



## ANNUAL REPORT

Financial year: 01.01.2023 – 31.12.2023

# Table of contents

<b>Management report</b>	<b>3</b>
<b>The annual accounts</b>	<b>4</b>
<b>Statement of financial position</b>	<b>4</b>
<b>Income statement</b>	<b>5</b>
<b>Notes</b>	<b>6</b>
<b>Note 1 Accounting policies</b>	<b>6</b>
<b>Note 2 Labor expense</b>	<b>8</b>
<b>Note 3 Related parties</b>	<b>8</b>

# Management report

Dear stakeholders,

I am pleased to present the Annual Management Report for the year 2023. This report provides an overview of our company's performance, with a particular emphasis on the outcomes of debt collection initiatives and their subsequent influence on the company's financial results.

Throughout the past year, we have steadily decreased the pace of funding for projects owned by third parties. Consequently, our primary focus shifted towards debt collection. We committed substantial financial resources and as well as used both internal and external resources to optimize the recovery of investors' funds. As a result of these concerted efforts, a total of EUR 4.5 million was repaid to investors over the year. The company finished the fiscal year with a negative financial outcome, posting a loss of EUR 312K.

At Crowdestor, our commitment to debt collection practices remains unwavering. We will continue to leverage a variety of dispute resolution methods to secure the most advantageous outcomes for our investors. Additionally, we are planning to renew our economic activities by developing our own projects, with a primary focus on the energy sector.

Although this year presented significant financial difficulties, and we anticipate similar challenges in the coming year, our commitment to our stakeholders remains steadfast. We will continue to strive for the best possible outcomes despite the adverse conditions.

Sincerely,  
Janis Timma  
CEO @ Crowdestor

# The annual accounts

## Statement of financial position

(In Euros)

	31.12.2023	31.12.2022
Assets		
Current assets		
Cash and cash equivalents	283 471	82 287
Financial investments	144 000	144 000
Receivables and prepayments	1 382 885	1 300 217
<b>Total current assets</b>	<b>1 810 356</b>	<b>1 526 504</b>
Non-current assets		
Property, plant and equipment	3 752	6 452
<b>Total non-current assets</b>	<b>3 752</b>	<b>6 452</b>
<b>Total assets</b>	<b>1 814 108</b>	<b>1 532 956</b>
Liabilities and equity		
Liabilities		
Current liabilities		
Payables and prepayments	191 290	166 249
<b>Total current liabilities</b>	<b>191 290</b>	<b>166 249</b>
Non-current liabilities		
Loan liabilities	1 214 142	645 657
<b>Total non-current liabilities</b>	<b>1 214 142</b>	<b>645 657</b>
<b>Total liabilities</b>	<b>1 405 432</b>	<b>811 906</b>
Equity		
Issued capital	2 500	2 500
Statutory reserve capital	250	250
Other reserves	731 000	731 000
Retained earnings (loss)	-12 700	633 877
Annual period profit (loss)	-312 374	-646 577
<b>Total equity</b>	<b>408 676</b>	<b>721 050</b>
<b>Total liabilities and equity</b>	<b>1 814 108</b>	<b>1 532 956</b>

# Income statement

(In Euros)

	2023	2022
Revenue	577 042	232 256
Other income	15 690	1 163
Raw materials and consumables used	-825 081	-827 409
Other operating expense	-44 991	-12 355
Employee expense	-32 081	-36 699
Depreciation and impairment loss (reversal)	-2 699	-2 561
Other expenses	-254	-755
<b>Operating profit (loss)</b>	<b>-312 374</b>	<b>-646 360</b>
Interest expenses	0	-217
<b>Profit (loss) before tax</b>	<b>-312 374</b>	<b>-646 577</b>
<b>Annual period profit (loss)</b>	<b>-312 374</b>	<b>-646 577</b>

# Notes

## Note 1 Accounting policies

### General information

These annual accounts have been prepared in accordance with Estonian GAAP. The annual accounts are drawn up in euro.

### Cash and cash equivalents

Cash and cash equivalents are cash in hand and bank, demand deposits, short-term (less than 3 months maturity) bank deposits and MMF units with no material risk of change in market value

### Receivables and prepayments

Receivables are estimated in the balance sheet on the basis of the amounts that are likely to be received. When assessing the claims, each claim has been viewed separately, taking into account the known information about the client's solvency.

Doubtful receivables are recognised in general administrative expenses. Hopeless receivables are written off the balance sheet.

Receipts of previously discounted doubtful receivables are recognised as a reduction in the cost of doubtful receivables.

### Plant, property and equipment and intangible assets

Property, plant and equipment and intangible assets When recognising material fixed assets in the balance sheet, accumulated depreciation and the value of the asset are deducted from their cost

discounts due to decline.

Based on the materiality principle, assets whose cost exceeds EUR 150.00 and whose useful life exceeds one year are recognised as fixed assets. An enterprise uses the linear method to depreciate property, plant and equipment.

Due to the specifics of an item of property, plant and equipment, its useful life may differ from that of another similar group. In this case, it is viewed separately and a suitable depreciation period is determined for it.

The depreciation rates set for property, plant and equipment are reviewed when circumstances have come to light that could materially change the useful life of the fixed asset or group of fixed assets. The effect of changes in estimates is reflected in the reporting period and subsequent periods.

If the residual value of the asset exceeds its carrying amount, the amortisation of the asset is terminated; amortisation shall start afresh when the residual value of the asset has fallen below its carrying amount.

If an item of property, plant and equipment has incurred expenditure that meets the definition of property, plant and equipment, then this expenditure is included in the cost of the item of property, plant and equipment. Expenditure on current maintenance and repairs is recognised in the costs for the period.

When an item of property, plant and equipment replaces an important component, the cost of the new component is added to the cost of the item, provided that it meets the definition of property, plant and equipment.

The component to be replaced is written off the balance sheet.

If the cost of the component to be replaced is not known, the cost to be written off shall be estimated at the cost at the time of replacement, after deduction of estimated depreciation.

### Impairment of assets

A possible impairment of property, plant and equipment is examined in cases where an event or a change in circumstances indicates that

the asset's recoverable amount may have fallen below its book value. If such circumstances exist, the enterprise will carry out an assessment of the recoverable amount of the asset.

If the estimated recoverable amount is less than the carrying amount, the assets that make up the asset or cash-generating unit are written down to recoverable amount, which is the higher of the future cash flows from that asset( or value in use). In determining the fair value of an asset, the use of assistance from external experts. The write-down is recognised as an expense for the period in the line "depreciation and impairment of fixed assets" in the income statement.

If the recoverable amount of the asset subsequently exceeds the carrying amount of the asset, the write-down is reversed and the carrying amount of the asset is increased.

Buildings 33 yrs

Means of transport 5 yrs

Other property, plant and equipment 5

## Financial liabilities

All financial liabilities (debts to suppliers, taken loans, accrued liabilities, issued bonds and other short-term and long-term liabilities) are initially taken into account at their acquisition cost, which also includes all direct costs associated with the transaction.

Further recognition is carried out using the adjusted acquisition cost method (except for financial liabilities acquired for resale purposes and derivatives with a negative fair value, which are recognized at their fair value).

The adjusted acquisition cost of short-term financial liabilities is generally equal to their nominal value, which is why short-term financial liabilities are reflected in the balance sheet at the amount due. In order to calculate the adjusted acquisition cost of long-term financial liabilities, they are initially recognized at the fair value of the consideration received (from which transaction costs are deducted), taking into account the following

interest expense from liabilities in periods using the internal interest rate method.

A financial liability is classified as short-term if its payment term is within 12 months from the reporting date; or the company does not unconditional right to postpone the payment of the obligation for more than 12 months after the reporting date. Loans that are due for repayment within 12 months from the reporting date, but which are refinanced to long-term after the reporting date, but before the approval of the annual report, are recorded as short-term. Loan liabilities that the lender was entitled to on the reporting date are also recorded as short-term

to recall due to violation of the conditions stipulated in the loan agreement.

### Separate and contingent liabilities

In the balance sheet, the company's liabilities arising in the reporting period or in previous periods, which have a legal or contractual basis, require asset relinquishment, and whose cost can be reliably determined, but whose final cost or payment term is not firmly fixed, are

recorded as a provision in the balance sheet. Appraisal of allocations is based on the evaluations of the board, experience and, if necessary, the evaluations of independent experts.

Promises, guarantees and other obligations, which under certain conditions may become obligations in the future, but whose realization probability is less than 50% according to the management of the company, are disclosed as potential obligations in the notes to the annual accounts.

A provision is recorded in the balance sheet if the company has a legal or operational obligation due to a binding event that occurred before the reporting date, the realization of which is probable and the amount of the obligation can be reliably measured.

Appraisal of allocations is based on the evaluations of the board, experience and, if necessary, the evaluations of independent experts, and these are reflected in the balance sheet in the amount necessary to satisfy the obligations related to the allocation as of the reporting date.

Promises, guarantees and other obligations that, under certain conditions, may become obligations in the future, but which are unlikely to materialize

is less than 50% according to the management of the company, is disclosed as contingent liabilities in the appendices to the annual accounts.

### Revenues

Income from the sale of goods is recognized when significant risks and benefits related to ownership have been transferred to the buyer and the sales income and expenses related to the transaction can be reliably measured.

Income from the sale of services is recognized based on the completion method, revenues and profits from the provision of services are recognized proportionally in the same periods as the expenses associated with the provision of services.

### Taxation

According to the current income tax law, the profit distributed as dividends is taxed at the rate of 20/80 of the amount paid out as net dividend.

Corporate income tax calculated on dividends is recorded as an income tax expense in the income statement of the period in which the dividends are declared, regardless of the period for which they are declared or when the dividends are paid out. Income tax liability and expense calculated from unpaid dividends as of the reporting date are adjusted according to the income tax applicable in the new reporting period

to the degree. The maximum possible amount of income tax liability that could accompany the payment of dividends is given in the appendix to the annual report.

### Related parties

When preparing the annual report, the following are considered related parties:

- a. owners (parent company and persons controlling or having significant influence over the parent company);
- b. subsidiaries and affiliates;
- c. other companies belonging to the same consolidation group (including other subsidiaries of the parent company);
- d. executive and senior management;
- e. close family members of the persons listed above and companies controlled by them or under their significant influence.

## Note 2 Labor expense

(In Euros)

	2023	2022
Wage and salary expense	24 665	27 934
Social security taxes	7 240	8 557
Pension expense	176	208
Total labor expense	32 081	36 699
Average number of employees in full time equivalent units	1	1

## Note 3 Related parties

(In Euros)

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2023	2022
Remuneration	24 665	27 934