

ANNUAL REPORT

beginning of financial year: 01.01.2020

end of the financial year: 31.12.2020

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Management report

EstateGuru is a leading European platform offering short-term loans secured by real estate to small and medium-sized enterprises and carefully selected investment opportunities for the international investor community. EstateGuru was founded in 2013 and already operates today on eight markets. In 2020, offices were opened in Finland and Germany. In addition, the first project in Sweden was funded.

2020 was a special year for EstateGuru, as for the first time in its history, the global economy was hit by the Corona crisis and economic consequences. The company responded to the crisis very quickly and vigorously, and in just a few months it was able to restore loan volumes as before Corona. In both August and September, EstateGuru's monthly loan volumes exceeded 10 million euros, in December loans reached a record high when financed € 18 million. In April, the figure was € 4.1M.

Alternative financing is growing rapidly across Europe and EstateGuru's business volumes are doing the same. In 2020, EstateGuru financed loans 120.2 million, which represents an increase of 50% compared to 2019 (€ 80.3 million).

In 2020, 31,198 new investors joined the EstateGuru platform, which means that by the end of the year, the company had a total of 70,000 users. In the middle of the deepest corona crisis we launched a capital raising campaign on the international co-financing platform Seedrs where we raised one million euros of additional capital. This exceeded our original campaign goal of € 350K by 261%.

All in all, 2020 paved the way for the new 2021. EstateGuru has an extremely ambitious development plan on how to move forward with this to become the largest real estate financing platform in Europe by 2025. We also shared this plan with Seedrs last spring during a successful capital raising campaign on the platform. We have fulfilled our promises - we successfully launched operations both in Finland and In Germany, we have vigorously developed our technological solutions, integrated international payment service with our platform platform Lemonway, and we hired a capital markets manager to lead the development of the industry and promote institutional investment.

Financial ratios	2020	2019
Debt-to-equity ratio (total liabilities / equity):	1,00	1,47
Current ratio (current assets / current liabilities):	0,91	0,55
Return on equity (net profit / equity):	0,24	-1,97
Net profit margin (net profit / net sales):	0,03	-0,22

The annual accounts

Statement of financial position

(In Euros)

	31.12.2020	31.12.2019	Note
Assets			
Current assets			
Cash and cash equivalents	348 242	170 238	2
Receivables and prepayments	34 888	9 242	3
Total current assets	383 130	179 480	
Non-current assets			
Property, plant and equipment	69 154	115 255	4,6
Intangible assets	548 891	376 370	5
Total non-current assets	618 045	491 625	
Total assets	1 001 175	671 105	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	47 135	45 913	6,7
Payables and prepayments	374 501	282 535	8
Total current liabilities	421 636	328 448	
Non-current liabilities			
Loan liabilities	79 063	71 171	6,7,14
Total non-current liabilities	79 063	71 171	
Total liabilities	500 699	399 619	
Equity			
Issued capital	2 600	2 600	9
Share premium	200 000	200 000	
Other reserves	811 082	704 082	9
Retained earnings (loss)	-635 196	-101 273	
Annual period profit (loss)	121 990	-533 923	
Total equity	500 476	271 486	
Total liabilities and equity	1 001 175	671 105	

Income statement

(In Euros)

	2020	2019	Note
Revenue	3 667 417	2 386 831	10
Cost of sales	-556 058	-343 547	11
Gross profit (loss)	3 111 359	2 043 284	
Distribution costs	-485 019	-373 962	12
Administrative expense	-2 552 544	-2 157 712	13
Other income	65 436	0	
Other expense	-8 449	-37 857	
Operating profit (loss)	130 783	-526 247	
Other financial income and expense	-8 793	-7 676	
Profit (loss) before tax	121 990	-533 923	
Annual period profit (loss)	121 990	-533 923	

Notes

Note 1 Accounting policies

General information

The financial statements of Estateguru OÜ (hereinafter also referred to as the "Company") have been prepared in accordance with the generally accepted accounting principles of Estonia. The generally accepted accounting principles of Estonia are based on international accounting and reporting principles whose general requirements are prescribed by the Accounting Act of the Republic of Estonia and that are supplemented by the guidelines issued by the Accounting Standards Board. The annual report of the Company is compiled as abridged annual accounts of a small undertaking.

The financial year of the Company is from 1 January to 31 December.

The income statement is compiled based on income statement layout no. 2 prepared by the Accounting Standards Board of the Republic of Estonia.

The financial statements have been compiled in euros rounded to whole numbers.

Changes in accounting policies or presentation of information

In previous periods, the Company's financial statements were compiled in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS EU). In 2020, the Company replaced the IFRS with the guidelines of the Accounting Standards Board.

This change in accounting policies did not affect previous periods or the results of these statements.

Financial assets

The company classifies its financial assets according to the following:

- financial assets at fair value for which changes in fair value are recognised in other comprehensive income;
- financial assets at fair value for which changes in the fair value are recognised in profit or loss;
- financial assets recognised at amortised cost.

The classification is dependent on the company's business model for managing the financial assets and conditions of the contractual cash-flows. As at 31 December 2019 and 31 December 2020 the company only has financial assets recognised at amortised cost.

At initial recognition financial assets are recognised at fair value, including transaction costs which are directly related to acquisition of the financial asset, except for the financial assets recognised at fair value through profit or loss. Transaction costs for financial assets at fair value through profit or loss are recognised as expense in the statement of profit or loss.

Loans and receivables

The subsequent recognition of financial asset is dependent on the company's business model for managing the financial assets and conditions of the contractual cash-flows.

Assets that are held to collect the contractual cash flows and for which cash-flows consist solely of payments of principal and interest, are recognised at amortised cost. Interest income from these assets is recognised using effective interest rate method. When the financial asset is derecognised, the profit or loss from the disposal of the asset is recognised under other income or expense in the statement of profit or loss. As at 31 December 2019 and 31 December 2020 all the financial assets of the company were recognised at amortised cost.

The company determines the expected credit losses for financial instruments recognised at amortised cost based on the historical and forward-looking information. The applied method depends on the fact whether the credit risk of the asset has increased significantly or not. Company holds cash and cash equivalents in financial institutions with high credit rating and therefore are not considered as instruments with significant increase in credit risk. For cash and cash equivalents 12 months expected credit loss is recorded. If the credit risk of cash and cash equivalents increases significantly compared to initial recognition, then lifetime expected losses are recorded.

For receivables without significant financing component, the company applies simplified approach and calculates the allowance based on the lifetime expected credit losses on initial recognition of the receivable. For other receivables, the 12 months allowances are recognised if there

has not been significant increase in credit risk since initial recognition. If the credit risk has increase significantly, then the allowance equals to lifetime expected losses. The allowance is calculated individually for each receivable.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Estateguru OÜ holds cash on behalf of its clients and investors, which has been collected by the Company, but has not yet been invested or returned to the investors. Cash held on behalf of clients and investors is recorded off-balance sheet. These amounts are recognised off-balance sheet as the Company cannot use these amounts in its own economic activities and does not bare the risks and rewards related to these amounts.

Foreign currency transactions and assets and liabilities denominated in a foreign currency

Transactions in foreign currencies are initially recorded at the Company's functional currency spot rates at the date the transaction first qualifies for recognition. Differences arising on settlement or translation of monetary items are recognised as finance income or finance expenses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Plant, property and equipment and intangible assets

The Company recognises payments to third parties for development of a platform as intangible assets. Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit of 5 years using the straight-line method. Amortisation is recorded in cost of sales. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

Impairment of assets

At each reporting date intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

Leases

Lease contracts

Policy applicabe to account periods beginning on or after 1 January 2019

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets (ROU)

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease

payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and machinery 3-5 years
- Motor vehicles and other equipment 3-5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset

The right-of-use assets are also subject to impairment. See accounting policies in section Impairment of assets.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date in case the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Financial liabilities

All financial liabilities (trade payables, borrowings, accrued expenses and other current liabilities) are initially measured at cost that also includes all directly attributable expenditure incurred in the acquisition. Subsequent measurement is at amortised cost.

The amortised cost of current financial liabilities generally equals their nominal value; therefore current financial liabilities are carried in the balance sheet in their net realisable value. Non-current financial liabilities are recorded at amortised costs using the effective interest rate method.

A financial liability is classified as current if it is due within 12 months from the balance sheet date or if the company does not have an unconditional right to postpone payment of the liability more than 12 months after balance sheet date. Borrowings that are due within 12 months from the balance sheet date but are refinanced to non-current after the balance sheet date are classified as current.

Government grants

Government grants are government assistance that is provided through the transfer of certain resources to and for the receipt of certain resources for which the company's business must meet certain specified criteria.

Government grants do not include government assistance which value cannot be reliably assessed (f.e. state guarantees and free consultations provided by government agencies) and conventional transactions with general government.

For the purposes of the Estonian Financial Reporting Standard, government means both the government of the Republic of Estonia and the government of a foreign country, local government, government agency and a local or international organization that provides government grants (including and investment funds).

The Company applies the gross method, according to which the reimbursable expense and the received support are recognized in the income statement separately. The government grants related income is recognized in the income statement under "Other operating income" and expenses under "Labor expenses".

Revenue recognition

Revenue from contracts with customers is revenue which arises from contracts with customers during the regular business operations of the company. Revenue is recorded at transaction price. Transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties. Revenue is recorded when the service has been rendered to the client. For success fee the service has been rendered when the full funding for a project has been collected as at that moment company is contractually entitled to the success fee and the performance obligation is fulfilled.

Administration fee is recognised similarly to success fee – at the moment when company has rendered the service and in case of administration fee the moment of rendering the service is the moment when the investment objects are made available to the client.

In case of other revenues, the fulfilment of performance obligation is assessed based on the specifics of a certain fee.

Company does not hold agreements where the period between transferring the service to the client and receipt of consideration is over a year. Due to that the company does not adjust the transaction price for time value of money.

Taxation

According to the Estonian Income Tax Act, income tax is not levied on profits earned, but dividends distributed. Until 31 December 2018, the dividend income tax rate was 20%. As of 1 January 2018, the Income Tax Act was changed. The change allows companies to use lower income tax rate 14% on regularly paid dividends. 14% rate can be used for dividends payable from 01.01.2019 to the part equalling 1/3 of dividends paid in previous financial year and tax rate of 20% is applied to the remaining part of dividends payable. The rate 14% applies to dividends paid in last three financial years.

As the subject of an income tax are the distributed dividends instead of Company's profit, there are no differences in assets and liabilities between the tax bases and the carrying amounts that would give rise to a deferred tax asset or deferred tax liability. The potential income tax liability on the entity's distributable equity as dividends is not recognized in the balance sheet of the Company. Income tax liability on dividend payments is recognized as an expense in the income statement at the time of the announcement of dividends.

Related parties

The following were deemed related parties in the preparation of the financial statements of the Company:

- a. Management Board, Supervisory Board and Owners (parent company and persons controlling or having significant influence over the parent company);
- b. Close family members of the aforementioned persons and companies controlled by them or under their significant influence.

Share premium

Equity instruments are recognised at fair value of the payment received less costs related to the issuance of associated instruments. If the fair value of the payment received differs from the nominal value of issued equity instruments, the positive residual is recognised under the line item 'Share premium' and the negative residual as a reduction of the line item 'Share premium' if it has a positive balance, otherwise as a reduction under the line item 'Retained earnings'.

Subsequent events

Material circumstances that have an effect on the valuation of assets and liabilities and became evident between the balance sheet date and the date of preparing the financial statements, but are related to transactions that took place in the reporting period or earlier periods, are recorded in the financial statements.

Subsequent events that have not been taken into consideration when evaluating the assets and liabilities but have a material effect on the result of the next financial year, are disclosed in the financial statements.

Share-based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model

That cost is recognised in employee benefits expense together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest because service conditions have not been met. When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Note 2 Cash and cash equivalents

(In Euros)

	31.12.2020	31.12.2019
Cash on bank account	348 242	170 238
Total cash and cash equivalents	348 242	170 238

The Company holds investors' cash that relates to funds deposited and not yet invested and funds that have been returned from a project not yet transferred to the investor and records this cash off-balance sheet.

As at 31.12.2020 cash held on behalf of investors amounted to 13 325 193 euros (31.12.2019: 7 217 799 euros).

Note 3 Receivables and prepayments

(In Euros)

	31.12.2020	Within 12 months
Other receivables	32 272	32 272
Loan receivables	15 000	15 000
Interest receivables	33	33
Accrued income	17 239	17 239
Prepayments	2 616	2 616
Other paid prepayments	2 616	2 616
Total receivables and prepayments	34 888	34 888
	31.12.2019	Within 12 months
Other receivables	0	0
Loan receivables	0	0
Interest receivables	0	0
Accrued income	0	0
Prepayments	9 242	9 242
Other paid prepayments	9 242	9 242
Total receivables and prepayments	9 242	9 242

The recoverability of accounts receivables is assessed based on the probability of payment. Every receivable is assessed individually based on the customer's solvency. If there are indications for impairment, then an allowance is recorded

Interest rate for loan issued in 2020 is 10% and due date in 2021.

Loans are denominated in euros.

Note 4 Property, plant and equipment

(In Euros)

	Total	
	Other property, plant and equipment	
31.12.2018		
Carried at cost	0	0
Accumulated depreciation	0	0
Residual cost	0	0
Acquisitions and additions	145 990	145 990
Other acquisitions and additions	145 990	145 990
Depreciation	-30 735	-30 735
31.12.2019		
Carried at cost	145 990	145 990
Accumulated depreciation	-30 735	-30 735
Residual cost	115 255	115 255
Depreciation	-46 101	-46 101
31.12.2020		
Carried at cost	145 990	145 990
Accumulated depreciation	-76 836	-76 836
Residual cost	69 154	69 154

*Additions to Tangible assets in 2019 are from applying IFRS 16 regulations.

Note 5 Intangible assets

(In Euros)

	Total	
	Development expenditures	
31.12.2018		
Carried at cost	310 942	310 942
Accumulated depreciation	-92 938	-92 938
Residual cost	218 004	218 004
Acquisitions and additions	242 945	242 945
Depreciation	-84 579	-84 579
31.12.2019		
Carried at cost	553 887	553 887
Accumulated depreciation	-177 517	-177 517
Residual cost	376 370	376 370
Acquisitions and additions	304 916	304 916
Depreciation	-132 395	-132 395
31.12.2020		
Carried at cost	858 803	858 803
Accumulated depreciation	-309 912	-309 912
Residual cost	548 891	548 891

Note 6 Finance lease

(In Euros)

Accounting entity as lessee

	31.12.2020	Allocation by remaining maturity		Interest rate	Base currency	Due date
		Within 12 months	1 - 5 years			
Right of use lease	71 171	47 135	24 036	2,63%	EUR	2022
Finance lease obligations total	71 171	47 135	24 036			
	31.12.2019	Allocation by remaining maturity		Interest rate	Base currency	Due date
		Within 12 months	1 - 5 years			
Right of use lease	117 084	45 913	71 171	2,63%	EUR	2022
Finance lease obligations total	117 084	45 913	71 171			

Residual cost of leased assets		
	31.12.2020	31.12.2019
Other property, plant and equipment	69 154	115 255
Total	69 154	115 255

The company records right of use (ROU) leases under financial leases.

Note 7 Loan commitments

(In Euros)

	31.12.2020	Allocation by remaining maturity			Interest rate	Base currency	Due date	Note
		Within 12 months	1 - 5 years	Over 5 years				
Non-current loans								
Long-term loans	52 400	0	52 400		10%	EUR	2022	15
Interest of long-term loans	2 627	0	2 627					15
Non-current loans total	55 027	0	55 027					
Finance lease obligations total	71 171	47 135	24 036					6
Loan commitments total	126 198	47 135	79 063					
	31.12.2019	Allocation by remaining maturity			Interest rate	Base currency	Due date	Note
		Within 12 months	1 - 5 years	Over 5 years				
Finance lease obligations total	117 084	45 913	71 171					6
Loan commitments total	117 084	45 913	71 171					

There are no collaterals for the borrowings.

Note 8 Payables and prepayments

(In Euros)

	31.12.2020	Within 12 months
Trade payables	204 128	204 128
Employee payables	95 251	95 251
Tax payables	75 122	75 122
Total payables and prepayments	374 501	374 501
	31.12.2019	Within 12 months
Trade payables	158 551	158 551
Employee payables	66 572	66 572
Tax payables	57 412	57 412
Total payables and prepayments	282 535	282 535

Note 9 Share capital

(In Euros)

	31.12.2020	31.12.2019
Share capital	2 600	2 600
Number of shares (pcs)	1	1

The company has recorded a reserve in amount of 811 082 euros. Addition in 2020 was 107 000 EUR (2019 addition 645 101 EUR).

Other reserves in equity include a share-based payment reserve in the amount of 107,000 EUR.

The amount of 645 101 EUR includes payments to reserve (491 000 EUR), other settlements (85 031 EUR) and loan balance from 31.12.2018 at fair value (69 070 EUR). The fair value of the loan is estimated as the present value of all future cash receipts discounted using the prevailing market rate of interest for a similar instrument. The fair value differential is treated as additional capital paid by the shareholders at the present value of future cash flows lost.

Note 10 Net sales

(In Euros)

	2020	2019
Net sales by geographical location		
Net sales in European Union		
Estonia	2 467 793	1 884 129
Finland	119 507	185 306
Latvia	316 046	139 716
Lithuania	557 185	158 264
Germany	54 691	0
Ireland	9 020	0
Sweden	143 175	0
Portugal	0	15 601
Spain	0	3 815
Total net sales in European Union	3 667 417	2 386 831
Total net sales	3 667 417	2 386 831
Net sales by operating activities		
Loan success fee	1 942 120	1 733 455
Administration fees	577 920	107 945
Management fees from other Group companies	824 139	370 482
Other revenue	323 238	174 949
Total net sales	3 667 417	2 386 831

Note 11 Cost of goods sold

(In Euros)

	2020	2019
Referral fees	-250 049	-195 208
Broker, valuation expenses	-55 484	-84 880
Transactions expenses	-242 534	-60 387
Insurance on loan objects	-7 991	-3 072
Total cost of goods sold	-556 058	-343 547

Note 12 Distribution expense

(In Euros)

	2020	2019
Advertising expenses	-470 709	-358 766
Other marketing expenses	-14 310	-15 196
Total distribution expense	-485 019	-373 962

Note 13 Administrative expense

(In Euros)

	2020	2019
Leases	-12 639	-53 423
Travel expense	-29 479	-99 802
Labor expense	-960 516	-700 201
Depreciation	-178 497	-115 314
IT and communication expenses	-366 694	-216 650
General administrative expenses	-72 579	-141 473
Training expenses	-29 228	-69 158
Purchased services	-883 651	-729 945
Other expenses and services	-19 261	-31 746
Total administrative expense	-2 552 544	-2 157 712

Note 14 Labor expense

(In Euros)

	2020	2019
Wage and salary expense	615 002	509 624
Social security taxes	209 000	171 819
Other employee related expenses	136 514	18 759
Total labor expense	960 516	700 202
Average number of employees in full time equivalent units	22	17
Average number of employees by types of employment:		
Person employed under employment contract	21	16
Member of management or controlling body of legal person	1	1

Note 15 Related parties

(In Euros)

Name of accounting entity's parent company	Estateguru Holding OÜ
Country where accounting entity's parent company is registered	Estonia

Balances with related parties by categories

	31.12.2020		31.12.2019	
	Receivables	Liabilities	Receivables	Liabilities
Parent company	0	55 027	0	0
Other entities belonging into same consolidation group	14 415	0	0	0

Loans

2020	Loans received	Repayments of loans received	Interest rate	Base currency	Due date
Parent company					
Estateguru Holding OÜ	265 100	212 700	10%	EUR	2022

Purchases and sales of goods and services

	2020	2019
	Purchases of goods and services	Purchases of goods and services
Management, higher supervisory body and individuals with material ownership interest and the entities under their control or significant influence	115 980	112 506

Remuneration and other significant benefits calculated for members of management and highest supervisory body	2020	2019
	Remuneration	171 953

Note 16 Events after the reporting date

Events after the reporting date

Section 1 - Management judgements and estimates

The Company assessed the potential impact of the COVID-19 pandemic, including the lockdown declared in Estonia on 11 March, on the financial statements and the going concern assumption. The management is of the opinion that the aforementioned circumstances do not affect the Company's ability to continue its activities in 2021.

In addition, the management believes that these circumstances constitute a non-adjusting event after the balance sheet date and its potential impact was thus not taken into consideration when making assessments and assumptions concerning the recovery values of subsidiaries' investments, the impairment of loans given to subsidiaries, the expected credit losses of trade receivables and the aforementioned contractual assets. This can have a significant impact on assessments in the following reporting period which the management cannot reasonably measure at this stage due to the great uncertainty caused by the continuing spread of the COVID-19 pandemic in the countries where the Company operates and the general business interruption arising from this event in the economy.

Section 2 – Events after the balance sheet date

The outbreak of coronavirus disease (COVID-19) in early 2020 affects the Company's future business transactions in Estonia and all over the world.

According to the information disclosed in Section 1, this non-adjusting event was not recognised in significant assessments and assumptions as of 31 December 2020 which may change these assessments to a great extent in future financial statements. Due to the uncertainty caused by the emergency situation, its impact cannot be assessed on the date when these financial statements are issued.

There were no other significant events after the balance sheet date after the end of the financial year and until the date when the financial statements were approved.

Note 17 Negative working capital

Negative working capital will be covered by future income. The company has no liquidity risk and, if necessary, the parent company is ready to support and further invest in the company.

Signatures of the management board to the annual report

Management has approved the 2020 annual report on 30.06.2021

Estateguru OÜ (reg.no 12558919) 01.01.2020 - 31.12.2020 annual report has been confirmed by:

Name	Role	Date of signature
MARKO ARRO	Management board member	30.06.2021

A handwritten signature in black ink, appearing to be 'Marko Arro', with a long horizontal stroke extending to the right.



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Translation of the Estonian Original

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of EstateGuru OÜ

Opinion

We have audited the financial statements of EstateGuru OÜ, which comprise the balance sheet as at 31 December 2020, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of EstateGuru OÜ as at 31 December 2020, and its financial performance for the year then ended in accordance with the Estonian Financial Reporting Standard.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Estonia). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Estonia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. Other information consists of management report, but does not consist of the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Estonian Financial Reporting Standard, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (Estonia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (Estonia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Tallinn, 30 June 2021



Olesia Abramova
Authorised Auditor's number 561
Ernst & Young Baltic AS
Audit Company's Registration number 58