



## ANNUAL REPORT

Financial year: 01.01.2020 – 31.12.2020

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# MANAGEMENT REPORT

CROWDESTOR OU was founded at the end of 2017. Since the first day, CROWDESTOR has been raising capital from investors worldwide and allocating it to businesses with a shortage of available resources to grow.

CROWDESTOR OU as an investment platform <https://crowdestor.com>, together with more than 20 000 investors, has helped businesses to access more than 40 000 000 EUR of funding, ensuring 20.53% as an average annual interest for its investors.

As for the year 2020, although it has proved to be a challenge, CROWDESTOR managed to surpass all of its targets, including but not limited to the count of new investors, funded projects, and funded volume. All of that resulted in revenue of more than 1.2M EUR, i.e., an increase of 204% compared to the previous year. The cumulative loan portfolio has grown by 58% year-to-year in comparison to the year 2019. In 2020, investors had funded 21.9M EUR worth of projects and received 11.6M EUR back, 3M EUR (26%) of interest repayments, and 8.4M EUR (73%) of principal. The return for the investor on average has remained around 20%.

In 2020, CROWDESTOR advanced technologically by releasing the secondary market, investor dashboard, voting functionality, and the new website design. The Loan management system is still in the development stage and will be released soon as well.

From a legal perspective, CROWDESTOR has developed a number of procedures, including but not limited to the debt collection, restructuring of non-performing loans, data protection, credit policy, etc., necessary for satisfying the needs and wishes of our investors and complying with the EU crowdfunding regulation.

We have started and continue to work on timely and standardized communication with the investors, keeping investors informed about the relevant happenings around the invested projects via the update section in the investor's cabinet. In addition to that, statistics on late projects as detailed as one can get have been made publicly available to increase the platform's transparency.

The key goals are to expand our operations geographically and widen our product range to enable our investors to diversify their portfolios and allow more businesses to access the capital needed for them to grow. Apart from that, we aim to comply with European Crowdfunding regulation, improve the existing product, communicate with investors, and change the ownership structure of the investment platform to increase the prospect of future sustainable and steady growth substantially.

CROWDESTOR has a skilled team in Riga, motivated and ready to enter the post COVID period and move towards our goals.

We have well-established partnerships, necessary contacts as well as spreading awareness. We are in a perfect position to gain a larger market share in this sector.

**CROWDESTOR will grow for the benefit of all investors involved!**

# THE ANNUAL ACCOUNTS

## Statement of Financial Position

(In EUR)

	31.12.2020	31.12.2019	NOTES
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	296 878	160 139	
Financial investments	90 000	0	
Receivables and prepayments	1 414 224	3 404	2
<b>Total current assets</b>	<b>1 801 102</b>	<b>163 543</b>	
<b>Non-current assets</b>			
Property, plant and equipment	10 912	10 022	3
<b>Total non-current assets</b>	<b>10 912</b>	<b>10 022</b>	
<b>Total assets</b>	<b>1 812 014</b>	<b>173 565</b>	
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables and prepayments	1 249 872	8 175	4
<b>Total current liabilities</b>	<b>1 249 872</b>	<b>8 175</b>	
<b>Total liabilities</b>	<b>1 249 872</b>	<b>8 175</b>	
<b>Equity</b>			
Issued capital	2 500	2 500	
Statutory reserve capital	250		
Retained earnings (loss)	162 640	3 393	
Annual period profit (loss)	396 752	159 497	
<b>Total equity</b>	<b>562 142</b>	<b>165 390</b>	
<b>Total liabilities and equity</b>	<b>1 812 014</b>	<b>173 565</b>	

## Income statement

(In EUR)

	2020	2019	NOTES
Other income	1 283 787	416 299	
Raw materials and consumables used	-824 825	-220 266	
Other operating expense	-25 662	-8 730	
Employee expense	-35 030	-26 024	5
Depreciation and impairment loss (reversal)	-1 388	-503	
Other expense	-91	-1 316	
<b>Operating profit (loss)</b>	<b>396 791</b>	<b>159 460</b>	
Interest income	3	43	
Other financial income and expense	-42	-6	
<b>Profit (loss) before tax</b>	<b>396 752</b>	<b>159 497</b>	
<b>Annual period profit (loss)</b>	<b>396 752</b>	<b>159 497</b>	

## Notes

### Note 1 Accounting policies

#### General information

The annual financial statements of CROWDESTOR OÜ for 2020 have been prepared following the Estonian Financial Reporting Standard and using the cost principle. The Estonian financial reporting standard is based on internationally accepted accounting principles. Its basic requirements are established in the Accounting Act of the Republic of Estonia, supplemented by the Accounting Standards Board of the Republic of Estonia issued instructions.

The income statement of CROWDESTOR OÜ has been prepared based on the income statement scheme No. 1 provided in Annex 2 to the Accounting Act.

The financial statements have been prepared in euros.

## Note 2 Receivables and prepayments

(In EUR)

	31.12.2020	Within 12 months
Accounts receivable	0	0
Tax prepayments and receivables	0	0
Other receivables	1 414 224	1 414 224
Loan receivables	1 414 224	1 414 224
<b>Total receivables and prepayments</b>	<b>1 414 224</b>	<b>1 414 224</b>

	31.12.2019	Within 12 months
Accounts receivable	0	0
Tax prepayments and receivables	204	204
Other receivables	3 200	3 200
Loan receivables	3 200	3 200
<b>Total receivables and prepayments</b>	<b>3 404</b>	<b>3 404</b>

### Note 3 Property, plant and equipment

(In EUR)

	Other property, plant and equipment	Total
<b>31.12.2018</b>		
Carried at cost	0	0
Accumulated depreciation	0	0
<b>Residual cost</b>	<b>0</b>	<b>0</b>
Acquisitions and additions	10 525	10 525
Depreciation	-503	-503
<b>31.12.2019</b>		
Carried at cost	10 525	10 525
Accumulated depreciation	-503	-503
<b>Residual cost</b>	<b>10 022</b>	<b>10 022</b>
Acquisitions and additions	2 279	2 279
Depreciation	-1 389	-1 389
<b>31.12.2020</b>		
Carried at cost	12 804	12 804
Accumulated depreciation	-1 892	-1 892
<b>Residual cost</b>	<b>10 912</b>	<b>10 912</b>

## Note 4 Payables and prepayments

(In EUR)

	31.12.2020	Within 12 months
Employee payables	0	0
Tax payables	6 756	6 756
Other payables	1 234 449	1 234 449
Interest payables	122	122
Other accrued expenses	1 234 327	1 234 327
Prepayments received	8 667	8 667
<b>Total payables and prepayments</b>	<b>1 249 872</b>	<b>1 249 872</b>

	31.12.2019	Within 12 months
Employee payables	1 700	1 700
Tax payables	661	661
Other payables	1 481	1 481
Interest payables	0	0
Other accrued expenses	1 481	1 481
Prepayments received	4 333	4 333
<b>Total payables and prepayments</b>	<b>8 175</b>	<b>8 175</b>



## Note 5 Labor expense

(In EUR)

	2020	2019
Wage and salary expense	25 583	19 450
Social security taxes	8 442	6 419
Pension expense	205	155
<b>Total labor expense</b>	<b>34 230</b>	<b>34 230</b>

## Note 6 Related parties

(In EUR)

Balances with related parties by categories

	31.12.2020		31.12.2019	
	Receivables	Liabilities	Receivables	Liabilities
Management, higher supervisory body and individuals with material ownership interest and the entities under their control or significant influence.	0	0	0	0

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2020	2019
Remuneration	25 583	19 450