



NEW



HANZA



CAPITAL

New Hanza Capital, AS Group Performance Report

Q1 2018

Basic Information

New Hanza Capital, AS, a company founded in 2006, has been investing in commercial properties since the end of 2015. The Company and its subsidiaries (the Group) focus on acquiring cash generating commercial properties with future income potential.

New Hanza Capital, AS business objective 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.

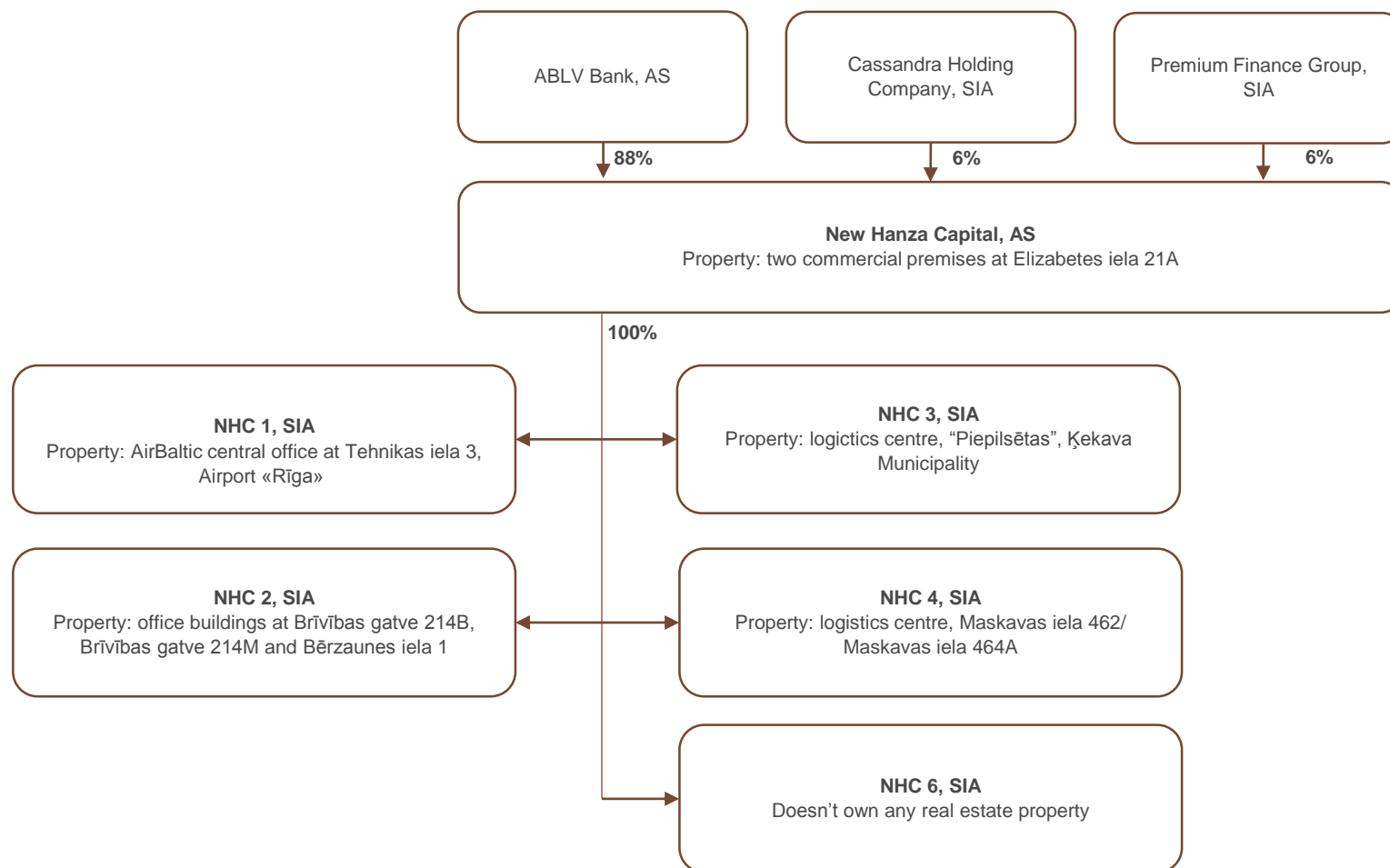
The investment strategy entails direct acquisition of real estate, as well as purchase of equity interest in companies holding the respective properties.

Currently, there are over 69 thousand square meters of commercial space under the company management.

The largest shareholder of New Hanza Capital, AS is ABLV Bank, AS, which owns 88% of the company's shares.



Group structure





Council



Ernests Bernis
Chairman of the Council



Edgars Pavlovičs
Deputy Chairman of the Council



Māris Kannenieks
Member of the Council

Board



Edgars Miļūns
Chairman of the Board



Arnolds Romeiko
Member of the Board



Aija Hermane – Sabule
Member of the Board

Group investment properties



AirBaltic Headquarters at Riga Airport

Type of real estate	Office building
Major tenant	Air Baltic Corporation, AS
In service as of	2016
Area for rent, m2	6 217
Floors	4
Parking spaces	77
Acquisition date	02.05.2016



VEF-Brīvības gatve 214B, 214M and Bērzaunes iela 1

Type of real estate	Office buildings
Major tenant	Intrum Justitia Software Development Centre, SIA
In service as of	2008
Area for rent, m2	27 340
Floors	4 - 9
Parking spaces	237
Acquisition date	18.09.2017



Small retail premises at Elizabetes Park House

Type of real estate	Retail premises
Major tenant	Tavex, SIA
In service as of	2013
Area for rent, m2	231
Floors	1
Acquisition date	27.12.2012



Logistics Centre «Piepilsētas», Ķekava Municipality

Type of real estate	Logistics Centre
Major tenant	Mikrotīkls, SIA
In service as of	2009
Area for rent, m2	13 360
Floors	2
Parking spaces	123
Acquisition date	27.11.2016



Logistics Centre, Maskavas iela 462/464A

Type of real estate	Logistics Centre
Major tenant	Latakko, SIA
In service as of	2004 - 2009
Area for rent, m2	27 874
Floors	2
Land area, ha	12.55
Acquisition date	05.01.2018



Group performance indicators



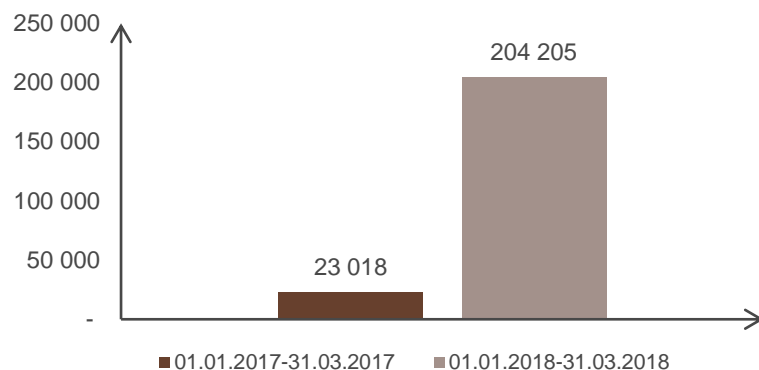


Profit and loss figures

Group Profit	Value	01.01.2018-31.03.2018	01.01.2017-31.03.2017	Change %
Earnings	EUR	936 696	270 047	246.86%
Adjusted EBITDA	EUR	338 127	48 349	599.35%
Profit after Tax	EUR	204 205	23 018	651.80%
Operating cash flow	EUR	(93 676)	2 801 580	NA

Adjusted EBITDA - Earnings before interest, tax, depreciation and amortization, gains and losses from investment property revaluation

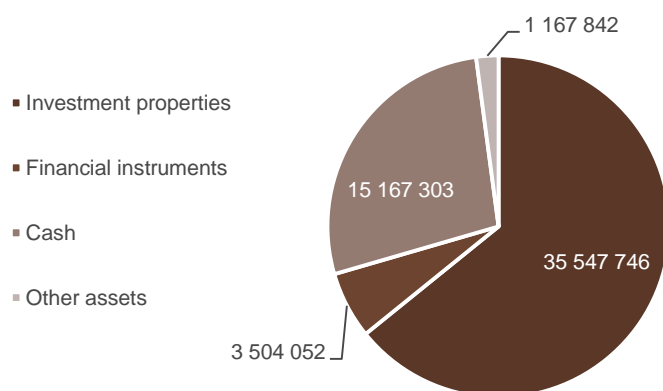
Group profit for the reporting period after taxes, EUR



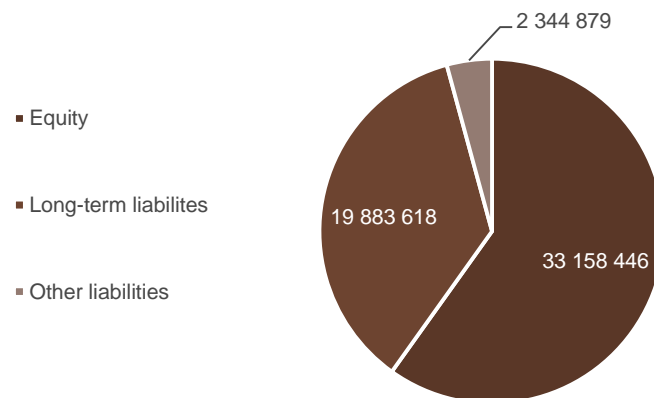
Assets and Liabilities

Group Balance Sheet	Value	31.03.2018	31.12.2017	Cgange (%)
Assets	EUR	55 386 943	52 362 834	5.78%
Incl. investment properties	EUR	35 547 746	35 453 395	0.27%
Incl. current assets	EUR	19 781 743	16 835 146	17.50%
Equity	EUR	33 158 446	32 954 241	0.62%
Liabilities	EUR	22 228 497	19 408 593	14.53%
Incl. short-term liabilities	EUR	2 344 879	1 861 576	25.96%

Group assets, EUR



Group equity and liabilities, EUR





Financial ratios

Group financial ratios	Value	31.03.2018	31.12.2017
Adjusted EBITDA margin	%	25.83%	2.78%
Equity ratio	%	58.63%	56.60%
Return on equity	%	34.45%	-1.01%
Return on assets	%	20.20%	-0.57%
Total liquidity ratio	%	625.59%	354.30%

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

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

ROE = profit or loss after tax (in a 12 month period) / $(1/2 * \text{value of equity at the beginning of the 12 month period} + 1/2 * \text{value of equity at the end of the 12 month period}) * 100\%$

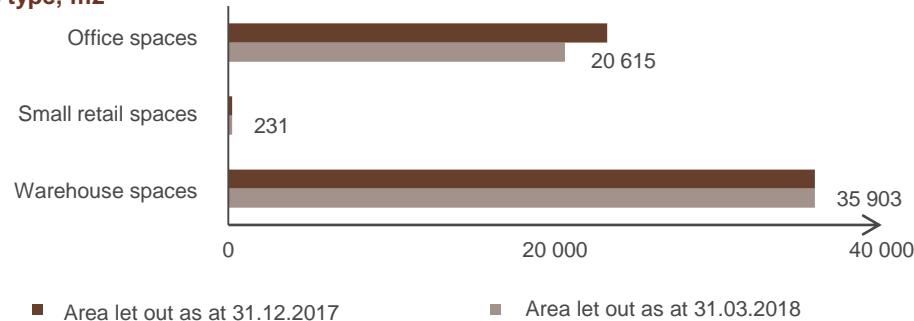
ROA = profit or loss after tax (in a 12 month period) / $(1/2 * \text{value of assets at the beginning of the 12 month period} + 1/2 * \text{value of assets at the end of the 12 month period}) * 100\%$

Total liquidity ratio = current assets at the end of reporting period / short-term liabilities at the end of reporting period

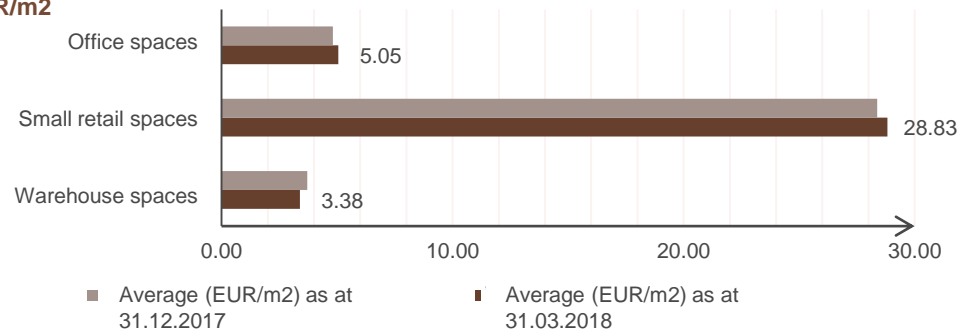


Portfolio performance

Rented area of the Group investment properties in breakdown by space type, m2



Weighted average rent in Group investment properties by space type, EUR/m2



- The number of investment properties owned by the Group has not changed. Instead of acquiring new objects, the Group focuses on development and improvement of existing investment properties.
- The Group management plans to finalize the development concept of the logistics centre on Maskavas iela 462 / 464A, as well as start detailed design and planning works in the 2nd quarter 2018.

- There was an 11% decrease in the average monthly rent per square meter in the Group office spaces. This change was caused by the on-going optimization of the tenant mix in the VEF territory offices.
- Tenant mix optimization, as well as planned rent indexation lead to a 5% increase in the average monthly rent per square meter in the Group office spaces.

Portfolio performance summary

Key indicators of the Group's investment properties	Unit	31.03.2018	31.12.2017	Change %
Number of investment properties	pcs.	8	8	-
Market value of investment properties	EUR	35 547 746	35 453 395	0.27%
Rental area	m2	69 768	69 768	-
Annual rent defined in the agreements	EUR	2 786 648	2 875 981	-3.11%
Return on investment properties at market value	%	7.84%	8.11%	-3.36%
WALE	years	3.37	3.48	-3.21%
Weighted average rental rate	EUR/m2	4.09	4.24	-3.49%
Weighted average occupancy	% of rented space	75%	85%	-11.96%

Return on investment properties at market value = annual rent defined in lease agreements / market value of investment properties.

WALE – area (m2) weighted average unexpired lease term at the given date.

Weighted average rental rate – area (m2) weighted average rental rate at the given date, EUR/m2 p.m.

Weighted average occupancy – area (m2) weighted average occupancy of the investment properties at the given date.



About this presentation

Author of this presentation is Joint Stock Company New Hanza Capital, AS, registration No. 50003831571, legal address: 28a Pulkveža Brieža Street, Riga, Latvia.

The presentation is intended for informative purposes only.

Additional information is available on New Hanza Capital, AS website **www.nh.capital**.

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