2, SIA and it is included in the Group. NHC 2, SIA owns office buildings in Riga, in the territory of the former State Electrotechnical Factory (VEF), Brīvības gatve 214B, Brīvības gatve 214M, Bērzaunes iela 1 and Bērzaunes iela 7. The aforementioned office premises are rented out under short term and long term lease agreements.

NHC 3, SIA was registered in the Latvian Enterprise Register on 20 May 2016. The legal address of the company is Pulkveža Brieža iela 28A, Riga, LV-1045. NHC 3, SIA line of business is renting and operating of own or leased real estate. The Company holds 100% of share capital of NHC 3, SIA and it is included in the Group. NHC 3, SIA owns an office and warehouse complex, located in *Piepilsetas*, Krustkalni, Ķekavas pagasts, Ķekavas novads. The complex is rented out on a long-term basis.

NHC 4, SIA was registered in the Latvian Enterprise Register on 15 November 2016. The legal address of the company is Pulkveža Brieža iela 28A, Riga, LV-1045. NHC 4, SIA line of business is renting and operating of own or leased real estate. The Company holds 100% of share capital of NHC 4, SIA and it is included in the Group. NHC 4, SIA owns a warehouse complex in Riga, Maskavas iela 462 and Maskavas iela 464A. The complex is rented out on a long-term basis.

NHC 6, SIA was registered with the Enterprise Register of Latvia on 15 November 2016. The legal address of the company is Pulkveža Brieža iela 28A, Riga, LV-1045. NHC 6, SIA line of business is renting and operating of own or leased real estate. The Company holds 100% of share capital of NHC 6, SIA and this company is included in the Group. During the reporting period NHC 6, SIA did not own any real estate.

### 2. Accounting principles

These Group and Company condensed interim financial statements were prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union on a going concern basis.

These Group and Company condensed interim financial statements cover the 9 months from 1 January 2018 to 30 September 2018. The accounting methods are consistently applied by all companies within the Group.

### **3. Estimates and judgments**

The preparation of financial statements requires management to make judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**The key judgments and estimates are:**

#### **a) Valuation of investment property**

Land and buildings held to earn rental income are classified as investment property and are measured at fair value, with any changes in fair value recognised as profit or loss in the statement of comprehensive income. Investment property is valued by an external certified appraiser at least once a year (refer to Note 11 - Investment property). In cases where specific assumptions of the external appraiser are not deemed to be acceptable, there may be internal value corrections.

#### **b) Business combination vs acquisition of assets**

The Group acquires investment property with effective rent agreements. In order to establish whether the acquired investment property qualifies as a business, the Group performs an analysis based on the criteria laid down in IFRS 3 Business Combinations. It has been determined by the management during reporting period that the acquired investment properties do not qualify as businesses as these properties were acquired with rent agreements but without any agreements that determine processes such as real estate management.

#### **c) Recognition of investment property**

The Group recognizes Investment property after the title to the property has been registered in the Land Register or the act of acceptance and transfer of the property has been approved.

#### **d) Determining fair value of financial instruments**

The fair value of financial assets is determined based on external documents such as investment portfolio overviews issued by credit institutions and information available on NASDAQ Riga website regarding the market value of financial assets.

### **4. Consolidation**

These interim condensed consolidated financial statements include New Hanza Capital, AS and all subsidiaries and associated companies controlled by New Hanza Capital, AS (the Group parent company). Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Detailed information on Company subsidiaries is disclosed in Note 12 and Note 19.

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated upon consolidation. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

### **5. Cash**

All amounts in these condensed interim financial statements are expressed in the Latvian national currency – euro (EUR). Euro is the Group's accounting and functional currency. There were no transactions in foreign currencies during the reporting period.

### **6. Subsequent events**

These interim condensed financial statements reflect subsequent events that provide evidence of circumstances that existed at the end of the reporting period (adjusting events). Where the nature of subsequent events is other than adjusting, they are disclosed in the notes to the interim condensed financial statements only if they are significant.

## 7. Revenue

	Group 01.01.2018 - 30.09.2018 EUR	Group 01.01.2017 - 30.09.2017 EUR	NHC 01.01.2018 - 30.09.2018 EUR	NHC 01.01.2017 - 30.09.2017 EUR
Income from lease and management of premises	2 767 311	861 375	32 071	58 570
Other revenue	84 303	32 291	938 086	45 100
<b>Total</b>	<b>2 851 614</b>	<b>893 666</b>	<b>970 157</b>	<b>103 670</b>

Revenue represents income generated during the reporting period from the Group's primary activities – renting and operating of own or leased real estate, net of value added tax.

## 8. Operating expenses

	Group 01.01.2018 - 30.09.2018 EUR	Group 01.01.2017 - 30.09.2017 EUR	NHC 01.01.2018 - 30.09.2018 EUR	NHC 01.01.2017 - 30.09.2017 EUR
Maintenance of buildings	606 946	93 817	-	2 326
Other operating expenses	354 149	28 833	12 221	4 555
Transaction due diligence expenses	166 734	122 680	50 129	80 074
Personnel expenses	114 529	44 581	114 529	44 581
<b>Total</b>	<b>1 242 358</b>	<b>289 911</b>	<b>176 879</b>	<b>131 536</b>

## 9. Administrative expenses

	Group 01.01.2018 - 30.09.2018 EUR	Group 01.01.2017 - 30.09.2017 EUR	NHC 01.01.2018 - 30.09.2018 EUR	NHC 01.01.2017 - 30.09.2017 EUR
Personnel expenses	150 183	159 414	150 183	159 414
Professional services	107 966	63 845	34 149	28 840
Other administrative expenses	57 073	15 153	48 076	11 316
<b>Total</b>	<b>315 222</b>	<b>238 412</b>	<b>232 408</b>	<b>199 570</b>

## 10. Interest and similar expenses

	Group 01.01.2018 - 30.09.2018 EUR	Group 01.01.2017 - 30.09.2017 EUR	NHC 01.01.2018 - 30.09.2018 EUR	NHC 01.01.2017 - 30.09.2017 EUR
Coupon payments for issued bonds	345 721	-	345 721	-
Interest expenses on loans	164 092	118 669	989	5 623
<b>Total</b>	<b>509 813</b>	<b>118 669</b>	<b>346 710</b>	<b>5 623</b>

## 11. Investment properties

The fair value of the Group's investment properties is determined in the fourth quarter of every year or more often if the Group becomes aware of material changes in the quality of long-term investments or a loss event. Fair values of investment properties may be determined also by reference to prior appraisals not older than 12 months from the valuation date.

Group	Investment property EUR
<b>At 31 December 2016</b>	<b>13 143 000</b>
Acquisition	14 249 749
Revaluation result recognized in profit or loss as a gain on revaluation of investment property	8 060 646
<b>At 31 December 2017</b>	<b>35 453 395</b>
Acquisition	2 656 565
<b>At 30 September 2018</b>	<b>38 109 960</b>

NHC	Investment property EUR
<b>At 31 December 2016</b>	<b>748 000</b>
Revaluation result recognized in profit or loss as a gain on revaluation of investment property	-
<b>At 31 December 2017</b>	<b>748 000</b>
<b>At 30 September 2018</b>	<b>748 000</b>

## 12. Investments in subsidiaries

	EUR
<b>Balance as at 31.12.2016</b>	<b>2 616 362</b>
Contributions to other share capital	3 080 000
<b>Balance as at 31.12.2017</b>	<b>5 696 362</b>
Elimination of contributions to other share capital	(10 000)
Decrease in contributions to other share capital	(2 100 000)
Increase in contributions to other share capital	723 638
<b>Balance as at 30.09.2018</b>	<b>4 310 000</b>

Company name	Number of shares as at 30.09.2018 %	Investment carrying amount as at 30.09.2018 EUR	Subsidiary equity value as at 30.09.2018 EUR	Profit/loss of the subsidiary in the reporting period EUR
NHC 1, SIA	100	500 000	728 049	208 049
NHC 2, SIA	100	2 000 000	2 351 734	(45 233)
NHC 3, SIA	100	700 000	2 085 496	290 869
NHC 4, SIA	100	1 100 000	3 321 540	221 540
NHC 6, SIA	100	10 000	1 664	(2 378)
<b>Total</b>		<b>4 310 000</b>	<b>8 488 483</b>	<b>672 847</b>

Company name	Number of shares as at 31.12.2017 %	Investment carrying amount as at 31.12.2017 EUR	Subsidiary equity value as at 31.12.2017 EUR	Profit/loss of the subsidiary in the reporting period EUR
NHC 1, SIA	100	1 276 362	2 217 878	789 630
NHC 2, SIA	100	2 000 000	3 509 609	1 523 125
NHC 3, SIA	100	1 300 000	2 394 627	1 199 678
NHC 4, SIA	100	1 100 000	5 897 600	4 798 252
NHC 5, SIA	100	10 000	(17 191)	(26 539)
NHC 6, SIA	100	10 000	4 042	(5 306)
<b>Total</b>		<b>5 696 362</b>	<b>14 006 565</b>	<b>8 278 840</b>



### 13. Loans to subsidiaries

	Group 30.09.2018 EUR	Group 31.12.2017 EUR	NHC 30.09.2018 EUR	NHC 31.12.2017 EUR
<b>Long term</b>				
<b>Loans to subsidiaries</b>	-	-	-	7 734 000
NHC 1, SIA	-	-	-	387 000
NHC 2, SIA	-	-	-	6 445 000
NHC 3, SIA	-	-	-	902 000
<b>Short term</b>				
<b>Loans to subsidiaries</b>	-	-	17 977 000	4 774 000
NHC1, SIA	-	-	2 070 000	-
NHC 2, SIA	-	-	9 863 000	-
NHC 3, SIA	-	-	1 502 000	-
NHC 4, SIA	-	-	4 542 000	4 744 000
<b>Total</b>	-	-	17 977 000	12 508 000

Loans to related companies include loans to subsidiaries disclosed as credit lines. The loans are unsecured.

### 14. Other assets

	Group 30.09.2018 EUR	Group 31.12.2017 EUR	NHC 30.09.2018 EUR	NHC 31.12.2017 EUR
Advance payment for real estate	250 000	-	-	-
Accrued income	169 776	156 871	-	-
Deferred expenses	131 959	84 197	46 615	45 218
Advance payments	71 255	-	-	-
Taxes	44 208	39 543	14 786	14 371
Other assets	868	6 975	868	-
<b>Total</b>	668 066	287 586	62 269	59 589

### 15. Cash

	Group 30.09.2018 EUR	Group 31.12.2017 EUR	NHC 30.09.2018 EUR	NHC 31.12.2017 EUR
Balances on bank accounts: ABLV Bank, AS in liquidation *	12 091 003	4 160 289	12 056 904	4 032 651
Balances on bank accounts: Other	554 380	58 890	154 442	-
<b>Total</b>	12 645 383	4 219 179	12 211 346	4 032 651

\*The Board expects to fully recover the Group funds held at accounts with ABLV Bank, AS in liquidation.

### 16. Share capital

	Group 30.09.2018		Group 31.12.2017		NHC 30.09.2018		NHC 31.12.2017	
	%	EUR	%	EUR	%	EUR	%	EUR
ABLV Bank, AS in liquidation	88	22 000 000	88	22 000 000	88	22 000 000	88	22 000 000
PREMIUM FINANCE GROUP, SIA	6	1 500 000	6	1 500 000	6	1 500 000	6	1 500 000
Cassandra Holding Company, SIA	6	1 500 000	6	1 500 000	6	1 500 000	6	1 500 000
<b>Total</b>		25 000 000		25 000 000		25 000 000		25 000 000

As at 31 December 2017 share capital amounted to EUR 25 000 000 and consisted of 25 000 000 shares with nominal value of EUR 1. All shares are fully paid. As at 30 September 2018 the share capital amounts to EUR 25 000 000 representing 25 000 000 shares with nominal value of EUR 1. All shares are fully paid.

## 17. Loans and bonds

	Group 30.09.2018 EUR	Group 31.12.2017 EUR	NHC 30.09.2018 EUR	NHC 31.12.2017 EUR
Long term loans from credit institutions	10 098 743	8 046 159	-	435 238
Issued debt securities (bonds)*	9 414 004	9 414 004	9 414 004	9 414 004
<b>Total long term loans</b>	<b>19 512 747</b>	<b>17 460 163</b>	<b>9 414 004</b>	<b>9 849 242</b>
Short-term part of long-term loans from credit institutions	567 763	381 501	-	21 914
Short term part of issued debt securities (bonds)*	585 996	585 996	585 996	585 996
Accrued interest on long term loans	-	11 522	-	324
Accrued liabilities for coupon interest payments on issued debt securities (bonds)*	204 165	103 444	204 165	103 444
<b>Total short-term-loans</b>	<b>1 357 924</b>	<b>1 082 463</b>	<b>790 161</b>	<b>711 678</b>
<b>Total long and short term loans</b>	<b>20 870 671</b>	<b>18 542 626</b>	<b>10 204 165</b>	<b>10 560 920</b>
<b>Changes in loans</b>	<b>30.09.2018</b>	<b>31.12.2017</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
<b>At the beginning of the reporting period</b>	<b>18 542 626</b>	<b>4 743 827</b>	<b>10 560 920</b>	<b>479 025</b>
Loans received	3 000 000	4 000 000	-	-
Loans repaid	762 445	316 167	457 152	21 592
Changes in accrued loan and coupon interest liabilities	90 490	114 966	100 397	103 487
Debt securities (bonds) issued*	-	10 000 000	-	10 000 000
<b>At the end of the reporting period</b>	<b>20 870 671</b>	<b>18 542 626</b>	<b>10 204 165</b>	<b>10 560 920</b>
<b>Loans by category of lender</b>	<b>30.09.2018</b>	<b>31.12.2017</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
Related credit institutions	4 100 589	4 631 329	-	457 476
Other credit institutions	6 565 917	3 807 853	-	-
Debt securities (bonds) issued*	10 204 165	10 103 444	10 204 165	10 103 444
<b>Total loans</b>	<b>20 870 671</b>	<b>18 542 626</b>	<b>10 204 165</b>	<b>10 560 920</b>
<b>Loans by maturity</b>	<b>30.09.2018</b>	<b>31.12.2017</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
< 1 year (short term part of long term loans)	1 357 924	1 082 463	790 161	711 678
1 – 5 years	19 512 747	17 460 163	9 414 004	9 849 242
> 5 years	-	-	-	-
<b>Total loans</b>	<b>20 870 671</b>	<b>18 542 626</b>	<b>10 204 165</b>	<b>10 560 920</b>

Loan agreements specify that the interest coverage ratio and the LTV ratio should be calculated on a quarterly basis. The Group companies comply with the thresholds set for these ratios and the loan covenants.

\* The bonds were issued in EUR and the total nominal value of the issue was EUR 10 000 000, the nominal value of a bond is EUR 1 000. The annual interest rate is fixed at 4.9% and coupon payments are made twice a year. Initial placement price: 100% of the face value. The issue date is 16 October 2017, and the maturity date is 16 October 2022. The issuer may exercise the call option prematurely. On 19 October 2017, the bonds were admitted to the regulated market —the Baltic Bond List of Nasdaq Riga (ISIN LV0000802312).

## 18. Other liabilities

	Group 30.09.2018 EUR	Group 31.12.2017 EUR	NHC 30.09.2018 EUR	NHC 31.12.2017 EUR
Long term				
Security deposits received from tenants	86 854	86 854	-	-
Short term				
Security deposits received from tenants	327 861	224 657	14 200	14 200
Advance payments received	1 452	-	1 452	-
<b>Total</b>	<b>416 167</b>	<b>311 511</b>	<b>15 652</b>	<b>14 200</b>

## 19. Operating segments

The operating activities of the Group are analysed by the Board of the Company on the level of individual group companies. The operating income represents revenue generated from lease of premises and management services.

The subsidiaries do not employ any staff and professional services are outsourced. The Company has agreements in place with its subsidiaries concerning management services. These management services include strategic management, day-to-day management and supervision of investments. Compensation for the management services is set on an arm's length basis.

<b>Assets</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
	<b>EUR</b>	<b>EUR</b>
NHC	39 877 921	35 454 711
NHC 1	7 069 967	6 950 207
NHC 2	12 847 568	10 334 866
NHC 3	7 345 954	7 297 145
NHC 4	11 216 057	10 659 790
Other	1 978	33 239
Eliminated intra-group transactions	(22 994 842)	(18 367 124)
<b>Total</b>	<b>55 364 603</b>	<b>52 362 834</b>
<b>Liabilities</b>	<b>30.09.2018</b>	<b>31.12.2017</b>
	<b>EUR</b>	<b>EUR</b>
NHC	10 289 037	10 817 466
NHC 1	6 341 918	4 732 329
NHC 2	10 495 834	6 825 257
NHC 3	5 260 458	4 902 518
NHC 4	7 894 517	4 762 190
Other	314	39 595
Eliminated intra-group transactions	(18 684 842)	(12 670 762)
<b>Total</b>	<b>21 597 236</b>	<b>19 408 593</b>

### Profit or Loss Statement for the period from 01.01.2018- 30.09.2018

	<b>NHC</b>	<b>NHC 1</b>	<b>NHC 2</b>	<b>NHC 3</b>	<b>NHC 4</b>	<b>Other</b>	<b>Eliminated upon consolidation</b>	<b>Total</b>
Net sales (external)	116 374	373 760	953 246	542 774	865 460	-	-	2 851 614
Net sales (internal)	853 783	-	-	-	-	-	(853 783)	-
Operating expenses	(176 879)	(18 754)	(589 503)	(91 135)	(329 192)	(36 895)	-	(1 242 358)
<b>Gross profit</b>	<b>793 278</b>	<b>355 006</b>	<b>363 743</b>	<b>451 639</b>	<b>536 268</b>	<b>(36 895)</b>	<b>(853 783)</b>	<b>1 609 256</b>
Administrative expenses	(232 408)	(32 374)	(86 896)	(37 040)	(53 031)	(3 618)	130 145	(315 222)
Other operating income	55 526	-	13 640	1 107	1 129	-	(6 793)	64 609
Other operating expenses	(68 404)	(3 677)	(99 643)	(3 895)	(2 279)	-	-	(177 898)
Other interest received and similar income	642 238	-	-	-	-	-	(565 886)	76 352
Interest paid and similar expenses	(346 710)	(110 896)	(235 792)	(120 941)	(260 540)	(820)	565 886	(509 813)
Dividends received from subsidiaries	4 108 120	-	-	-	-	-	(4 108 120)	-
Income from a partial loss of contributions to subsidiary share capital	-	-	-	-	-	-	66 146	66 146
<b>Profit/(loss) before taxes</b>	<b>4 951 640</b>	<b>208 059</b>	<b>(44 948)</b>	<b>290 870</b>	<b>221 547</b>	<b>(41 333)</b>	<b>(4 772 405)</b>	<b>813 430</b>
CIT	-	(10)	(285)	(1)	(7)	-	-	(303)
<b>(Loss) / profit of the reporting period</b>	<b>4 951 640</b>	<b>208 049</b>	<b>(45 233)</b>	<b>290 869</b>	<b>221 540</b>	<b>(41 333)</b>	<b>(4 772 405)</b>	<b>813 127</b>

**Profit or Loss Statement for the period from 01.01.2017- 30.09.2017**

	<b>NHC</b>	<b>NHC 1</b>	<b>NHC 2</b>	<b>NHC 3</b>	<b>NHC 4</b>	<b>Other</b>	<b>Eliminated upon consolidation</b>	<b>Total</b>
Net sales (external)	89 342	318 869	-	483 936	-	1 519	-	893 666
Net sales (internal)	14 328	-	-	-	-	-	(14 328)	-
Operating expenses	(131 536)	(2 250)	(1 340)	(108 561)	(41 128)	(5 096)	-	(289 911)
<b>Gross profit</b>	<b>(27 866)</b>	<b>316 619</b>	<b>(1 340)</b>	<b>375 375</b>	<b>(41 128)</b>	<b>(3 577)</b>	<b>(14 328)</b>	<b>603 755</b>
Administrative expenses	(199 570)	(9 220)	(12 938)	(13 169)	(12 400)	(5 443)	14 328	(238 412)
Other operating income	17	-	-	-	-	-	-	17
Other operating expenses	(25 416)	(3 637)	-	(7 056)	-	(1 000)	-	(37 109)
Other interest received and similar income	170 098	-	-	-	-	-	(168 802)	1 296
Interest paid and similar expenses	(5 623)	(74 522)	(26 699)	(124 786)	(55 283)	(558)	168 802	(118 669)
<b>Profit/(loss) before taxes</b>	<b>(88 360)</b>	<b>229 240</b>	<b>(40 977)</b>	<b>230 364</b>	<b>(108 811)</b>	<b>(10 578)</b>	<b>-</b>	<b>210 878</b>
CIT	-	(10 201)	-	(35 461)	-	-	-	(45 662)
Deferred CIT	13 254	(24 184)	2 266	905	8 152	7 836	-	8 229
<b>(Loss) / profit of the reporting period</b>	<b>(75 106)</b>	<b>194 855</b>	<b>(38 711)</b>	<b>195 808</b>	<b>(100 659)</b>	<b>(2 742)</b>	<b>-</b>	<b>173 445</b>

**20. Subsequent events**

In the period from the condensed interim financial statement last day till the day this Group and Company Interim Report signing there have been no events that would require adjustments to these condensed interim financial statements or would have to be included in the notes to these condensed interim financial statements.