CONSOLIDATED ANNUAL REPORT

01.01.2023 - 31.12.2023

Keila`s beautiful home 2023: Keila Kodu apartment buildings won the main prize in the category of apartment buildings and townhouses. Photo: Sergei Zjuganov

CONSOLIDATED ANNUAL REPORT

(Translation of the Estonian original)

beginning of the financial year: 01.01.2023
end of the financial year: 31.12.2023

business name: Everaus Kinnisvara OÜ
registry code: 14476479

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small town: Peetri alevik
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Everaus

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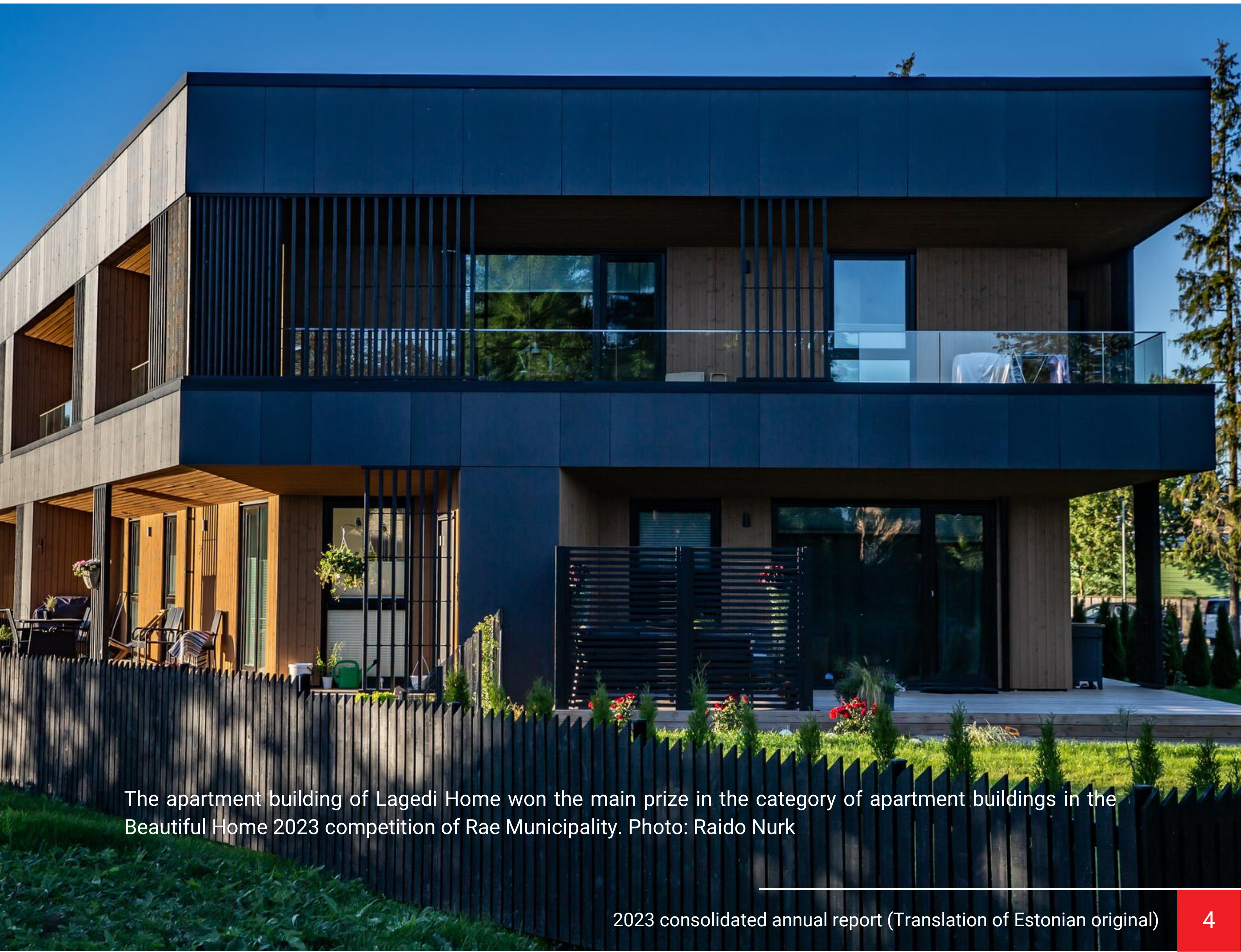
MANAGEMENT REPORT

Everaus Kinnisvara is a property developer with a long history of building complete living and business environments that are energy-efficient, boast unique architectural solutions and user-friendly layouts, and are located in areas with good infrastructure. In our development activities, we pay a lot of attention to architecture, user-friendliness and energy efficiency. The spatial solutions of the buildings have been carefully and thoughtfully considered, and we ensure that the exterior and interior of the buildings form a coherent modern entity.

Everaus Kinnisvara is a pioneer and trendsetter in its field, which is evidenced by its award-winning and acclaimed homes in Uuesalu Home, Lagedi Home and Keila Home. We are the only property developer in Estonia to have received high recognition in various home competitions across its entire completed development portfolio.

More than 800 families either currently live or will soon be moving in the homes we've built, and companies are or will soon be operating on the more than 100 000 m² of commercial premises we've developed.



The apartment building of Lagedi Home won the main prize in the category of apartment buildings in the Beautiful Home 2023 competition of Rae Municipality. Photo: Raido Nurk

Keila Home apartment buildings won the main prize in the category of apartment buildings and terraced houses in the Beautiful Keila Home 2023 competition of Keila Town. Photo: Sergei Zjuganov

HISTORY AND OUTLOOK OF THE COMPANY

Everaus Kinnisvara builds complete residential and commercial environments with coherent and distinctive architecture. By involving the best specialists in the field, we give our clients residential neighbourhoods with well thought-out layouts and outstanding design, as well as a strong focus on architecture, user-friendliness and energy efficiency.

We started building the first large-scale residential area on 15 hectares of land in 2015, when we developed more than 70 homes in Uuesalu Village, Rae Municipality.

In 2019, we started the development of a second similar residential area of about 10 hectares in Lagedi near the Pirita River, where we built terraced houses with 36 apartments and an apartment building with 13 apartments. In 2020, we entered the apartment building segment on a larger scale, building four apartment buildings with 52 apartments in Keila.

In order to spread our risks, we entered the commercial real estate market in 2020 and started to develop commercial buildings for rental. We have already built two commercial buildings in Peetri, Rae Municipality, and in 2024 a third commercial building will be completed in the same area, which will also be the new office of Everaus Kinnisvara. Our longer-term goal is to build a new commercial building every year, which is why we will start construction of a new 4-storey complex of mini-warehouses in Haabersti, Tallinn, in 2024. The opening of the commercial building is scheduled for the second half of 2025.

In the coming years, large-scale developments will be underway in Peetri, Järveküla and Rae Village, Rae Municipality, all of which border Tallinn. The residential quarters called Kindluse Home, Raeküla Homes and Ülemiste Homes are currently in the design stage and more than 300 new energy-efficient and distinctive homes will be built there. In addition, a residential and commercial quarter called the Uus-Peetri Centre on an area of about 13 hectares is undergoing planning proceedings.

Our motto is to create complete living and business environments in locations with good infrastructure so that the residential or business environment we create, together with the surrounding environment, supports living and working with a high level of satisfaction.

Professionalism, motivation and a sense of duty are important to Everaus Kinnisvara, as success is impossible without them. In 2023, the group had 27 employees. Due to the increased development volumes, the staff numbers of the company will also grow in 2024. Alongside professionalism and continuous self-development, we also value family focus and people's opportunities and ability to rest, which is why we organise social events where team members can spend time with their families.

The Everaus Kinnisvara team with their families at the 90s-themed summer retreat (August 2023).

CHARITY

Everaus Kinnisvara values an active lifestyle and considers it important to support the sporting activities of children and young people, which is why we're a constant supporter of the athletes representing Rae Municipality in buying attire for competitions. According to the Rae Municipality Sports Centre, more than 1000 young people in Rae Municipality have received free sports shirts thanks to the help of supporters. We firmly believe that talented young individuals should never face barriers in their sports journey due to resource constraints. That's why we will continue to support athletes in Rae Municipality.

In the past two years, Everaus Kinnisvara has decided against traditional Christmas gifts and instead donated construction materials to support the non-profit organisation Naerata Ometi in renovating the homes of children with health problems and families in need. Like other development and construction companies, we inevitably have construction materials leftover – so instead of storing or throwing away quality construction materials that we cannot use ourselves, we donate them to people in need to their homes can be renovated. There are many families in Estonia whose everyday activities are overshadowed by health problems and worries about coping, which is why in both 2022 and 2023, we teamed up with the management board of the non-profit organisation Naerata Ometi to produce a video appeal encouraging other development and construction companies and individuals to review their leftover construction materials and help those in need where possible.

GREEN EVERAUS

Evaraus Kinnisvara incorporates clean and energy-efficient solutions that align with our environmentally conscious values. Our commitment to sustainability is evident in every aspect of our operations, i.e., carefully selected materials, energy-efficient solutions, and an environmentally friendly lifestyle.

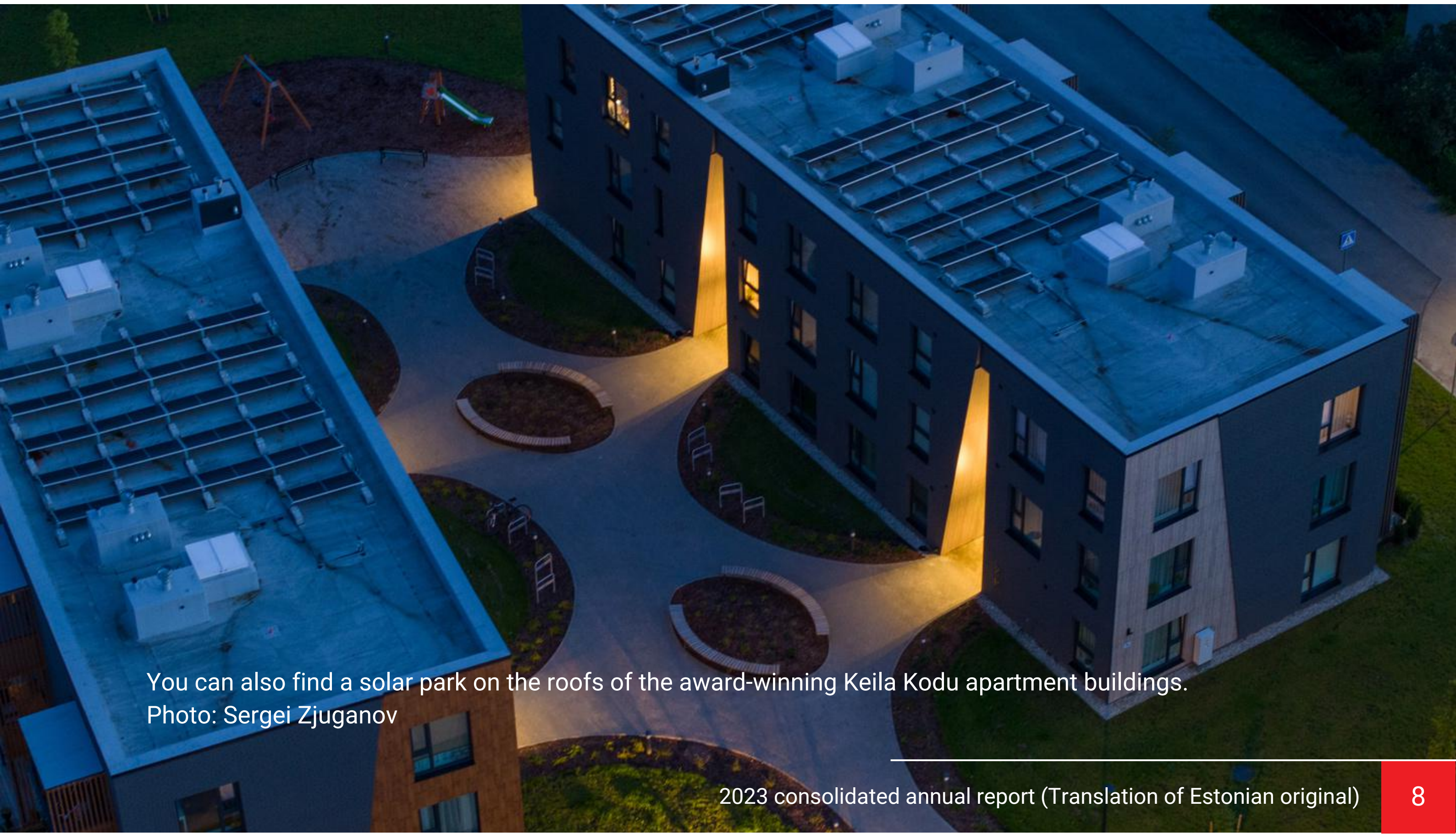
When we set up the company, our main goal was to develop energy-efficient buildings with the best possible solutions. We don't just meet standards, but the buildings we create always look beyond the requirements and strive for zero energy. The buildings will always be heated either by geothermal heating or by air-to-water heating combined with solar panels. Everaus Kinnisvara has been recognised by Thermia, the world's leading heat pump manufacturer, for its successful use of environmentally friendly technology.

Investing in renewable energy
Across all our developments, solar parks serve as investments for the future, reducing carbon footprints while lowering monthly energy costs.

Minimizing the ecological impact
We prioritize materials with minimal environmental footprints, opting for wood, stone, and concrete over artificial products. Transporting materials and supplies has a large ecological footprint, which is why we prefer to use domestic products. Embracing eco-friendly practices, we diligently sort waste and promote digitalization to reduce paper consumption and digital waste.

Donation of leftover construction materials for reuse
Inevitably, all development and construction companies will have a surplus of construction materials. In an effort to give back to the community, we donate surplus construction materials to charities, supporting home renovations for those in need, improving the quality of life of children and people with disabilities. Everaus Kinnisvara is working together with the team of Naerata Ometi MTÜ.

Promoting a green mindset
Through our energy-efficient designs, renewable energy utilization, and advocacy for sustainable solutions, we actively contribute to a greener future. We also promote green, energy-efficient solutions with a small ecological footprint through our own channels as well as at conferences and in the media. We choose promotional products and gifts based on the size of their ecological footprint and prefer environmentally friendly materials. Additionally, we support sports activities for youth and adults, recognizing the importance of physical activity in promoting well-being.



You can also find a solar park on the roofs of the award-winning Keila Kodu apartment buildings.
Photo: Sergei Zjuganov

Model apartment in Keila Kodu.
Photo: Märt Lillesiim

GENERAL ECONOMIC SITUATION: LOOKING BACK TO 2023

2023 was a challenging year for all players in the real estate sector, with high interest rates combined with low consumer confidence forcing many home buyers to postpone their decision to buy. The market fell sharply in 2023 and will assuredly remain at a low point in the first half of 2024. The economy has shown the first signs of stabilisation, but we can only expect to see modest growth in the second half of 2024.

The market downturn naturally affected everyone, and it was difficult to sell last winter. Several property developers lowered the prices of their apartments to promote them, but Everaus Kinnisvara did not have to do so because it relied on a good product in a good location. The advantage of Everaus Kinnisvara was that the apartments were ready for buyers to view and move into immediately. Our other advantage was having premium property that stood out in the market and interests a clientele that is less affected by market fluctuations. Our premium-class developments are characterised by a good location, distinctive and aesthetic architecture, uncompromising quality, high comfort standards and modern and sustainable technical solutions.

Despite a difficult year, Everaus Kinnisvara had sold out all four Keila Kodu apartment buildings by the end of the year, more than half of the developments in Järveküla and Luige, which will be completed this summer, were sold in advance and 90% of the commercial premises in the Everaus commercial building, which will also be completed this summer, were covered by rental contracts. On top of all that, the apartment buildings of Lagedi Home and Keila Home were awarded the title of Beautiful Home, which makes Everaus Kinnisvara the only property developer in Estonia all of whose completed developments have received high recognition in various home competitions.

Energy-efficient and high-quality property developments are swimming upstream even in challenging market conditions, and continue to attract the attention of home buyers. During the recession, we had to work harder to maintain sales levels and optimise costs wisely, but that’s a natural part of doing business.

KEY ACTIVITIES

New residential development sites in Rae Municipality

In 2023, Everaus Kinnisvara acquired two additional residential development sites in Järveküla and Rae Village, with developments that will bring over EUR 75 million of investment to the area over five years. More than 240 new homes will be built on a total of almost 30 hectares of land as terraced houses, semi-detached houses and private houses.

We exited the Viimsi Homes development

In order to focus on other large-scale developments, we decided to sell the 62-unit terraced house development in Viimsi. Everaus Kinnisvara held a 50% stake in the Viimsi property development. The exit from the sales transaction was profitable.

Obstacles to development: building permits and detailed plans

Bureaucracy and the resulting delays in the issue of various permits have a negative impact on the company's plans and profitability. Unfortunately, there is no quick solution to this problem, and we've therefore accelerated the preparation and design processes of development so that we can make development decisions independently of public authorities and not be dependent on the dates when the permits are issued.

Another major problem has been the length of the detailed planning process and refusals to initiate the process. Everaus Kinnisvara owns development properties in rapidly growing regions where local governments are struggling to keep up with infrastructure and social services. In order to mitigate and solve the problem, we've entered into a discussion with local authorities to discuss private funding for infrastructure and social services.

We currently have the development properties we need for growth. Unless detailed planning procedures improve, we will have to continue to purchase development land with completed DSPs in the future in order to maintain our development pace.

Everaus Kinnisvara is constructing a residential quarter named Kindluse Kodu in Järveküla: 169 terraced and semi-detached houses, private houses and residential plots.

EVERAUS KINNISVARA FINANCIAL POSITION AND RATIOS

Based on expert appraisals and preliminary assessments conducted in 2023, the values of the properties were determined to be 7,8 million euros or over 35% higher compared to the consolidated book value. Based on the management's long-term experience in the sector and on calculations of comparisons of actual sales transactions made on developments, we can estimate the market value of the consolidated assets of the Everaus Kinnisvara Group at approximately EUR 31–32 million.

During the current period Everaus Kinnisvara's revenue has decreased by 12% as detailed plannings approvals were pending.

The company's working capital is negative, but according to management's assessment, this does not cause financial difficulties for Everaus Kinnisvara. Short-term liabilities are covered by realizations from property investments and inventories and by refinancing short-term liabilities.

Key financial indicators (in thousands of euros)	**2023**	**2022**	**2021**
Revenue	5 206	6 116	4 720
Operating profit	1 884	1 123	1 637
Net profit	1 116	574	1 177
Total assets	30 140	18 200	14 616
Total liabilities	22 810	11 950	11 463
Total equity	7 330	6 250	3 153
Financial ratios	**2023**	**2022**	
Operating margin (%)	36,19	18,36	
Net margin (%)	21,44	9,39	
Equity ratio (%)	24,32	34,34	
Debt ratio (%)	75,68	65,66	
Current ratio (times)	0,44	0,92	
Return on equity (%)	16,44	12,21	
Return on assets (%)	4,62	3,50	
Formulas used			
Operating margin = operating profit / revenue x 100			
Net margin = net profit / revenue x 100			
Equity ratio = total equity / total assets x 100			
Debt ratio = total liabilities / total assets x 100			
Current ratio = current assets / current liabilities			
Return on equity (ROE) = net profit / average total equity x 100			
Return on assets (ROA) = net profit / average total assets x 100			

PROPERTY DEVELOPMENTS UNDER CONSTRUCTION IN 2023

RESIDENTIAL DEVELOPMENTS

Kindlusepealse Villas

The construction of Kindlusepealse Villas got underway. Eight villa-type private houses and three semi-detached houses will be built in the new Järveküla development. In Estonia's first smart home quarter, customers can enjoy smart and convenient premium-class solutions that make homes more energy efficient and everyday living more enjoyable. Five private houses and five semi-detached house units have been sold.

Kindlusepealse Villas is due for completion in summer 2024.

Luige Homes

Construction of a beautiful family-friendly residential quarter started in Luige on the outskirts of Tallinn. The Luige Homes quarter consists of eighteen two-storey houses where each building has four terraced house-type apartments with a private terrace and garden. In addition, there will be two small apartment blocks, a promenade between the houses and a community centre with a childcare centre. In the first phase, 28 terraced house units will be built, 20 of which have already been sold. The first stage of Luige Homes will be completed in summer 2024.

The green and family-friendly quarter of Luige Homes.

COMMERCIAL DEVELOPMENTS

Everaus Ärimaja

The construction of the commercial building Everaus Ärimaja started on the border of Peetri and Järveküla. The new commercial building will have office and service space, a café and prestigious loft-style stock-office commercial premises, allowing customers to move their company's representative office, office and warehouse space under one roof. The commercial building under construction is 90% covered by rental contracts. The main contractor is NOBE OÜ (former Nordecon Betoon) and the building will be completed in summer 2024.

Everaus Ärimaja in Järveküla, which will be completed in early summer 2024.

NEW DEVELOPMENTS IN THE PORTFOLIO

Raeküla Homes
Terraced houses and semi-detached houses – 72 in total – will be built in the residential quarter that caters primarily to the needs of young families. We design buildings based on what matters to young people when choosing a home: compact and functional space planning, low maintenance costs and an aesthetically pleasing and integrated living environment.

Everaus Mini Warehouses in Haabersti
The four-storey building on the border of Haabersti and Õismäe will have around 400 mini warehouses ranging in size from 2 to 20 m². The online rental process makes it possible to rent a mini warehouse or garage box without contact in just a few minutes, without leaving your home or office, or even with a smart device on site at the warehouse. The mini warehouses are open 24/7. Construction of the new complex will start in autumn 2024.

Lagedi Quarter
The new commercial quarter will bring to Lagedi prestigious retail and service space with long-awaited services such as a gym and childcare facilities. There will also be guest apartments in the quarter, which combine a homely feel with the comfort of a hotel. The guest apartments are for people who need temporary accommodation for work or study, whether it's for a week or a year. Lagedi Quarter is located in the immediate vicinity of Lagedi railway station (only 8 minutes by train to Ülemiste), making it a logistically attractive location.

Lagedi Quarter is just 100 metres from the train station.

Kindluse Home

Homes for almost 170 families will be built on the 21-hectare development site of Kindluse Home. We believe it’s important to offer functional solutions that meet the needs of our customers, which is why they can choose between different types of houses (terraced, semi-detached, bungalows and private houses), sizes and layouts. In addition to ready-made solutions, undeveloped plots are also for sale for the construction of private houses.

The first stage of Kindluse Kodu is due for completion in late 2025.

KEY ACTIVITIES IN 2024

Construction of the infrastructure for the first stage of Kindluse Home

The construction of the infrastructure for the first stage of Kindluse Home residential quarter will start this summer. Roads, utilities and street lighting will be built. Almost 170 terraced houses, semi-detached houses and private houses will be built in the Kindluse Home development area.

More information about the development can be found on the website kindlusekodu.everaus.ee.

Construction of the second stage of Luige Homes

The construction of the second stage of the residential quarter in Luige on the outskirts of Tallinn will start in summer/autumn 2024. Both terraced houses and apartment buildings will be built in the second stage.

More information about the development can be found on the website luigekodud.ee.

The buildings of the Luige Homes quarter are characterised by their outstanding architecture.

The first phase of Luige Kodu's comprehensive housing development will be completed in the summer of 2024.

Construction of Kangru Home infrastructure
The construction of the infrastructure for the Kangru Home residential quarter will start in the second half of 2024. Roads, utilities and street lighting will be built. Eight terraced houses will be built in the quarter, as well as a park area with a playground. There are also sixteen private house plots of up to 3,279 m² in the quarter, which will be sold together with house designs.

More information about the development can be found on the website kangrukodu.everaus.ee.

Opening of Everaus Ärimaja
In August 2024, Everaus Kinnisvara will open a commercial building named after the company on the border of Peetri and Järveküla. The new commercial building will offer both office and service premises, prestigious loft-style stock-office commercial premises and a café. The new commercial building will also become the new office of Everaus Kinnisvara.

More information about the development can be found on the website everaus.ee/arikinnisvara.

The Kangru Home residential development is suitable for people who appreciate both nature and close proximity to the city.

LOOKING AHEAD TO 2024

The economic downturn has persisted for two years and the property market has been moving sideways for the last few quarters. Despite Estonia's GDP having fallen by 6%, the labour market indicators are good and there is no sign of any significant change in this respect. This is also certainly due to the fact that increasingly fewer people are entering the labour market and companies have to compete fiercely to recruit the right people, which in turn keeps wages from falling. This in turn means that people's purchasing power will not fall any further, and as the economy improves, we can look forward to a recovery in demand.

The property market is dominated by large developers, most of whom are strongly capitalised. Price falls have predominantly occurred on the secondary market, where there is more room for price reductions in the event of higher selling pressure.

Property developments have a very long horizon, so 2024 is a good time to focus on preparations for new developments and to prepare for the recovery of the property market. This is why Everaus Kinnisvara is also preparing to launch several new projects this year: The first stage of Kindluse Home, Kangru Homes, the second stage of Luige Homes, Everaus Mini Warhouses in Haabersti and Lagedi Quarter. There is no prospect of a rapid improvement of the economy in the coming years, and the recovery and further growth in the property market cannot be rapid, so we've divided developments approaching construction into stages to mitigate risks.

The market fell sharply in 2023 and will certainly remain at a low point in the first half of 2024. The European Central Bank is not rushing to lower interest rates, which is not a big surprise. In 2024, the economy will be more or less at the same level as before, with more positive signs starting to emerge in the second half of the year alongside a slight decline in the Euribor. However, economic growth is unlikely to occur before 2025.

Janar Muttik
Chairman of the Management Board

THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

(in Euros)

	31.12.2023	31.12.2022	Note
Assets			
Current assets			
Cash	821 085	690 935	
Receivables and prepayments	1 597 157	1 399 973	2
Inventories	3 542 416	2 892 821	3
Total current assets	**5 960 658**	**4 983 729**	
Non-current assets			
Investments in subsidiaries and associates	82 797	82 797	4,5
Financial investments	250	0	
Receivables and prepayments	1 567 908	1 305 194	2
Investment property	22 329 360	11 612 204	6
Property, plant and equipment	198 972	216 035	
Total non-current assets	**24 179 287**	**13 216 230**	
Total assets	**30 139 945**	**18 199 959**	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	9 328 273	3 234 086	7
Payables and prepayments	4 208 705	2 175 599	8
Total current liabilities	**13 536 978**	**5 409 685**	
Non-current liabilities			
Loan liabilities	8 923 695	6 159 486	7
Payables and prepayments	328 338	360 200	8
Provisions	20 637	20 637	
Total non-current liabilities	**9 272 670**	**6 540 323**	
Total liabilities	**22 809 648**	**11 950 008**	
Equity			
Equity held by shareholders and partners in parent company			
Issued capital	2 890	2 890	
Other reserves	3 699 610	3 699 610	
Retained earnings (loss)	2 510 084	1 973 049	
Annual period profit (loss)	1 110 007	574 402	
Total equity held by shareholders and partners in parent company	**7 322 591**	**6 249 951**	
Minority interests	7 706	0	
Total equity	**7 330 297**	**6 249 951**	
Total liabilities and equity	**30 139 945**	**18 199 959**	

CONSOLIDATED INCOME STATEMENT

(in Euros)

	2023	2022	Note
Revenue	5 205 632	6 115 842	10
Other income	3 242 102	1 513 787	11
Raw materials and consumables used	-4 968 114	-5 285 801	
Other operating expense	-670 279	-473 147	
Labor expense	-866 078	-658 775	12
Depreciation and impairment loss (reversal)	-55 290	-71 174	
Other expense	-4 393	-18 048	
Operating profit (loss)	**1 883 580**	**1 122 684**	
Interest income	191 554	124 383	
Interest expenses	-958 871	-548 739	
Other financial income and expense	0	-123 285	
Profit (loss) before tax	**1 116 263**	**575 043**	
Income tax expense	-50	-641	
Annual period profit (loss)	**1 116 213**	**574 402**	
Profit (loss) from shareholders and partners in parent company	1 110 007	574 402	
Profit (loss) from minority interests	6 206	0	

CONSOLIDATED STATEMENT OF CASH FLOWS

(in Euros)

	2023	2022	Note
Cash flows from operating activities			
Receipts of sales of goods and rendering of services	4 857 673	4 092 684	
Other cash receipts/income proceeds from operating activities	54 780	28 200	
Payments to suppliers for goods and services	-4 922 520	-6 974 442	
Payments to employees	-465 378	-375 244	
Interest received	1 818	15	
Income tax refund (paid)	-641	0	
Other cash flows from operating activities	-715 976	-321 425	
Total cash flows from operating activtles	**-1 190 244**	**-3 550 212**	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-46 771	-22 388	
Proceeds from sales of property, plant and equipment and intangible assets	20 000	0	
Purchase of investment property	-4 806 236	-139 729	
Net cash flow from acquisition of subsidiaries and operating activities	0	-712 970	
Other cash payments to acquire subsidiaries	0	-41 289	4
Other cash payments to acquire associates	0	-1 282	5
Other cash payments to acquire other financial investments	-250	0	
Loans given	-998 266	-765 667	
Repayments of loans given	728 178	248 500	
Interest received	43 832	4 800	
Other cash outflows from investing activities	-530	0	
Other cash inflows from investing activities	1 500	0	4
Total cash flows form investing activities	**-5 058 543**	**-1 430 025**	
Cash flows from financing activities			
Loans received	8 132 509	7 687 869	
Repayments of loans received	-778 263	-4 257 192	
Repayments of finance lease liabilities	-11 846	-6 772	
Interest paid	-963 463	-803 312	
Proceeds from issuing shares	0	2 700 000	
Total cash flows from financing activities	**6 378 937**	**5 320 593**	
Total cash flows	**130 150**	**340 356**	
Cash and cash equivalents at beginning of period	690 935	350 579	
Change in cash and cash equivalents	**130 150**	**340 356**	
Cash and cash equivalents at end of period	821 085	690 935	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in Euros)

	Equity held by shareholders and partners in parent company			Minority interests	**Total**
	Issued capital	Other reserves	Retained earnings (loss)		
31.12.2021	2 500	0	2 364 189	311 365	2 678 054
Annual period profit (loss)	0	0	574 402	0	574 402
Issue of equity	390	2 699 610	0	0	2 700 000
Changes through other contributions of owners	0	1 000 000	0	0	1 000 000
Other changes in equity	0	0	-391 140	-311 365	-702 505
31.12.2022	2 890	3 699 610	2 547 451	0	6 249 951
Annual period profit (loss)	0	0	1 110 007	6 206	1 116 213
Other changes in equity	0	0	-37 367	1 500	-35 867
31.12.2023	2 890	3 699 610	3 620 091	7 706	7 330 297

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING POLICIES

General information
Everaus Kinnisvara OÜ (hereinafter also referred to as: Parent Entity) is a holding company incorporated and operating in the Republic of Estonia. The consolidated annual accounts represent the consolidated assets, liabilities, equity, results of operating and cash flows of the Parent Company and its subsidiaries (hereinafter also referred together to as: Everaus).

The consolidated annual accounts of Everaus for the financial year 2023 have been prepared according to the Estonian financial reporting standard. The requirements of the Estonian financial reporting standard comply with the internationally acknowledged accounting and reporting principles, and are stipulated in the Estonian Accounting Act and supplemented by guidelines from the Estonian Accounting Standards Board.

The financial year of Everaus begins on January 1 and ends on December 31. The consolidated annual accounts have been prepared on the basis of cost model, except for the revaluation of certain properties into fair value.

The consolidated financial statements have been prepared in euros.

Preparation of consolidated statements
BASIS OF CONSOLIDATION
Consolidated financial statements present financial information about the Parent Entity and its subsidiaries combined as a single entity.

All entities controlled by the parent company are considered to be subsidiaries. Control is considered to be effective when the parent company has, directly or indirectly through subsidiaries, 50% of voting power in the subsidiary or the parent company is controlling the operating and financial policies of the subsidiary in some other way.

In the consolidated financial statements, the financial figures of the parent entity and its subsidiaries are combined on a line-by-line basis. All intra-group receivables and liabilities, intra-group transactions and unrealized profits and losses resulting from these, are eliminated in full. The carrying amount of the parent's investment in subsidiaries and the parent's portion of equity of each subsidiary are eliminated. If the ownership interest of parent entity is less than 100% for some subsidiaries, the share of minority interest is separated from the net assets and profit or loss for the accounting period of such subsidiaries.

When preparing the consolidated financial statements, the accounting principles applied by Everaus are followed, and if necessary, adjustments are made to the subsidiaries' financial statements to bring them into conformity with Everaus' accounting principles.

Subsidiaries are consolidated from the date of acquisition until the date of disposal in the consolidated financial statements.

TRANSACTIONS WITH MINORITY INTEREST
Minority interest is included as share of equity in the consolidated balance sheet, separately from the equity of Parent Entity's equity and in a separate line of the consolidated income statement. Minority interest's share of the loss of the consolidated subsidiary is attributed to the minority interest even if this results in the minority interest having a deficit balance on the balance sheet.

Transactions increasing or decreasing an Parent Entity's ownership interest in a subsidiary under its control are recorded as transactions between owners without any resulting goodwill or profit or loss created. Any difference between the purchase or sales price and the changed carrying amount of minority interest is recognized directly in equity.

UNCONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT ENTITY PRESENTED IN THE NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS

The standalone unconsolidated financial statements of the Parent Entity are disclosed in the notes to the consolidated annual accounts. The standalone financial statements of the Parent Entity are prepared using the same accounting principles as those applied in the preparation of the consolidated financial statements, except for investments in subsidiaries, which are presented at cost in the unconsolidated statements. Upon the cost method, an investment is initially recognized at cost, which is the fair value of the consideration paid or payable upon acquisition. Cost shall later be adjusted by any impairment losses arising from and impaired investment.

Financial assets
Financial assets are initially recognized at the acquisition cost which is the fair value of the consideration paid or received for the financial asset. The initial acquisition cost includes all transaction costs directly attributable to the acquisition of financial asset.

A regular way purchase or sale of financial assets are recognized at trade date. Depending on their category, financial assets are subsequently measured at cost or at amortized cost.

At each reporting date, the company assesses whether there is any evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, a financial asset is written down. Impairment losses are recognized as an expense in the income statement.

A financial asset is derecognized when the Company loses its right to the cash flows arising from the financial asset or it transfers to a third party the cash flows derived from the financial asset and substantially all risks and rewards of ownership of the financial asset.

Cash
The balance sheet item "Cash" reflects the balances of current accounts and cash registers.

Statement of cash flows have been prepared using the direct method, i.e. presented as gross receipts and payments for the reporting period.

Shares of subsidiaries and associates

ASSOCIATES

An associate is considered to be any company controlled by the Parent Company. Control is presumed to exist when the Parent Company directly or indirectly owns 20-50% of the associate's voting rights through subsidiary, or when the Parent Company is otherwise able to control the operating and financial policies of the associate.

Investments to associates are recorded at cost. It means that investment is initially recognized at cost, which is the fair value of acquisition to be paid and if necessary the later adjusted with the value of the investment losses arising from impairment.

Receivables and prepayments

ACCOUNTS RECEIVABLE

Short-term receivables arising in the ordinary course of business are recognized as accounts receivable. Accounts receivable is stated at amortized cost. Accounts receivable from customers are valued in the balance sheet based on the probable amounts received on. In doing so, the uncollected invoices of each customer are assessed separately, taking into account the known information of the customer's solvency.

Doubtful receivables are recognized in operating expenses. Receivables from previously written down doubtful receivables are recognized as a reduction of the cost of doubtful receivables. Invoices not received from buyers, for the collection of which it is not possible or economically advantageous to take measures, have been assessed as bad and written off the balance sheet.

LOANS GIVEN

Long-term loans given are carried at amortized cost, being their present value less any uncollectible amounts. The difference between the nominal value and the present value of probable receivables during the period to maturity is recognized as interest income in the income statement line "Interest income" using the contractual interest rate of the respective receivable.

Inventories

Inventories are initially recorded at their acquisition cost, which consists of purchase costs, production costs and other costs necessary to bring the inventories to their existing location and condition.

Purchase costs include, in addition to the purchase price, other non-refundable taxes and transport costs directly related to the acquisition of inventories, less discounts and subsidies.

During the Company's normal course of business, properties, condominiums, and apartments treated as inventory are recorded at cost, which includes both their direct and indirect expenses (including capitalized loan costs during the construction period), necessary for the current state and readiness of inventory. The determination of the acquisition cost of real estate and apartments is based on specific expenses incurred for the acquisition of each property. The individual assessment method is used for cost allocation to inventories.

The stage of completion method is employed in reflecting costs of unfinished goods and in computing the balance sheet value of inventories. Generally, all construction-related direct expenses are immediately capitalized into work-in-progress inventories.

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The write-down of inventories to their net realizable value is recorded as expenses for the accounting period in the income statement line “Raw materials and consumables used”.

Investment property

Investment property is property held first and foremost to earn rentals and for capital appreciation rather than for the use in the production of goods and services, for administrative purposes or sale in the ordinary course of business.

An investment property is recognized initially in the balance sheet as its costs that also includes the purchase price and the directly attributable expenditure incurred in the acquisition. Subsequently, investment property is reflected at fair value on each balance sheet date, determined based on the real market information that existed at the reporting date and considering the best possible manner of use of the property.

Investment property is evaluated using the fair value method. Gains/losses arising from a change in the fair value of investment property is recognized in the income statement line “Other income”/”Other expenses” of the accounting period.

When evaluating unfinished investment properties (i.e. the appraisal of properties in need of development or reconstruction), the amount paid for development or reconstruction is used as the value if the income method cannot be used or if a comparison method cannot be used due to the absence of a suitable comparison base. In the evaluation, it is assumed that the buyer of the property is willing to pay and amount equal to the value of the developed or reconstructed property. The borrowings costs are capitalized into the cost of investment property during the construction period.

An investment property is reclassified in the balance sheet if a change occurs in its purpose of use. From the date when this change occurred, accounting policies of this asset group into which the item has been reclassified are applied to the property.

An investment property is derecognized upon the disposal or removal from use of the asset, if it is not expected to generate future economic benefits.

Plant, property and equipment and intangible assets

PLANT, PROPERTY AND EQUIPMENT

Plant, property and equipment are assets used in the Group’s own economic activities with a useful life of more than one year and a cost of 2 000 euros or more.

Plant, property and equipment are initially recorded at their acquisition cost, which consists of the purchase price and expenses directly related to the acquisition, which are necessary to bring the asset to its working condition and location.

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Plant, property and equipment leased under finance leases are calculated similarly to purchased non-current assets.

Depreciation is calculated using the straight-line method. The depreciation rate is determined separately for each item of property, plant and equipment, depending on its useful life. If an item of property, plant and equipment consists of distinguishable components that have different useful lives, those components are accounted for as separate assets and depreciated separately over their useful lives.

The depreciation rates assigned to property, plant and equipment are reviewed if circumstances arise that may significantly alter the useful life of the asset or asset group. The impact of changes in estimates is reflected in the reporting period and subsequent periods. Depreciation is calculated from the moment the asset is available for its intended use planned by management.

Subsequent expenditure on an item of property, plant and equipment is recognized as property, plant and equipment when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Other maintenance and repair costs are expensed as incurred.

IMPAIRMENT OF ASSETS

An item of property, plant and equipment is written down to its recoverable amount if the recoverable amount of the asset is lower than its carrying amount. Impairment losses on assets are recognized as an expense in the reporting period. The reversal of an impairment loss is recognized in the income statement as a reduction of the impairment loss on property, plant and equipment.

Property, plant and equipment is derecognized at the time of their disposal or when no future economic benefits are expected from their use or disposal.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Other leases are recognized as operating leases.

The entity presents assets leased out under an operating lease in their balance sheet according to the nature of the asset, similarly to other assets presented in the balance sheet.

The lessor recognizes lease income from operating leases as revenue in the income statement over the lease term. Payments made by the lessor are structure to increase with expected general inflation based on published indices to compensate for the lessor‘s anticipated increases in expenses due to inflation.

GROUP AS A LESSEE

Finance leases are recognized as assets and liabilities at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Finance lease payments are allocated to interest expense and to reduce the carrying amount of the liability.

The lease payments made over the lease term are recognized as an expense over the lease term, irrespective of when the payments are actually made.

Operating lease payments are recognized in expenses on a straight-lien basis over the lease term. The minimum sum of future period lease payments for non-cancellable operating leases is determine based on the lease payments for non-cancellable periods under the following assumptions:

- for leases that can be terminated by agreement of the parties, the non-cancellable period is considered to be three months:
- if a notice period is required for lease termination, the non-cancellable period is considered to be the notice period.

Financial liabilities

Financial liabilities are initially recognized at the acquisition cost which is the fair value of the consideration paid or received for the financial liability. The initial acquisition cost includes all transaction costs directly attributable to the acquisition of financial liability.

Subsequently, the financial liabilities are carried in the balance sheet at amortized cost. The adjusted acquisition cost of short-term financial liabilities is generally equal to their nominal value, therefore short-term financial liabilities are recognized in the balance sheet in the amount payable.

A financial liability is classified as short-term if it is due to be settled within 12 months after the balance sheet date or if the company has no unconditional right to defer settlement of the liability for more than 12 months after the balance sheet date. Remaining liabilities are classified as long-term.

A financial liability is derecognized when it is discharged, cancelled or expired.

LOANS RECEIVED

Interest-bearing bank loans are initially recognized at the amount of cash received, net of transaction fees paid. Subsequently, these financial liabilities are accounted for using the adjusted cost method, where the original cost is adjusted by principal repayments. Interest expense is recognized as an expense in the income statement line “Interest expense” in the period in which it is incurred. Amortization of transaction costs is recognized in the income statement together with interest expenses.

Long-term loans received are stated at amortized cost, with the original cost being adjusted by contractual repayments over the term. Interest expense is recognized as and expense in the income statement line “Interest expense” in the period in which it is incurred using the contractual interest rate of the respective receivable.

Provisions and contingent liabilities

PROVISIONS

Provisions are recognized in the balance sheet when it is probable and have arisen as a result of events occurring before the balance sheet date and whose timing or amount of settlement is uncertain. The provision is recognized on the balance sheet at an amount that, in the management’s assessment, is the best estimate of the expenditure required to settle or transfer to a third party as at the reporting date.

CONTINGENT LIABILITIES
Other possible or present obligations, whose settlement is not probable or whose amount cannot be measured with sufficient reliability, are disclosed in the notes to the financial statements as contingent liabilities.

Equity statutory reserve capital
EQUITY AND RESERVES

Voluntary reserves formed through monetary and non-monetary contributions to strengthen equity capital are reflected in “Other reserves” as part of equity capital.

Revenue recognition
Revenue from the sale of goods is recognized at the fair value of the consideration received or receivable, taking into account any discounts and rebates granted. Revenue from the sale of goods is recognized when all significant risks and rewards of ownership have been transferred from the seller to the buyer, the revenue and transactions costs can be measured reliably and the consideration for the transactions is probable.

Revenue from the sale of a service is recognized after the service has been provided or, if the service is provided over a longer period, based on the stage of completion method.

Revenue from the rendering of services is recognized by reference to the stage of completion of the service to be rendered at the reporting date, assuming that the outcome of the transaction involving the rendering of services can be estimated reliably. The outcome of the transaction can be reliably estimated if there is a contract with the service provider outlining the rights and obligations of the service provider and customer, and consideration for providing the service and the time and manner of settlement. When the total service costs exceed total service revenue, the expected loss is fully recognized in the income statement for the reporting period.

The company’s revenue reflects the sale of goods and services related to its main activities. Other income includes irregular non-operating income.

Interest income is recognized on an accrual basis when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of interest income can be measured reliably.

Expense recognition
Expenses are recognized on an accrual basis, i.e. when the substance of the transaction occurs, and not when the liability is settled.

Expenses are recognized in the same period as the related income. Expenses that are likely to contribute the economic benefits in future periods are recognized as an asset in the balance sheet when incurred and are recognized as an expense in the same period(s) in which the related revenue is recognized.

In the income statement, the item “Raw materials and consumables used” reflects the cost of services and goods purchased directly for operating purposes. Other operating expense includes expenses that are not directly treated as costs of providing services. Other expense includes irregular non-operating expenses.

Interest expense is recognized on an accrual basis as a financial expense for the period.

Taxation

According to the Income Tax Act in force in Estonia, the company's profit for the financial year is not taxed in Estonia. Income tax is paid on dividends, fringe benefits, gifts, donations, reception expenses, non-business related expenditures, and transfer price adjustments. The tax rate is 20/80 of the net amount paid out.

Corporate income tax associated with the payment of dividends is recognized as a liability and an income tax expense in the income statement in the same period as the dividends are declared, regardless of the period for which they are declared or when they are actually paid. The obligation to pay income tax arises on the 10th day of the month following the payment of dividends.

Due to the nature of the tax system, companies registered in Estonia do not have differences between the tax accounting and balance sheet residual values of assets and, as a result, deferred income tax assets and liabilities. The balance sheet does not reflect a contingent income tax liability that would arise from retained earnings on the payment of dividends.

The tax authorities may at any time inspect the books and records of the company within 5 years subsequent to the reported tax year and may as a result of their inspection impose additional tax assessments and penalties. The management is not aware of any circumstances which may give rise to a potential material liability in this respect.

Related parties

Parties are considered to be related if one party has control or significant influence over the other party's business decision, including parent companies, subsidiaries, associates, other companies in the same group, members of the supervisory board and management, their families and companies over which the above persons have control or significant influence.

In preparing the annual report, the following parties have been considered as related parties:

- owners (parent company and persons who control or have significant influence over the parent company);
- companies belonging to the same consolidation group (including subsidiaries and associates of parent company);
- management and higher supervisory body;
- close family members of the persons listed above and companies controlled of significantly influenced by them.

Events after reporting date

The reflection of events occurring after the reporting date but before the approval of the annual report depends on whether they are adjusting or non-adjusting events. And adjusting post-reporting date event is one that confirms circumstances existing on the reporting date. The impact of adjusting events is recorded in the balance sheet and income statements for the ended year. A non-adjusted post-reporting date event is one that does not provide evidence of circumstances existing on the reporting date. The impact of non-adjusting events is not recorded in the balance sheet and income statement for the ended year but is disclosed in the notes if they are significant.

NOTE 2. RECEIVABLES AND PREPAYMENTS

(in Euros)

	31.12.2023	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	253 403	253 403	0	
Receivables from related parties	492 977	492 977	0	13
Tax prepayments and receivables	222 805	222 805	0	
Loan receivables	1 538 908	2 000	1 536 908	13
Other receivables	435 733	404 733	31 000	
Interest receivables	336 514	336 514	0	13
Accrued income	99 219	68 219	31 000	
Prepayments	41 354	41 354	0	
Stage of completion	179 885	179 885	0	
Total receivables and prepayments	**3 165 065**	**1 597 157**	**1 567 908**	

	31.12.2022	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	273 196	273 196	0	
Receivables from related parties	127 805	127 805	0	13
Tax prepayments and receivables	54 959	54 959	0	
Loan receivables	1 268 820	2 000	1 266 820	13
Other receivables	297 145	266 145	31 000	
Interest receivables	161 287	161 287	0	13
Accrued income	135 858	104 858	31 000	
Prepayments	55 198	47 824	7 374	
Stage of completion	628 044	628 044	0	
Total receivables and prepayments	**2 705 167**	**1 399 973**	**1 305 194**	

NOTE 3. INVENTORIES

(in Euros)

	31.12.2023	31.12.2022
Work in progress	3 540 732	1 470 306
Finished goods	0	1 411 940
Merchandise	467	4 500
Inventory prepayments	1 197	6 075
Total inventories	**3 542 416**	**2 892 821**

Inventory has not been written down during the reporting periods.

NOTE 4. SHARES OF SUBSIDIARIES

(in Euros)

Shares of subsidiaries, general information					
Subsidiary's registry code	Name of subsidiary	Country of incorporation	Main activity	Ownership interest (%)	
				31.12.2022	31.12.2023
12890795	Everaus Capital OÜ	Estonia	construction	100	100
14724871	Lagedi Kodu OÜ	Estonia	real estate development	100	100
14739246	Everaus Ärimajad OÜ	Estonia	real estate development	100	100
14657784	Thor Capital OÜ	Estonia	construction	100	100
16109874	Ülemiste Kodu OÜ	Estonia	real estate development	100	100
16109590	Keila Kodu OÜ	Estonia	real estate development	100	100
14932612	EV Haldus OÜ	Estonia	real estate management	100	100
16216920	Everaus Finance OÜ	Estonia	other	100	100
16732900	Kangru Kodud OÜ	Estonia	real estate development	0	100
16794717	Bauwaren OÜ	Estonia	retail trade of construction materials	0	50
16803511	Raeküla Arendus OÜ	Estonia	real estate development	0	100
40203244603	M23 SIA	Latvia	real estate development	100	100

Shares of subsidiaries, detailed information			
Name of subsidiary	31.12.2022	Other changes	31.12.2023
Everaus Capital OÜ	2 500	0	2 500
Lagedi Kodu OÜ	335 815	0	335 815
Everaus Ärimajad OÜ	1 058 450	0	1 058 450
Thor Capital OÜ	5 000	0	5 000
Ülemiste Kodu OÜ	2 500	0	2 500
Keila Kodu OÜ	314 740	0	314 740
EV Haldus OÜ	2 500	0	2 500
Everaus Finance OÜ	2 500	0	2 500
Kangru Kodud OÜ	0	2 500	2 500
Bauwaren OÜ	0	1 500	1 500
Raeküla Arendus OÜ	0	3 000	3 000
M23 SIA	41 289	0	41 289
Total shares of subsidiaries, at end of previous period	**1 765 294**	**7 000**	**1 772 294**

NOTE 5. SHARES OF ASSOCIATE

(in Euros)

Shares of associates, general information					
Associate's registry code	Name of associate	Country of incorporation	Main activity	Ownership interest (%)	
				31.12.2022	31.12.2023
16222872	Everaus Scandium OÜ	Estonia	real estate development	50	50
14631520	Luige Kodud OÜ	Estonia	real estate development	50	50
16491425	Laanekodu Arendus OÜ	Estonia	real estate development	50	50

Shares of associates, detailed information		
Name of associate	31.12.2022	31.12.2023
Everaus Scandium OÜ	1 515	1 515
Luige Kodud OÜ	80 000	80 000
Laanekodu Arendus OÜ	1 282	1 282
Total shares of associates, at end of previous period	82 797	82 797

NOTE 6. INVESTMENT PROPERTY

(in Euros)

Fair value method	
31.12.2022	11 612 204
Acquisitions and additions	9 051 031
Profit (loss) from revaluation	3 196 826
Disposals	-662 000
Reclassifications	-868 701
31.12.2023	**22 329 360**

	2023
Lease income earned on investment property	322 370
Direct administrative expenses on investment property	-77 244
Disposals of investment property at selling price	635 000

In assessing the fair value of assets, Everaus has utilized both independent expert assessments and relied on its expertise in real estate, employing the market transaction price method, i.e. the comparison method and/or income approach, which is applied through the discounted cash flow method, as appropriate to the method. The determination of the fair value of investment property is based on the potential highest and best use of the property.

In determining the market value of cash generating real estate, the income approach is used, which is based on the principle that the value of real estate reflects the present value of the future net income (rental income) from it. The cash flows used in the model stem from the specific property's lease agreement. Calculations are made based on five-year cash flow analysis, using the appropriate weighted average cost of capital and capitalization rate for discounting.

Construction of Everaus Ärimaja commenced at the end of 2022. The associated costs related to the construction of the mentioned building amounted to 2 320 432 euros as of 31.12.2023 (31.12.2024: 663 228 euros).

See also Note 10.

NOTE 7. LOAN LIABILITIES

(in Euros)

	31.12.2023	Allocation by remaining maturity		Interest rate	Base currency	Due date	Note
		Within 12 months	1 - 5 years				
Current loans							
Involved loans	3 589 876	3 589 876		11-18%	EUR	2024	
Related party loans	1 410 000	1 410 000		12-18%	EUR	2024	13
Bank loans	200 000	200 000		6M Euribor + 10%	EUR	2024	
Other loans	720 000	720 000		1-10%	EUR	2024	
Total current loans	5 919 876	5 919 876					
Non-current loans							
Involved loans	4 225 796	298 266	3 927 530	11-13%	EUR	2024-2026	
Related party loans	4 383 068	1 142 000	3 241 068	3-12%	EUR	2024-2027	13
Bank loans	3 649 628	1 956 628	1 693 000	6M Euribor + 4,5-8,9%	EUR	2025-2027	
Total non-current loans	12 258 492	3 396 894	8 861 598				
Total finance lease obligations	73 600	11 503	62 097				
Total loan liabilities	**18 251 968**	**9 328 273**	**8 923 695**				

	31.12.2022	Allocation by remaining maturity		Interest rate	Base currency	Due date	Note
		Within 12 months	1 - 5 years				
Current loans							
Involved loans	1 451 660	1 451 660		10-11%	EUR	2023	
Bank loans	200 000	200 000		10%	EUR	2023	
Total current loans	1 651 660	1 651 660					
Non-current loans							
Involved loans	1 312 037	850 037	462 000	11-12%	EUR	2024-2025	
Related party loans	3 364 818	17 790	3 347 028	11-12%	EUR	2023-2025	13
Bank loans	3 007 000	706 859	2 300 141	6M Euribor + 4,5-8,9%; 10%	EUR	2025-2027	
Total non-current loans	7 683 855	1 574 686	6 109 169				
Total finance lease obligations	58 057	7 740	50 317				
Total loan liabilities	**9 393 572**	**3 234 086**	**6 159 486**				

Loan liabilities are secured by the cash flows generated from the leasing of related business properties.

Current liabilities are covered by proceeds from investment property and refinancing of short-term liabilities.

In accordance with RTJ 2.19 requirements, the long-term part of bank loan amounted to 1 914 684 euros is classified as short-term, because the loan service coverage ratio conditions has not been met as of 31.12.2023. Everaus has received confirmation after the balance sheet date that the bank accepts the covenant breach as of 31.12.2023, and no early repayment of the loan is required.

Loans are secured by assets of Everaus amounted to 26,1 million euros (31.12.2022: 14,5 million euros).

NOTE 8. PAYABLES AND PREPAYMENTS

(in Euros)

	31.12.2023	Allocation by remaining maturity	
		Within 12 months	1 - 5 years
Trade payables	2 240 886	1 960 886	280 000
Employee payables	83 147	83 147	0
Tax payables	169 807	169 807	0
Other payables	875 481	827 143	48 338
Interest payables	450 884	402 546	48 338
Other accrued expenses	424 597	424 597	0
Prepayments received	1 167 722	1 167 722	0
Total payables and prepayments	**4 537 043**	**4 208 705**	**328 338**

	31.12.2022	Allocation by remaining maturity	
		Within 12 months	1 - 5 years
Trade payables	580 471	580 471	0
Employee payables	49 949	49 949	0
Tax payables	421 546	421 546	0
Other payables	673 898	313 698	360 200
Interest payables	286 448	286 448	0
Other accrued expenses	387 450	27 250	360 200
Prepayments received	809 935	809 935	0
Total payables and prepayments	**2 535 799**	**2 175 599**	**360 200**

Includes transactions with related parties, see Note 13.

NOTE 9. CONTINGENT LIABILITIES AND ASSETS

(in Euros)

	31.12.2023	31.12.2022
Contingent liabilities		
Distributable dividends	2 896 073	2 037 961
Income tax liability on distributable dividends	724 018	509 490
Total contingent liabilities	**3 620 091**	**2 547 451**

NOTE 10. REVENUE

(in Euros)

	2023	2022
Revenue by geographical location		
Revenue in European Union		
Estonia	5 205 632	6 115 842
Total revenue in European Union	**5 205 632**	**6 115 842**
Total revenue	**5 205 632**	**6 115 842**
Revenue by operating activities		
Sale of real estate	2 981 702	5 440 805
Construction services and materials	1 920 700	437 498
Rental revenue	303 230	237 539
Total revenue	**5 205 632**	**6 115 842**

Includes transactions with related parties, see Note 13.

NOTE 11. OTHER INCOME

(in Euros)

	2023	2022	Note
Profit from fair value change of investment property	3 196 826	1 509 290	6
Other	45 276	4 497	
Total other income	**3 242 102**	**1 513 787**	

NOTE 12. LABOR EXPENSE

(in Euros)

	2023	2022
Wage and salary expense	-645 430	-492 255
Social security taxes	-220 648	-166 520
Total labor expense	**-866 078**	**-658 775**
Average number of employees in full time equivalent units	18	21

NOTE 13. RELATED PARTIES

(in Euros)

Related party balances according to groups

CURRENT	31.12.2023	31.12.2022
Receivables and prepayments		
Associates	798 950	161 287
Managment and higher supervisory body and individuals with material ownership interest and material influence of management and higher	0	120 000
Legal person with material ownership interest and material influence of management and higher	1 200	7 805
Close family members and entities under their prevalent and material influence of management and higher	2 000	2 000
Total receivables and prepayments	**802 150**	**291 092**
Loan liabilities		
Legal person with material ownership interest and material influence of management and higher	2 552 000	17 790
Total loan liabilities	**2 552 000**	**17 790**
Payables and prepayments		
Legal person with material ownership interest and material influence of management and higher	268 670	233 532
Total payables and prepayments	**268 670**	**233 532**

NON-CURRENT	31.12.2023	31.12.2022
Receivables and prepayments		
Associates	1 536 908	1 266 820
Total receivables and prepayments	**1 536 908**	**1 266 820**
Loan liabilities		
Associates	130 670	0
Legal person with material ownership interest and material influence of management and higher	3 110 398	3 347 028
Total loanliabilities	**3 241 068**	**3 347 028**

LOANS GIVEN	31.12.2021	Loans given	Repayments of loans given	31.12.2022	Interest accrued for period
Associates	720 653	546 167	0	1 266 820	119 569
Close family members and entities under their prevalent and material influence of management and higher	2 000	0	0	2 000	0
Total loans given	**722 653**	**546 167**	**0**	**1 268 820**	**119 569**

LOANS GIVEN	31.12.2022	Loans given	Repayments of loans given	31.12.2023	Interest accrued for period
Associates	1 266 820	434 434	-404 346	1 296 908	129 574
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	0	240 000	0	240 000	29 564
Close family members and entities under their prevalent and material influence of management and higher	2 000	0	0	2 000	0
Total loans given	**1 268 820**	**674 434**	**-404 346**	**1 538 908**	**159 138**

LOAN LIABILITIES	31.12.2021	Loans received	Repayments of loans received	31.12.2022	Interest accrued for period
Legal person with material ownership interest and material influence of management and higher	3 235 521	1 801 000	-1 671 703	3 364 818	372 090
Total loan liabilities	**3 235 521**	**1 801 000**	**-1 671 703**	**3 364 818**	**372 090**

LOAN LIABILITIES	31.12.2022	Loans received	Repayments of loans received	31.12.2023	Interest accrued for period
Associates	0	130 670	0	130 670	1 385
Legal person with material ownership interest and material influence of management and higher	3 364 818	3 107 898	-580 318	5 892 398	419 346
Total loan liabilities	**3 364 818**	**3 238 568**	**-580 318**	**6 023 068**	**420 731**

SOLD	2023		2022	
	Goods	Services	Goods	Services
Associates	0	2 047 223	0	89 455
Legal person with material ownership interest and material influence of management and higher	77 740	177 858	98 583	23 817
Total sold	**77 740**	**2 225 081**	**98 583**	**113 272**

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2023	2022
Remuneration	80 394	43 439

Intra-group loans given and received are unsecured.

In the financial year, impairment losses concerning related parties were not recognized.

See also Notes 2, 7, 8 ja 10.

NOTE 14. UNCONSOLIDATED BALANCE SHEET

(in Euros)

	31.12.2023	31.12.2022
Assets		
Current assets		
Cash	8 420	102 640
Receivables and prepayments	225 797	126 333
Total current assets	**234 217**	**228 973**
Non-current assets		
Investments in subsidiaries and associates	1 855 091	1 848 091
Financial investments	250	0
Receivables and prepayments	1 840 731	1 733 000
Total non-current assets	**3 696 072**	**3 581 091**
Total assets	**3 930 289**	**3 810 064**
Liabilities and equity		
Liabilities		
Current liabilities		
Payables and prepayments	15 303	15 053
Total current liabilities	**15 303**	**15 053**
Total liabilities	**15 303**	**15 053**
Equity		
Issued capital	2 890	2 890
Other reserves	3 699 610	3 699 610
Retained earnings (loss)	92 511	-3 195
Annual period profit (loss)	119 975	95 706
Total equity	**3 914 986**	**3 795 011**
Total liabilities and equity	**3 930 289**	**3 810 064**

NOTE 15. UNCONSOLIDATED INCOME STATEMENT

(in Euros)

	2023	2022
Other operating expense	-19 283	-8 690
Other expense	-1 660	-6 978
Total operating profit (loss)	**-20 943**	**-15 668**
Interest income	140 918	121 184
Interest expenses	0	-9 810
Profit (loss) before tax	**119 975**	**95 706**
Annual period profit (loss)	**119 975**	**95 706**

NOTE 16. UNCONSOLIDATED STATEMENT OF CASH FLOWS

(in Euros)

	2023	2022
Cash flows from operating activities		
Payments to suppliers for goods and services	-12 222	-3 826
Interest received	0	5
Other cash flows from operating activities	-20	1 905
Total cash flows from operating activities	**-12 242**	**-1 916**
Cash flows from investing activities		
Other cash payments to acquire subsidiaries	-7 000	-743 795
Other cash payments to acquire associates	0	-1 282
Other cash payments to acquire other financial investments	-250	0
Loans given	-11 028	-1 833 000
Repayments of loans given	-93 209	131 000
Interest received	36 300	0
Total cash flows from investing activities	**-75 187**	**-2 447 077**
Cash flows from financing activities		
Repayments of loans received	0	-142 500
Interest paid	-6 791	-6 284
Proceeds from issuing shares	0	2 700 000
Total cash flows from financing activities	**-6 791**	**2 551 216**
Total cash flows	**-94 220**	**102 223**
Cash and cash equivalents at beginning of period	102 640	417
Change in cash and cash equivalents	**-94 220**	**102 223**
Cash and cash equivalents at end of period	8 420	102 640

NOTE 17. UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in Euros)

	Issued capital	Other reserved	Retained earnings (loss)	**Total**
31.12.2021	2 500	0	-9 550	-7 050
Annual period profit (loss)	0	0	95 706	95 706
Issue of equity	390	2 699 610	0	2 700 000
Changes through other contributions of owners	0	1 000 000	0	1 000 000
Other changes in equity	0	0	6 355	6 355
31.12.2022	2 890	3 699 610	92 511	3 795 011
Carrying amount of holdings under controlling and significant influence				-1 765 294
Value of holdings under controlling and significant influence calculated on equity method				2 948 089
Adjusted unconsolidated equity 31.12.2022				**4 977 806**
Annual period profit (loss)	0	0	119 975	119 975
31.12.2023	2 890	3 699 610	212 486	3 914 986
Carrying amount of holdings under controlling and significant influence				-1 772 294
Value of holdings under controlling and significant influence calculated on equity method				4 500 004
Adjusted unconsolidated equity 31.12.2023				**6 642 696**

NOTE 18. GOING CONCERN

The current liabilities of Everaus exceed its current assets by 7 576 320 euros, including short-term part of bank loan amounted to 1 914 684 euros (see Note 7). The financial statements of Everaus have been prepared under the going concern assumption. The management estimates that the negative working capital will not create financial difficulties for the Everaus in the 2024 financial year and if necessary, the owners of Everaus are willing to financially support the Everaus and invest additional funds to the extent necessary for ensuring the sustainability of operations of Everaus.

MANAGEMENT BOARD'S CONFIRMATION OF THE ANNUAL REPORT 2023

The Management Board has prepared the management report and the consolidated financial statements of Everaus Kinnisvara OÜ on 07.05.2024.

The annual report of Everaus Kinnisvara OÜ for the year ended December 31, 2023, consist of a management report and a consolidated financial statements, accompanied by and independent auditor‘s report.

Janar Muttik
Chairman of the Management Board

Everaus Kinnisvara. Modern. Convenient. Homelike.
Photo: Märt Lillesiim

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Independent Auditors' Report

(Translation of the Estonian original)

To the Shareholders of Everaus Kinnisvara OÜ

Opinion

We have audited the consolidated financial statements of Everaus Kinnisvara OÜ (the Group), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements presented on pages 21 to 42, present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants (Estonia) (including Independence Standards) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to the fact that the comparative financial information presented in the consolidated annual report as at December 31, 2022 and for the financial year 2022 is not audited.

Other Information

Management is responsible for the other information. The other information comprises the management report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

KPMG Baltics OÜ
Licence No 17

Helen Veetamm	Merili Nõmme
Certified Public Accountant, Licence No. 606	Certified Public Accountant, Licence No. 733
Ahtri 4, 10151 Tallinn, Eesti	
7th May 2024	