Estateguru Group Annual Report

Beginning of financial year: 01.01.2023
End of financial year: 31.12.2023

Business name: Estateguru Holding OÜ

Registry number: 12621285

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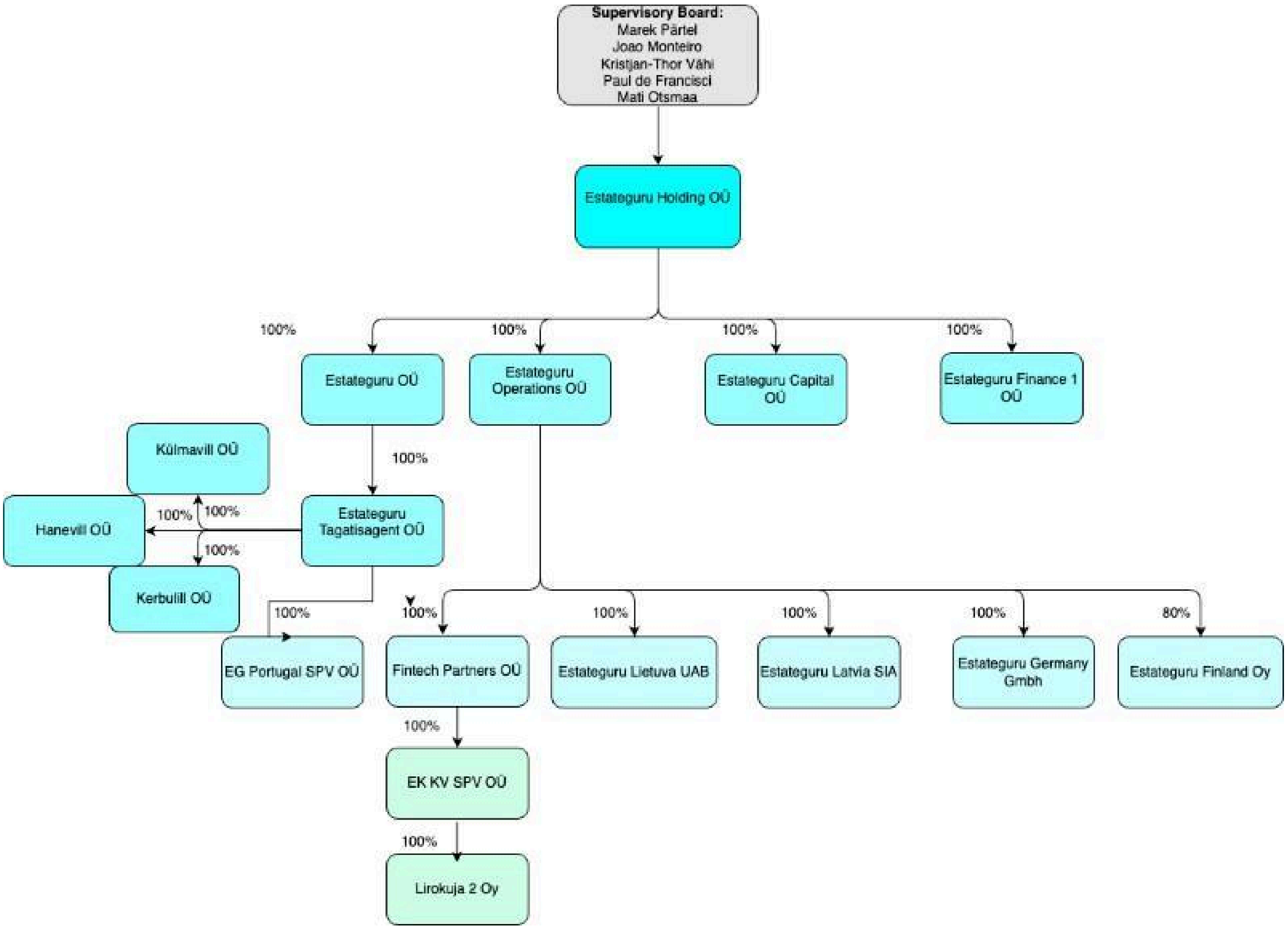
Translation of the Estonian Original

Table of contents

Activity report



Estateguru Holding OÜ was established in 2014 and is the holding company of the Estateguru group of companies. The Estateguru Group consists of a total of seventeen companies, including the Estateguru OÜ-managed crowdfunding platform operating under the Estateguru brand. Estateguru is a leading pan-European crowdfunding platform offering short-term loans secured by real estate to small and medium-sized enterprises and carefully selected investment opportunities to an international investor community.

The real estate and financial sectors continued to face a challenging 2023. Persistent geopolitical risks, high interest rates and a challenging economic environment in the Baltics and across Europe had a significant impact on investor activity and investment volumes. The real estate market in our countries of operation was markedly illiquid and transaction volumes were lower than in the previous year. As a result, finding and financing new quality lending projects was more difficult.

The real estate and financial sectors continued to face a challenging 2023. Persistent geopolitical risks, high interest rates and a challenging economic environment in the Baltics and across Europe had a significant impact on investor activity and investment volumes. The real estate market in the countries where we operate was markedly illiquid and transaction volumes were lower than in the previous year. compared to the previous year. As a result, finding and financing new quality lending projects became more difficult.

2023 was a year of breakthroughs and strategic achievements for the Estateguru Group. In May, the Estonian Financial Supervision Authority issued Estateguru OÜ, a member of the Estateguru Group, with a license to operate as a provider of crowdfunding services, opening new opportunities for expansion across Europe and ensuring Estateguru's right to offer loan intermediation, increasing credibility and confidence among investors and borrowers alike.

There have been a number of important changes in the Estateguru group. It was decided to discontinue the preparatory activities for Estateguru's entry into the UK market and to underestimate the investments (EUR 1.4 million) made to start operations in the new market. This had a significant impact on the profitability of the Estateguru group and was the main factor in the increase in the net loss. In addition, a subsidiary established in Luxembourg but not yet in operation and a private equity fund were liquidated. Management believes that these changes will contribute to the long-term financial stability of the group. One of the strategic objectives is to close the financial year 2024 in profit.

The Estateguru group as a whole moved towards profitability, with the last six months of stable profitability (taking into account exceptional costs). In addition to loan performance fees, other revenues increased last year. All in all, this meant that in 2023, the company reached its target of the best performance in the history of the business, demonstrating the ability of the Group's companies to adapt to changing market conditions and to grow sustainably, in line with the Group's long-term strategy.

Estateguru Group dividend policy:

- **a** *residual dividend policy* - dividends are paid out on only the residual part of profits that are not reinvested in investment projects;
- No payment of dvides planned for 2024 and 2025

Financial ratios	**2023**	**2022**
Debt to equity ratio (total debt / equity):	-3,04	-89,49
Current liabilities coverage ratio (current assets / current liabilities):	0,36	1,29
Return on equity (profit for the financial year / equity):	1,18	100,63
Net margin (profit or loss for the period / revenue):	-0,28	-0,74

Annual accounting report

Consolidated balance sheet
(in euros)

	31.12.2023	31.12.2022	Annex No
Assets			
Current assets			
Money	1 149 628	1 405 113	2
Financial investments	0	94 870	
Receivables and advances	618 638	202 651	3
Total current assets	**1 768 266**	**1 702 634**	
Fixed assets			
Financial investments	0	1 194 244	
Receivables and advances	51 189	0	3
Real estate investment	33 141	0	
Tangible fixed assets	328 323	465 918	5
Intangible fixed assets	1 852 031	1 811 768	6
Total fixed assets	**2 264 684**	**3 471 930**	
Total assets	**4 032 950**	**5 174 564**	
Liabilities and equity			
Commitments			
Current liabilities			
Loan commitments	3 800 970	115 430	8
Debts and advances	1 068 670	1 206 972	9
Specific allocations	6 170	0	
Total current liabilities	**4 875 810**	**1 322 402**	
Long-term liabilities			
Loan commitments	1 137 822	3 910 640	8
Debts and advances	393	0	9
Total long-term liabilities	**1 138 215**	**3 910 640**	
Total liabilities	**6 014 025**	**5 233 042**	
Equity			
Equity attributable to shareholders of the parent company			
Share capital at par value	15 205	15 205	10
Overprice	8 401 419	8 401 419	
My parts	-1 422	-1 422	
Other reserves	990 764	582 762	
Undistributed profit (loss) from previous periods	-9 056 442	-3 171 972	
Profit (loss) for the year	-2 330 599	-5 884 470	
Total equity attributable to equity holders of the parent company	**-1 981 075**	**-58 478**	
Total equity	**-1 981 075**	**-58 478**	
Total liabilities and equity	**4 032 950**	**5 174 564**	

Consolidated income statement

(in euros)

	2023	2022	Annex No
Proceeds from sales	8 372 053	8 000 366	11
Other operating income	26 937	25 129	
Goods, raw materials, materials and services	-2 320 913	-3 240 825	12
Miscellaneous operating expenditure	-4 286 462	-4 945 561	13
Labour costs	-3 357 015	-5 606 126	14
Depreciation and impairment of fixed assets	-691 030	182 768	
Other business expenses	-28 077	-84 992	
Operating profit (loss)	**-2 284 507**	**-5 669 241**	
Interest income	176 821	92 918	
Interest costs	-220 108	-141 722	15
Other financial income and expenses	726	-145 701	
Profit (loss) before income tax	**-2 327 068**	**-5 863 746**	
Income tax	-3 531	-20 724	
Profit (loss) for the year	**-2 330 599**	**-5 884 470**	
Share of profit (loss) of the shareholder of the parent company	-2 330 599	-5 884 470	

Consolidated cash flow statement

(in euros)

	2023	2022
Cash flows from operating activities		
Receipts from the sale of goods and provision of services	8 372 053	8 000 366
Other operating revenue receipts	26 937	25 129
Payments to suppliers for goods and services	-6 429 215	-8 283 355
Payments to employees	-3 213 276	-5 606 126
Total cash flows from operating activities	**-1 243 501**	**-5 863 986**
Cash flows from investing activities		
Acquisition of tangible and intangible fixed assets expensed	-617 591	-1 462 080
Loans granted	-70 000	0
Repayments of loans granted	664 707	0
Total cash flows from investing activities	**-22 884**	**-1 462 080**
Cash flows from financing activities		
Repayments of loans received	0	-4 603 886
Other receipts from financing activities	1 010 900	3 702 769
Other payments from financing activities	0	80
Total cash flows from financing activities	**1 010 900**	**-901 037**
Total cash flows	**-255 485**	**-8 227 103**
Cash and cash equivalents at the beginning of the period	1 405 113	9 632 216
Change in cash and cash equivalents	**-255 485**	**-8 227 103**
Cash and cash equivalents at end of period	1 149 628	1 405 113

Consolidated statement of changes in equity

(in euro)

	Equity attributable to shareholders of the parent company					Total
	Share capital at par value	Overprice	My parts	Other reserves	Undistributed profit (loss)	
31.12.2021	15 205	8 401 419	-1 430	372 377	-3 171 972	5 615 599
Profit (loss) for the year					-5 884 470	-5 884 470
Changes in reserves				210 385		210 385
Other changes in equity			8			8
31.12.2022	15 205	8 401 419	-1 422	582 762	-9 056 442	-58 478
Profit (loss) for the year					-2 330 599	-2 330 599
Changes in reserves				408 002		408 002
31.12.2023	15 205	8 401 419	-1 422	990 764	-11 387 041	-1 981 075

Notes to the financial statements Note 1

Accounting policies

General information

The Estateguru Group's Annual Accounts 2023 have been prepared in accordance with Estonian Financial Reporting Standards. The basic requirements of the Estonian Financial Reporting Standard are established by the Accounting Act of the Republic of Estonia, supplemented by the guidelines issued by the Accounting Standards Board.

The financial statements have been prepared under the historical cost convention, except as described in the accounting policies below.

The financial statements are presented in euros. Income statement

schedule 1 is used.

Preparation of the consolidated report

In the consolidated financial statements, the financial performance of the parent and its subsidiaries are aggregated as if they were a single entity. The consolidated financial statements comprise the consolidated balance sheet, the income statement, the cash flow statement, the statement of changes in equity and the related notes, which comprise, among other things, the unconsolidated balance sheet of the parent company, the income statement, the cash flow statement and the statement of changes in equity.

Subsidiaries are consolidated from the date on which control is transferred to the group and are deconsolidated from the date that control ceases.

A subsidiary is an undertaking over which the parent company has control. A subsidiary is considered to be controlled by its parent when the parent owns, directly or indirectly, more than 50% of the voting rights of the subsidiary or otherwise has the power to control the subsidiary. the business activities of the subsidiary.

The Group's entities use the currency of their economy as their functional currency. The presentation currency of the consolidated financial statements is the euro. All figures in the main accounts and notes are presented in euros.

For the purposes of consolidating foreign subsidiaries and other business units, their accounts are prepared in their functional currency. into the group's presentation currency. When the functional currency of a foreign operation does not coincide with the presentation currency of the group, the following exchange rates are used to translate the foreign currency financial statements:
(a) all assets and liabilities are translated at the exchange rate of the European Central Bank on the balance sheet date;
(b) income and expenses, other changes in equity and cash flows are translated at the weighted average exchange rate for the period.

Differences arising on the translation of the accounts are recognised as other comprehensive income or loss in the consolidated statement of comprehensive income.

Financial assets

Financial assets include cash, short-term financial investments, receivables from buyers and other current and non-current receivables.

Financial assets are initially recognised at cost, being the fair value paid for the financial asset. The initial cost includes all transaction costs directly attributable to the acquisition of the financial asset.

Financial assets (except for short and long-term financial investments in shares and other equity instruments; listed bonds and derivatives with a positive fair value) are carried in the balance sheet at adjusted cost. Short- and long-term financial investments in shares and other equity instruments; quoted bonds and derivatives with a positive fair value are carried at fair value through profit or loss.

At each balance sheet date, an assessment is made as to whether there is any indication of impairment of a financial asset or a group of financial assets carried at adjusted cost or cost. If any such indication exists, financial assets carried at adjusted cost are written down to the present value of the estimated future cash flows expected to be received from the financial asset (discounted at the financial asset's initial recognition at a fixed internal rate of interest) and financial assets carried at cost are written down to the amount that would be received, based on a reasonable estimate, if the financial asset were to be sold at the balance sheet date. Impairment are recognised as an expense in the income statement.

Purchases and sales of financial assets are recognised on a systematic basis at their value date, i.e. the date on which the Group becomes the owner of the financial asset purchased or loses title to the financial asset sold.

A financial asset is derecognised when the entity loses the right to the cash flows from the financial asset or transfers to a third party the cash flows from the asset and substantially all the risks and rewards of the financial asset.

Derived instruments
Derivative financial instruments (e.g. forward, futures, swap or option contracts) are carried at fair value through profit or loss.

Money

Cash and cash equivalents in the statement of financial position consist of cash in bank accounts and short-term deposits with a maximum maturity of three months and no risk of changes in value.

Estateguru also holds client and investor funds that have been deposited but not yet invested or returned to investors. Customer and investor funds are off-balance sheet because the entity cannot use customer and investor funds to finance its own operations and therefore does not bear the potential risks and rewards associated with these amounts.

Transactions in foreign currencies and financial assets and liabilities denominated in foreign currencies

Transactions denominated in foreign currencies are recorded on the basis of the European Central Bank (ECB) exchange rates prevailing at the dates of the transactions.
currency exchange rates. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the official ECB exchange rates prevailing at the balance sheet date. Gains and losses arising on translation are recognised in the profit and loss account as income and expenses for the period.

Shares in subsidiaries and associates

Investments in subsidiaries and associates are included in the balance sheet of the parent company using the cost method. Under this method, the investment is initially recognised at cost, being the fair value of the consideration payable on acquisition, and subsequently adjusted, if appropriate, for impairment losses. The carrying amount of an investment is reviewed for impairment whenever events or changes in circumstances indicate that the recoverable amount of the asset may have fallen below its carrying amount. If such circumstances exist, the Company performs an impairment test of the recoverable amount of the asset. If the estimated recoverable amount
is less than the carrying amount, the investment is written down to its recoverable amount (the higher of value in use and fair value less costs to sell). The write-down is recognised as a finance cost in the reporting period.

Receivables and advances

At each balance sheet date, an assessment is made as to whether there is any indication of impairment of these financial assets. If any such indication exists, the financial assets carried at adjusted cost are written down to the present value of the estimated future cash flows expected to be received from them. Impairment losses are recognised as an expense in the income statement.

Claims on buyers
Receivables from customers are initially recognised at cost and subsequently at adjusted cost.
Invoices not yet received from purchasers are valued in the balance sheet on the basis of the amounts likely to be received. This is done on a customer-by-customer basis, taking into account known information about the customer's ability to pay. Unlikely-to-be-collected receivables are recognised as an expense, either in full or in part, depending on the reason for which the receivable is unlikely to be collected. Invoices receivable from purchasers but overdue are
exceeded by more than 180 days shall be charged in full. Unclaimed entitlements are written off the balance sheet.
Other receivables
All other receivables (accrued income, loans granted and other current and non-current receivables), except those acquired for resale, are carried at adjusted cost.
The acquisition cost of short-term receivables is generally equal to their nominal value (less any write-downs), so that short-term receivables are recognised in the balance sheet at the amount expected to be recovered. For the purpose of calculating the adjusted cost of long-term receivables, they are initially recognised at the fair value of the consideration receivable, discounted over subsequent periods using the internal rate of return method.

Tangible and intangible fixed assets

Tangible fixed assets

Tangible fixed assets are assets with a cost of EUR 1 000 or more and a useful life of more than one year. Assets with a useful life of more than 1 year but a cost of less than EUR 1 000 are recorded as low-value inventories (stocks) until they are put into use and are 100% depreciated when they are put into use.

Depreciation is calculated using the straight-line method. The depreciation rate is determined for each fixed asset item separately, depending on its.

useful working life.
When improvements have been made to an item of property, plant and equipment that enhance its ability to participate in the generation of future economic benefits, these expenditures are included in the cost of the item. Other expenditure that is more likely to maintain the ability of the item to generate economic benefits is recognised as an expense in the period in which it is incurred.

Intangible fixed assets

An entity recognises platform development services purchased from third parties as an intangible asset. Development expenditure for an individual project is recognised as an intangible asset when the entity can demonstrate that:
- the development is made in such a way that it can be used or sold for commercial purposes;
- the company has no intention of completing the development and using or selling it;
- the asset will generate future economic benefits;
- the company has the resources to complete the development;
- the company is able to adequately estimate the cost of development.

After the initial recognition of development costs as intangible fixed assets, they are amortised and written down for impairment.
Amortisation starts when the development is complete and ready for use. Intangible fixed assets are amortised on a straight-line basis over the estimated useful life of the asset, which is five years. Amortisation is recognised
miscellaneous operating costs.

If it becomes apparent that there has been a significant change in the expected useful life of the asset, the depreciation rate is adjusted accordingly.

Minimum threshold for the incorporation of fixed assets 1000

Returns

Rental agreements

At the outset of the contract, the entity assesses whether the contract is a lease or includes a rental. This means that a lease gives the right to use the asset for a fixed period for a fixed fee.
Lessees are required to account for the assets and liabilities for all leases of more than 12 months, unless the leased asset is of low value.
An enterprise recognises lease obligations and right-of-use assets (assets that the enterprise has the right to use) for lease payments.

Right of use assets

An entity puts a right-of-use asset into use on its commencement date, i.e. the date it is ready for use. The asset is measured at cost, depreciation and impairment and is revalued whenever there is a change in the obligation. The cost of an operating right asset includes lease commitments, initial expenditure and payments already made before the lease term, less any lease incentives.

The depreciation of the right-of-use asset is calculated using the straight-line method, divided as follows:
• Machinery and equipment 3 to 5 years
• Motor vehicles and other equipment 3 to 5 years

If ownership of an asset is transferred to the Company at the end of the lease term or the purchase price includes an option to buy the asset out, depreciation is calculated over the useful life of the asset.
Impairment principles are also applied to right-of-use assets. Lease commitments

At the commencement date of the lease, the entity recognises a lease obligation calculated at the present value of the payments due over the lease term.

Financial liabilities

All financial liabilities (payables to suppliers, borrowings, accrued income and other current and non-current liabilities) are initially recognised at cost, which includes all costs directly attributable to the acquisition. Subsequent recognition takes place
the adjusted cost method.
The adjusted cost of current financial liabilities is generally equal to their nominal value, so current financial liabilities are carried in the balance sheet at the amount payable. The adjusted cost of long-term financial liabilities is accounted for using the internal rate of interest method.
A financial liability is classified as current if it is due to be settled within twelve months of the reporting date; or the entity does not have an unconditional right to defer settlement of the liability for more than 12 months after the reporting date. Borrowings that mature within 12 months after the reporting date but are refinanced to long-term maturities after the reporting date but before the date of approval of the financial statements are classified as current.

Revenues

Interest income is recognised on the basis of the internal rate of interest on the asset.

Taxation

According to the Income Tax Act, it is not corporate profits that are taxed in Estonia, but dividends paid out.
Until 31.12.2018, the income tax rate on dividends was 20%. As of 01.01.2018, the Income Tax Act changed, allowing companies to use a preferential tax rate of 14% for dividends paid on a regular basis. The preferential tax rate can be used up to the average amount of dividends paid out in the last three years, and a tax rate of 20% applies to the part of the dividend exceeding this amount.

As the object of income tax is dividends paid out instead of corporate profits, there are no temporary differences between the tax bases of assets and liabilities and their carrying amounts in the balance sheet that would give rise to a deferred tax asset or liability. There are no recognise a potential income tax liability in respect of the free equity of the entity that would arise if the free equity were distributed as dividends. The income tax relating to the payment of dividends is recognised as an expense in the income statement when the dividends are declared.

Related parties

An entity considers parties to be related if one party either controls the other party or has significant influence over the other party in making business decisions. For the purpose of the annual financial statements of a limited liability company, related parties are:
• the board of directors and the supervisory board of a limited liability company, and significant private shareholders, unless these persons are unable to exercise significant influence over the company's business decisions. In addition, related parties include close relatives of the above-mentioned persons and their related companies.

Financial liabilities and equity instruments

The initial recognition of an instrument is assessed to determine whether it is a financial liability or an equity instrument. A financial liability is a contractual obligation to pay cash or another financial asset to another party. An equity instrument is a contract that gives the holder a right to participate in the net assets of the entity. An equity instrument is initially recognised at cost and is not subsequently adjusted.

Other reserves
Other reserves include short-term convertible instruments that can be converted into equity participations and premiums. Oversubscription
Equity instruments are carried at the fair value of the consideration received or receivable, less costs to issue the instruments.
If the fair value of the consideration receivable differs from the nominal value of the equity instruments issued, a positive difference is recognised in the item 'Overshooting' and the negative difference in the item 'Overshooting' as a deduction if there is a positive balance, otherwise in the item 'Retained earnings'.

Partial payments

The Group's employees (including senior managers) are remunerated on a party-by-party basis, with employees providing services in exchange for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined on the basis of the fair value at the date when the shares are granted to employees, using an appropriate valuation model. The entity uses the Black-Scholes model to estimate the fair value of options.
help. More information on this can be found in Annex 10.

This cost is recognised as part of the cost of employee benefits, with a corresponding increase in equity (share-based payment reserve), over the period in which the service is provided and the performance conditions (if any) are met (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 ended and the group's best estimate of the number of equity instruments that will ultimately vest. The expense or gain recognised in profit or loss for the period is the difference between the beginning and end of the period.
the change in the cumulative expense recognised as at.

Events after the reporting date

The financial statements disclose significant events affecting the valuation of assets and liabilities that occurred at the reporting date.
and the date of the report, but relate to transactions that took place during the reporting period or in earlier periods. Subsequent events after the balance sheet date that are not taken into account in the measurement of assets and liabilities but that have a material effect on the next financial year's results are disclosed in the financial statements.

Note 2 Cash and cash equivalents
(in euros)

	31.12.2023	31.12.2022
Bank current account	1 149 628	1 405 113
Total cash and cash equivalents Current ratio (current assets / current liabilities):	**1 149 628**	**1 405 113**

Note 3 Receivables and advances
(in euros)

	31.12.2023	Breakdown by residual maturity	
		within 12 months	1 - 5 years
Claims on buyers	28 698	28 698	0
Outstanding invoices from buyers	28 698	28 698	0
Tax advances and recoveries	25 982	25 982	0
Other requirements	181 837	130 648	51 189
Interest claims	21 473	0	21 473
Reference receipts	160 364	130 648	29 716
Advance payments	433 310	433 310	0
Other advances paid	433 310	433 310	0
Total receivables and advances	**669 827**	**618 638**	**51 189**

	31.12.2022	Breakdown by residual maturity	
		within 12 months	1 - 5 years
Claims on buyers	28 795	28 795	0
Outstanding invoices from buyers	28 795	28 795	0
Tax advances and recoveries	16 293	16 293	0
Other requirements	18 650	18 650	0
Interest claims	18 650	18 650	0
Advance payments	138 913	138 913	0
Other advances paid	138 913	138 913	0
Total receivables and advances	**202 651**	**202 651**	**0**

Note 4 Shares and in subsidiaries

(in euros)

Shares and participations in subsidiaries, general information					
Subsidiary company registration code	Name of subsidiary	Country of residence	Principal activities	Participation rate (%)	
				31.12.2022	31.12.2023
12558919	Estateguru OÜ	Estonia	Other financial service activities n.e.c, except insurance and pension funds	100	100
14574041	Estateguru Operations OÜ	Estonia	Other financial service activities n.e.c, except insurance and pension funds	100	100
12621307	Estateguru Finance 1 OÜ	Estonia	Other financial service activities n.e.c, except insurance and pension funds	100	100
16125910	Estateguru Capital OÜ	Estonia	Other financial service activities n.e.c, except insurance and pension funds	100	100

Note 5 Tangible assets

(in euros)

			Total
		Other tangible fixed assets	
	Computers and computer systems		
31.12.2021			
Acquisition cost	14 915	575 998	590 913
Accumulated depreciation	-724	-138 390	-139 114
Residual cost	**14 191**	**437 608**	**451 799**
Purchases and improvements	200 788	0	200 788
Other purchases and improvements	200 788	0	200 788
Depreciation charge	-96 079	-90 590	-186 669
Transfers	22 832	-22 832	0
Other reclassifications	22 832	-22 832	0
31.12.2022			
Acquisition cost	238 535	553 166	791 701
Accumulated depreciation	-96 803	-228 980	-325 783
Residual cost	**141 732**	**324 186**	**465 918**
Purchases and improvements	8 474		8 474
Depreciation charge	-46 959	-99 110	-146 069
31.12.2023			
Acquisition cost	247 009	553 166	800 175
Accumulated depreciation	-143 762	-328 090	-471 852
Residual cost	**103 247**	**225 076**	**328 323**

Note 6 Intangible assets
(in euros)

	Development expenditure	Total
31.12.2021		
Acquisition cost	1 477 564	1 477 564
Accumulated depreciation	-518 143	-518 143
Residual cost	**959 421**	**959 421**
Purchases and improvements	1 262 080	1 262 080
Depreciation charge	-409 733	-409 733
31.12.2022		
Acquisition cost	2 739 644	2 739 644
Accumulated depreciation	-927 876	-927 876
Residual cost	**1 811 768**	**1 811 768**
Purchases and improvements	609 117	609 117
Depreciation charge	-568 854	-568 854
31.12.2023		
Acquisition cost	3 348 762	3 348 762
Accumulated depreciation	-1 496 731	-1 496 731
Residual cost	**1 852 031**	**1 852 031**

Further information 31.12.2023:

As at 31.12.2023, the company has estimated the recoverable amount of the residual development costs at EUR 1,85 million (2022: EUR 1,8 million). The recoverable amount is based on the value in use, which is based on the projected future cash flows for 5 years according to the approved business plan and budgets. Average sales growth from 2024 to 2029 is assumed at 14.07%. Sales growth has been forecast on the basis of long-term sales experience and developments in the financial sector.
The discount rate used is 12.47% (2022: 8.63%). No impairment of assets was identified as a result of the impairment test.

Note 7 Capital lease
(in euros)

Reporting agent as lessee

	31.12.2023	Breakdown by residual maturity		Interest rate	Base currency	Deadline
		within 12 months	1 - 5 years			
Rental agreement	225 122	98 200	126 922	2,63%	EUR	2026

Total capital lease obligations	225 122	98 200	126 922			

	31.12.2022	Breakdown by residual maturity		Interest rate	Base currency	Deadline
		within 12 months	1 - 5 years			
Rental agreement	323 300	115 430	207 870	2,63%	EUR	2026
Total capital lease obligations	323 300	115 430	207 870			

Note 8 Loan commitments

(in euros)

	31.12.2023	Breakdown by residual maturity			Deadline
		within 12 months	1 - 5 years	over 5 years	
Short-term loans					
Laen 1	64 200	64 200			14.06.2024
Laen 2	500 000	500 000			16.06.2024
Laen 3	1 338 570	1 338 570			20.07.2024
Laen 4	1 500 000	1 500 000			27.07.2024
Laen 5	150 000	150 000			13.10.2024
Laen 6	150 000	150 000			14.10.2024
Total short-term loans	3 702 770	3 702 770			
Long-term loans					
Laen 7	50 000	0	50 000		11.02.2026
Laen 8	21 900	0	21 900		08.02.2026
Laen 9	250 000	0	250 000		06.02.2026
Laen 10	50 000	0	50 000		16.02.2026
Laen 11	5 000	0	5 000		16.02.2026
Laen 12	60 000	0	60 000		21.02.2026
Laen 13	20 000	0	20 000		02.02.2026
Laen 14	200 000	0	200 000		11.02.2026
Laen 15	100 000	0	100 000		13.03.2026
Laen 16	250 000	0	250 000		06.02.2026
Laen 17	4 000	0	4 000		21.03.2026
Total long-term loans	1 010 900	0	1 010 900		
Total capital lease obligations	225 122	98 200	126 922		
Total loan commitments	**4 938 792**	**3 800 970**	**1 137 822**		

	31.12.2022	Breakdown by residual maturity			Deadline
		within 12 months	1 - 5 years	over 5 years	
Long-term loans					
Laen 1	64 200	0	64 200		14.06.2024
Laen 2	500 000	0	500 000		16.06.2024
Laen 3	1 338 570	0	1 338 570		20.07.2024
Laen 4	1 500 000	0	1 500 000		27.07.2024
Laen 5	150 000	0	150 000		13.10.2024
Laen 6	150 000	0	150 000		14.10.2024
Total long-term loans	3 702 770	0	3 702 770		
Total capital lease obligations	323 300	115 430	207 870		
Total loan commitments	**4 026 070**	**115 430**	**3 910 640**		

The amount of short-term borrowings in 2023 EUR 3 702 770 (2022: 0) and the amount of long-term borrowings in 2023 EUR 1 010 900 (2022: 3 702 770) consists of equity convertible loans.

Note 9 Payables and advances

(in euros)

	31.12.2023	Breakdown by residual maturity	
		within 12 months	1 - 5 years
Amounts owed to suppliers	324 934	324 934	0
Debts to contractors	174 211	174 211	0
Tax debts	185 960	185 960	0
Other debts	383 958	383 565	393
Other accrued charges	383 958	383 565	393
Total debts and advances	**1 069 063**	**1 068 670**	**393**
	31.12.2022	**Breakdown by residual maturity**	
		within 12 months	**1 - 5 years**
Amounts owed to suppliers	605 617	605 617	0
Debts to contractors	368 809	368 809	0
Tax debts	232 546	232 546	0
Total debts and advances	**1 206 972**	**1 206 972**	**0**

Note 10 Share capital

(in euros)

	31.12.2023	31.12.2022
Share capital	15 205	15 205
Number of parts (pcs)	15 205	15 205

Key personnel and employees of the company are granted share options in the parent company. These are under normal conditions option contracts, where the right to exercise the option is usually linked to a time condition and which, upon fulfilment of the conditions, give the optionee the right to acquire a share in Estateguru Holding OÜ corresponding to the agreed nominal value.
Option contracts contain the terms and conditions used in this type of contract, which, in addition to the granting of the option and the procedure for exercising it, also regulate the early termination of the option contract. Options are settled in equity and cannot be settled in cash.
The company has also not settled options in cash in the past.
The weighted average fair value of options granted in the financial year ended 31 December 2023 was EUR 617 (2022: EUR 617).

The fair value of options is determined using the Black-Scholes model. The valuation depends, among other things, on the market price of the component at the reporting date, the option purchase price, the degree of capital volatility, the term of the contract and other factors. The sensitivity of the fair value was tested using various capital fluctuation rates and risk-free interest rates.
The duration of stock options is based on the actual length of the option contracts. The expected volatility is based on the assumption that the historical volatility of a sector's share is indicative of future trends, but this is not necessarily the actual outcome. The weighted average fair value of the share is based on the values of the closest actual capital contributions at the time of the grant of the share options. The valuation was based on the price of the unrelated party component.

Share option reserve as at 31 December 2019 77 525 Expense from equity-settled share-based payments 122 223 Share option reserve as at 31 December 2020 199 748 Expense from equity-settled share-based payments 172 629 Share option reserve as at 31. 31 December 2021 372 377 Cost of equity-settled share-based payments 209 385 Share option reserve as at 31 December 2022 581 762 Cost of equity-settled share-based payments 407 928 Share option reserve as at 31 December 2023 919 653

Note 11 Revenue from sales

(in euros)

	2023	2022
Revenue by geographical area		
Sales to EU countries		
Estonia	7 084 640	4 523 083
Finland	416 847	728 185
Latvia	342 062	708 923
Lithuania	528 504	1 085 255
Germany	0	954 920
Sales to EU countries, total	**8 372 053**	**8 000 366**
Total revenue from sales	**8 372 053**	**8 000 366**
Turnover by activity		
Loan brokerage fee	2 877 203	5 172 163
Administration fee	96 029	117 235
Penalty	362 485	294 884
Prolonging fee	2 260 882	550 551
Secondary market fee	100 854	132 068
Debt management fee	729 694	462 229
Debt realisation fee	868 986	532 180
Other revenue	1 075 920	739 056
Total revenue from sales	**8 372 053**	**8 000 366**

Note 12 Goods, raw materials, supplies and services
(in euros)

	2023	2022
Direct sales costs	361 547	368 915
Real estate services, expert appraisals	40 442	108 215
Other loans and portal costs	1 482 309	1 602 909
Insurance for loan objects	5 562	5 240
Advertising and marketing	431 053	1 155 546
Total goods, raw materials, material and services	**2 320 913**	**3 240 825**

Note 13 Miscellaneous operating expenditure
(in euros)

	2023	2022
Rent and lease	195 203	165 457
Mission expenses	93 880	220 160
Training costs	23 988	55 430
National and local taxes	30 446	38 487
IT and communication costs	646 277	996 291
Purchased services (consultancy, legal costs and translation services)	1 273 244	2 346 014
Administrative costs	212 278	670 221
Expense on unlikely receivables	1 366 051	0
Other	445 095	453 501
Total miscellaneous operating expenditure	**4 286 462**	**4 945 561**

Note 14 Labour costs
(in euro)

	2023	2022
Salary costs	-2 505 387	-4 546 559
Social security charges	-707 889	-939 209
Share options	-143 739	-120 358
Total staff costs	**-3 357 015**	**-5 606 126**
Average number of full-time equivalent employees	55	95

Note 15 Interest charges
(in euros)

	2023	2022
Interest expense on loans	-220 108	-141 722
Total interest charges	**-220 108**	**-141 722**

Note 16 Interest income
(in euros)

	2023	2022
Interest income on loans	176 821	92 918
Total interest income	**176 821**	**92 918**

Note 17 Related parties
(in euros)

Name of the reporting parent company	No dominant undertaking

Balances with related parties broken down by group

LONG-TERM	31.12.2023	31.12.2022
Receivables and advances		
Executive and senior management and substantial private owners and undertakings under their control or significant influence.	27 840	1 648 304
Total receivables and advances	**27 840**	**1 648 304**

LOANS GRANTED	31.12.2021	Loans granted	31.12.2022	Interest calculated over the period
Other companies in the same consolidation group	120 304	1 528 000	1 648 304	90 093
Total loans granted	**120 304**	**1 528 000**	**1 648 304**	**90 093**

LOANS GRANTED	31.12.2022	Loans granted	Repayments of loans granted	31.12.2023	Interest calculated over the period
Parent company	1 648 304	70 000	1 690 464	27 840	173 202
Total loans granted	**1 648 304**	**70 000**	**1 690 464**	**27 840**	**173 202**

Note 18 Non-consolidated balance sheet

(in euros)

	31.12.2023	31.12.2022
Assets		
Current assets		
Money	264 767	512 403
Receivables and advances	2 500	0
Total current assets	**267 267**	**512 403**
Fixed assets		
Investments in subsidiaries and associates	1 627 261	4 366 418
Receivables and advances	1 552 334	2 493 207
Total fixed assets	**3 179 595**	**6 859 625**
Total assets	**3 446 862**	**7 372 028**
Liabilities and equity		
Commitments		
Current liabilities		
Loan commitments	3 705 270	2 500
Debts and advances	11 000	0
Total current liabilities	**3 716 270**	**2 500**
Long-term liabilities		
Loan commitments	1 010 901	3 702 770
Total long-term liabilities	**1 010 901**	**3 702 770**
Total liabilities	**4 727 171**	**3 705 270**
Equity		
Share capital at par value	15 205	15 205
Overprice	8 471 529	8 471 529
My parts	-1 422	-1 422
Other reserves	919 653	511 724
Undistributed profit (loss) from previous periods	-5 330 278	-312 348
Profit (loss) for the year	-5 354 996	-5 017 930
Total equity	**-1 280 309**	**3 666 758**
Total liabilities and equity	**3 446 862**	**7 372 028**

Note 19 Non-consolidated income statement
(in euros)

	2023	2022
Other operating income	20 373	0
Miscellaneous operating expenditure	-1 451 772	-37 915
Labour costs	-143 739	-120 358
Other business expenses	-175	-1
Total operating profit (loss)	**-1 575 313**	**-158 274**
Interest income	303 128	410 251
Other financial income and expenses	-4 082 811	-5 269 907
Profit (loss) before income tax	**-5 354 996**	**-5 017 930**
Profit (loss) for the year	**-5 354 996**	**-5 017 930**

Note 20 Non-consolidated cash flow statement
(in euros)

	2023	2022
Cash flows from operating activities		
Receipts from the sale of goods and provision of services	20 373	0
Payments to suppliers for goods and services	-85 721	-59 504
Interest received	51	1 128
Other operating cash flows	-24	-8 518
Total cash flows from operating activities	**-65 321**	**-66 894**
Cash flows from investing activities		
Acquisition of associates and joint ventures	-2 500	0
Loans granted	-1 496 467	-7 057 200
Repayments of loans granted	305 752	129 000
Total cash flows from investing activities	**-1 193 215**	**-6 928 200**
Cash flows from financing activities		
Issuance of shares received	1 010 900	3 702 769
Proceeds from sale of treasury shares or units	0	80
Total cash flows from financing activities	**1 010 900**	**3 702 849**
Total cash flows	**-247 636**	**-3 292 245**
Cash and cash equivalents at the beginning of the period	512 403	3 804 648
Change in cash and cash equivalents	**-247 636**	**-3 292 245**
Cash and cash equivalents at end of period	264 767	512 403

Note 21 Non-consolidated statement of changes in equity

(in euro)

						Total
	Share capital at par value	Overprice	My parts	Other reserves	Undistributed profit (loss)	
31.12.2021	15 205	8 401 419	-1 430	372 377	-312 348	8 475 223
Profit (loss) for the year					-5 017 930	-5 017 930
Changes in reserves		70 110		139 347		209 457
Other changes in equity			8			8
31.12.2022	15 205	8 471 529	-1 422	511 724	-5 330 278	3 666 758
Carrying amount of controlling and significant participations					-4 366 418	-4 366 418
Value of controlling and significant interests calculated using the equity method					1 396 658	1 396 658
Adjusted unconsolidated equity at 31.12.2022	**15 205**	**8 471 529**	**-1 422**	**511 724**	**-8 300 038**	**696 998**
Profit (loss) for the year					-5 354 996	-5 354 996
Changes in reserves				407 929		407 929
31.12.2023	15 205	8 471 529	-1 422	919 653	-10 685 274	-1 280 309
Carrying amount of controlling and significant participations					-1 627 261	-1 627 261
Value of controlling and significant interests calculated using the equity method					1 657 988	1 657 988
Adjusted unconsolidated equity 31.12.2023	**15 205**	**8 471 529**	**-1 422**	**919 653**	**-10 654 547**	**-1 249 582**

Note 22 Continuity of operations

Marko Arro and Mihkel Stamm, members of the Management Board of Estateguru Holding OÜ, hereby state and confirm the following:

Causes of loss
The loss for the financial year 2023 is due to a number of external factors, including:
■ The general economic downturn has affected the activity in credit markets and the activity of Estonian market investors.
■ The war in Ukraine has created economic uncertainty, which has reduced borrowing and investment.

Future plans and outlook
Despite these challenges, we have implemented the following measures to improve business continuity and efficiency in 2024:
■ Strengthening risk management: we have improved risk analysis procedures and implemented regular audits.
■ Process optimization: we have carried out a number of process optimisation projects that have reduced working time and costs.
■ Investment in technology: we have invested in IT infrastructure and systems, improving the reliability and user-friendliness of the platform.
■ Improving our quality management system: we have strengthened our quality management system with regular internal audits and training.

Sustainability and profitability

In the first half of 2024, we will have reduced our headcount by around 30%, which will lead to a significant reduction in labour costs. In addition to other cuts, operating costs were also reduced.

We've changed the rates we charge for the portal, which allows us to remain profitable even with reduced volumes. The changes to the fees have also significantly improved our revenue-to-turnover ratio. In the second half of 2024, we also plan to expand our product range with new and innovative products that meet changing market demands and customer expectations. The new products will help stabilise the revenue base, create significant growth opportunities and support the company's long-term strategy. On the basis of the above, the management believes that the going concern basis is secure and that there is no reason to expect any significant

there are significant risks to its continuation.