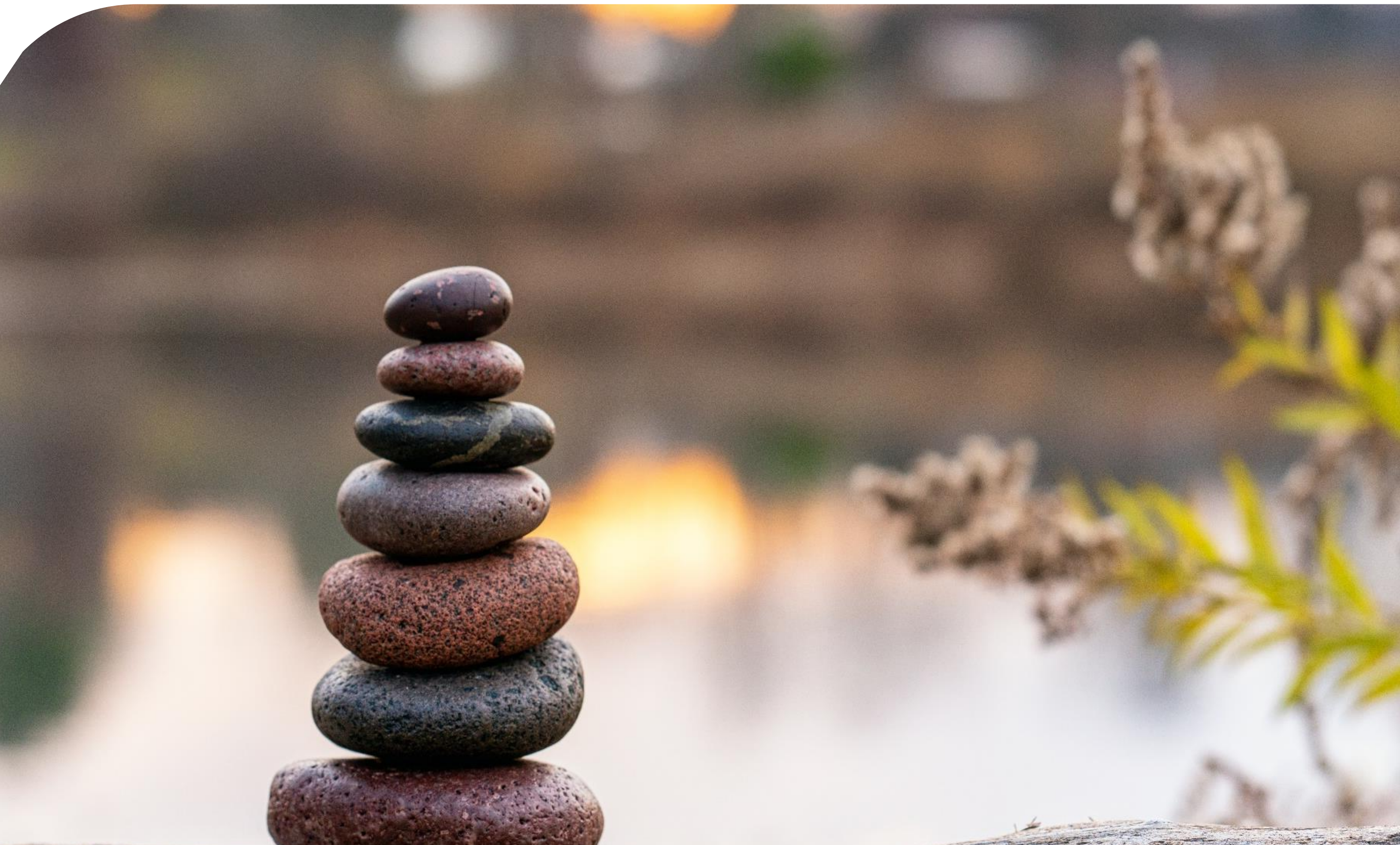
Redgate Capital

AS Redgate Capital

2023 Consolidated annual report

(Translation of the Estonian original)*

** This version of the annual report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the annual report takes precedence over this translation.*



Consolidated annual report	01.01.2023 – 31.12.2023
Business name	AS Redgate Capital
Registry number	11532616
Address	Pärnu mnt 10, Tallinn 10148
Telephone	666 8200
E-mail	redgate@redgatecapital.eu

Primary activities	Financial advisory services
License	Investment company license no 4-1-1/32 issued by the Estonian Financial Supervision and Resolution Authority

Board of Directors	Valeria Kiisk Aare Tammemäe
Supervisory Board	Mart Altvee Mairo Kaseväli Andrei Zaborski

Auditor

Business name	AS PricewaterhouseCoopers
Registry number	10142876
Address	Tatari 1, 10116 Tallinn

Management report

AS Redgate Capital ("the Company") is an independent, partnership-based investment banking firm.

The Company has two independent business areas:

Empowering corporate growth: Advising on mergers and acquisitions (M&A), capital raising (bonds, shares, other capital), and transactions involving the purchase and sale of commercial real estate. This area has been the Company's core activity since its establishment and is based on Investment Firm License No. 4.1-1/32 issued by the Financial Supervision Authority, which allows the arrangement of share and bond issues, receipt and transmission of orders for securities transactions, and advising companies on capital structure, mergers, and acquisition-related matters.

Investment management: Asset custody and investment advisory. The investment management business was launched in 2023 after a two-year preparation period. The Financial Supervision Authority has issued the Company Investment Firm License No. 4.1.-1/7, granting the Company the right to offer execution of orders related to securities in the client's name or on their behalf, investment advice, custody and management of securities, and preparation of investment and financial analysis recommendations related to securities transactions.

Company objectives

The Company's vision is to be the preferred partner in supporting the growth of companies and investors' assets in the Baltics.

Until 2023, the Company's activities were directed solely at companies. With the addition of the investment management business line, the focus expanded to include investors, the majority of whom are private individuals from Estonia, Latvia, and Lithuania. Combining the two areas is a logical next step in the Company's development. Over its 15 years of operation, the Company has built a strong brand and gained the trust of investors and clients, providing a solid foundation for launching the investment management business line.

The Company's two business areas are very different in terms of business model and complement each other—supporting corporate growth depends on the economic environment and the success of projects undertaken and is therefore highly volatile, while investment management, upon achieving sufficient volume, is a long-term stable area with predictable cash flows.

Values

The Company is guided in its work by four fundamental principles

- We value results: Our service is a tailor-made solution aiming to find the best outcome for each client individually.
- We value development: We consistently invest in the development of our services and products.
- We value our people: We create opportunities for employee development and learning, involve employees in decision-making, and encourage collaboration.
- We are responsible: We adhere to regulatory requirements and industry best practices in our activities..

Social responsibility and economic value creation

The Company actively contributes to the development of the financial ecosystem and the promotion of financial literacy. It is an active member of the financial sector representative organization

FinanceEstonia. The Company's partner Aare Tammemäe is a member of the board of FinanceEstonia, and Valeria Kiisk leads the capital markets working group. Membership and active participation in this umbrella organization allow the Company to contribute to industry developments and maintain constant communication with market participants..

The Company's partners and specialists are engaged as experts in discussions on important economic and financial topics, frequently speaking at conferences and seminars, and providing insights through radio and media outlets. Our experts also participate in the financial literacy strategy group initiated by the Ministry of Finance, contribute to the financial literacy mentor club for teachers, and support projects aimed at youth entrepreneurship and student companies.

The Company collaborates with universities. Since 2018, it has led the "Corporate Finance" course in the EBS Executive Education continuing education program, sharing knowledge on corporate growth and value assessment, owner strategy development, and the capital raising cycle. Our experts also give guest lectures at other universities and high schools across all three Baltic countries.

The Company has financially supported several initiatives aimed at enhancing financial literacy, including organizing the Investor Toomas Conference, the Investment Festival in Estonia and Latvia, and the FinanceEstonia Financial Security Forum.

The Company offers a year-round internship program for social science students interested in the financial sector. Additionally, it hosts 3-5 job shadowing students each year who come to learn about the Company's work.

Governing bodies

The Company's governing bodies are the Supervisory Board and the Management Board, consisting of the Company's partners.

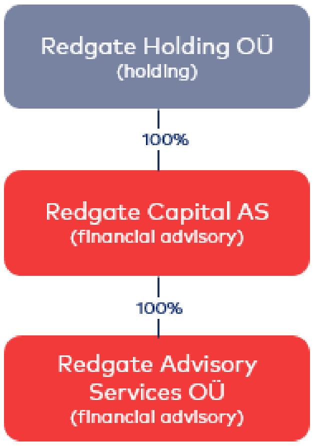
The Management Board has two members. In 2023, the board comprised Valeria Kiisk and Aare Tammemäe. Since February 13, 2024, the Management Board members are Valeria Kiisk and Mairo Kaseväli.

The Supervisory Board has three members. In 2023, it included Mart Altvee, Andrei Zaborski, and Mairo Kaseväli. From February 13, 2024, Mairo Kaseväli moved to the Management Board, and Aare Tammemäe joined the Supervisory Board in his place.

Structure

There were no changes in the Company's legal structure in 2023.

The consolidation group of AS Redgate Capital consists of AS Redgate Capital and its 100% subsidiary Redgate Advisory Services OÜ. As of the reporting date, the shareholders of AS Redgate Capital are, through the holding company Redgate Holding OÜ, the Company's five partners with equal share: Valeria Kiisk, Mairo Kaseväli, Mart Altvee, Aare Tammemäe, and Andrei Zaborski.



Committees

Committees oversee the Company's daily operations and client selection.

Engagement Committee consists of project managers from the corporate advisory field. Its purpose is the preliminary analysis and discussion of new potential projects before making an offer to a potential client.

Investment Committee is part of the investment management area. The committee includes chief investment officer, the head of the sales, and two partners.

High-risk Client Acceptance Committee is also part of the investment management area. The committee decides whether to start or not start a client relationship in situations where the investor background check has identified heightened risk factors.

Compliance and risk management participate in the work of all committees.

Business environment

In Estonia, the economy was in a downward trend throughout 2023, and although the economies of Latvia and Lithuania were stronger, uncertainty about the future negatively affected companies' investment decisions in all three Baltic countries.

An uncertain economic outlook, along with high interest rates, meant reduced demand for the Company's main services. Uncertainty forced companies to reduce their investment plans, which in turn reduced the need for additional capital.

The supply of capital also decreased, as investors became significantly more cautious and selective in the changed economic environment. Additionally, the war initiated by Russia against Ukraine affected international capital flows, as the interest of international institutions in investments in the Baltics decreased significantly. Investor uncertainty and the desire to avoid risks significantly extended the time taken for transaction negotiations in the area of supporting corporate growth; some projects are awaiting improvement in the economic environment.

We see stabilization of the situation at the beginning of 2024. There is a prevailing belief among entrepreneurs that the period of economic downturn is coming to an end, and new growth opportunities are being explored more actively. Expectations are also strengthening regarding the gradual lowering of interest rates, which creates a good basis for planning new growth. Local investors, including retail investors, are still actively seeking investment opportunities. International strategic investors are rediscovering our region, but so far there is no sign of financial investors returning.

For the investment management area launched by the Company in 2023, the economic environment is rather favorable. An uncertain economic situation creates a good basis for active asset management, in which the Company supports its clients.

Important events in the past fiscal year

A challenging economic environment put pressure on the Company's financial results. Sales revenue decreased from 2.9 million to 2.8 million. Profitability declined due to the launch of a new business line — investment management — and increased costs associated with starting business activities (e.g., creation of information systems, assembling and training the team).

An uncertain business environment and project delays have also prompted the Company to more carefully monitor both existing expenses and additional costs associated with the new business line. In 2023, several measures aimed at cost reduction have been implemented.

Major advisory transactions

Merger and acquisition transactions

MAINOR ÜLEMISTE

Acquisition of 51% of AS Technopolis Ülemiste shares

Adviser to Mainor Ülemiste AS

2023

TMB

Sale of TMB Element OÜ

Adviser to the seller

2023

Pizza kiosk

Sale of Pizzakiosk OÜ

Adviser to the seller

2023

Commercial real estate sales transactions

Sale of 29,000m² „Viru Keskus" shopping centre in Tallinn

Adviser to Pontos Baltic AS

2023

Sale of 106,000m² „Technopolis Ozas" campus in Vilnius

Adviser to Technopolis

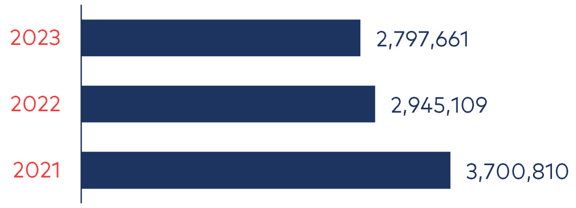
2023

Capital raising transactions

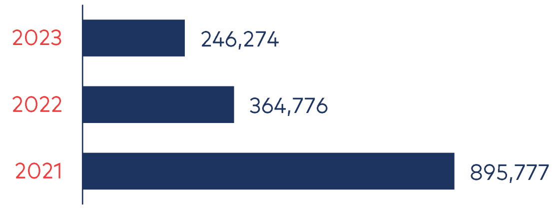
Bond issue, EUR 15m	EUR 4m bank financing	2 bond issues, EUR 13.5m	9 bond issues, EUR 37m
Adviser to SIA Storent Holdings	Adviser to Brennek OÜ / Markland Trade OÜ	Adviser to UAB Sostinės bokštai	Adviser to Marijas 2 SIA
2023	**2024**	**2023**	**2022-2023**
Bond issue of EUR 50m	Bond issue of EUR 8m	4 bond issues, EUR 32m, admittance to trading on MTF First North	2 bond issues, EUR 125m
Distributor of Eleving Group S.A. bonds	Adviser to UAB Urban hub investments	Adviser to Mainor Ülemiste AS	Regional sales agent to IuteCredit Finance S.à r.l
2023	**2023**	**2015-2023**	**2021-2023**

Financial figures

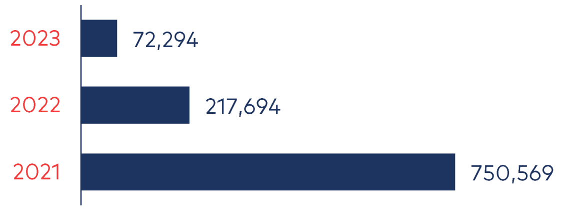
Revenue, EUR



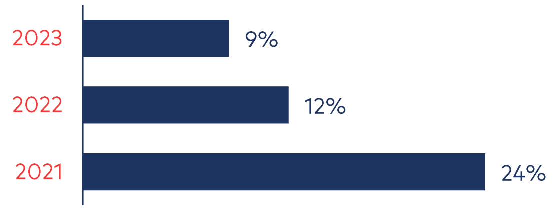
EBITDA, EUR



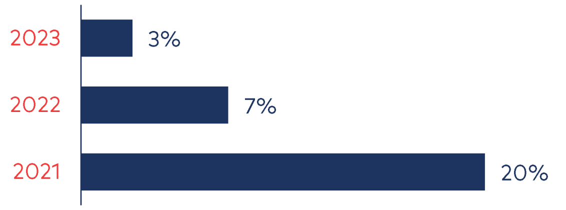
Net income, EUR



EBITDA margin, %

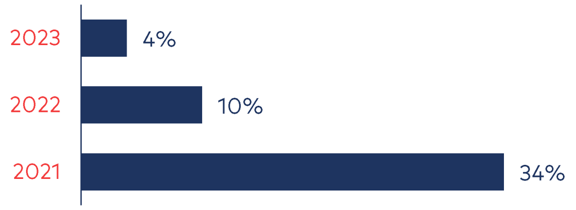


Net income margin, %

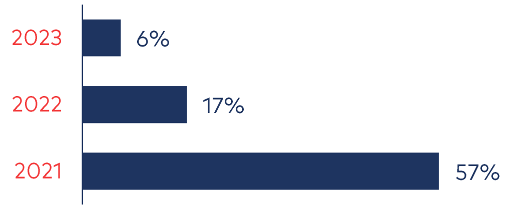


Income and expenses ratio, %

Return on assets, %



Return on equity, %



EBITDA margin = EBITDA / revenue
Net income margin = income for the reporting year / revenue
Income-expenses ratio = (payroll costs + operating expenses) / (revenue – subcontract costs)
Return on equity (ROE) = income for the reporting year/ average equity
Return on assets (ROA) = income for the reporting year/ average assets

Capital adequacy

The purpose of the Company's capital management is to ensure sufficient capitalisation to cover taken risks and economic sustainability.

The Company monitors capitalisation on two levels:

- minimum regulatory capital requirement
- buffers and additional capital resources to cover operational risks identified as a result of self-assessment

In the last financial year, the new regulation (EU) 2019/2033 of the European Parliament and of the Council on the prudential requirements for investment firms (IFR) entered into force, which will replace Regulation (EU) No 575/2013 of the European Parliament and of the Council on the prudential requirements for Credit institutions (CRR). The new regulation significantly changed the capital requirements and the procedure for calculating capital adequacy for the Company.

Own funds

(EUR)	31.12.2023	31.12.2022
Tier 1 capital		
Paid-in share capital	125,052	125,052
Retained earnings	981,765	1,102,388
Intangible assets[1] (less)	-36,088	-10,683
Total Tier 1 capital	**1,070,729**	**1,216,757**
Net own funds for capital adequacy	**1,070,729**	**1,216,757**

The level of consolidated own funds of Redgate Capital as at 31.12.2023 was EUR 1,070,792 (31.12.2022: EUR 1,216,757). The Company's own funds consist entirely of Tier 1 capital. The level of own funds was affected by the income earned in 2023 and the payment of dividends from previous retained earnings. No new own funds instruments were issued during the year.

Capital requirement under IFRS

Under IFR, an investment firm must have own funds on an ongoing basis for at least the amount specified as the higher of (1) the investment firm's fixed overheads requirement, (2) the investment firm's minimum capital requirement, or (3) the investment firm's K-factor requirement. The required level of Redgate Capital's own funds is determined by the requirement for fixed overheads.

(EUR)	31.12.2023	31.12.2022
Fixed overhead requirement	192,874	208,345
Fixed minimum capital requirement	150,000	150,000
K-factor requirement	4,429	4,501
Minimum own funds requirement	**192,874**	**208,345**

Capital adequacy

(EUR)	31.12.2023	31.12.2022
Tier 1 capital ratio	555%	584%
Capital adequacy	555%	584%

At the end of the reporting year, the level of capital adequacy of Redgate Capital is 555% (31.12.2022: 584%) and the Company meets the applicable capital requirements.

1 Software solutions, for which the related deduction is made based on accumulated depreciation in accordance with prudential requirements pursuant to Commission Delegated Regulation (EU) No 241/2014

Consolidated financial statements

Consolidated Statement of Financial Position

(EUR)	Note	31.12.2023	31.12.2022
ASSETS			
Current assets			
Cash and cash equivalents	4	522,336	437,752
Receivables and prepayments	6, 7	1,163,511	852,490
Total current assets		**1,832,514**	**1,290,242**
Non-current assets			
Financial investments	6, 7	146,667	0
Property, plant and equipment	5	72,221	95,438
Intangible assets	8	32,035	33,825
Right-of-use assets	8	170,406	200,026
Total current assets	8, 10	120,510	79,478
Total non-current assets		**541,839**	**408,767**
Total assets		**2,227,686**	**1,699,009**
LIABILITIES			
Current liabilities			
Loan liabilities	9	300,000	0
Payables and prepayments	10	698,554	386,165
Lease liabilities	11	69,075	71,879
Total current liabilities		**1,067,629**	**458,044**
Non-current liabilities			
Lease liabilities	11	53,240	13,524
Total non-current liabilities		**53,240**	**13,524**
Total liabilities		**1,089,078**	**471,568**
EQUITY			
Share capital	12	125,052	125,052
Retained earnings		981,764	1,102,388
Total equity		**1,106,817**	**1,227,441**
Total equity and liabilities		**2,227,686**	**1,699,009**

The notes on pages 15-30 form an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

(EUR)	Note	2023	2022
Revenue	13	2,797,661	2,945,109
Subcontracting services	14	-385,359	-640,425
Operating expenses	16	-781,843	-759,709
Payroll costs	15	-1,410,751	-1,204,280
Depreciation, amortisation and impairment of non-current assets	8	-146,331	-91,586
Other income	17	28,969	26,064
Other expenses		-2,403	-1,983
Interest income		6,011	5,593
Interest expenses		-2,255	-2,976
Operating income		**103,699**	**275,807**
Income before income tax		**103,699**	**275,807**
Income tax		-31,405	-58,113
Total income for the reporting year		**72,294**	**217,694**
Comprehensive income for the reporting year		**72,294**	**217,694**

The notes on pages 15-30 form an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

(EUR)	Note	2023	2022
Cash flows from operating activities			
Income before income tax		103,699	275,807
Adjustments			
Depreciation, amortisation and impairment of non-current assets	8	146,331	91,586
Interest income		-6,011	-5,593
Interest expenses		2,255	2,976
Other adjustments		-3,199	2,281
Total adjustments		**139,376**	**91,250**
Change in receivables and prepayments related to operating activities	6	-457,688	541,452
Change in payables and prepayments related to operating activities	10	312,389	-911,561
Total cash flows from operating activities		**97,777**	**-3,051**
Cash flows from investing activities			
Paid for acquisition of property, plant and equipment and intangible assets	8	-8,076	-30,480
Paid for the acquisition of intangible fixed assets	8	-17,420	-180,901
Paid for acquisition of other financial investments		-4,883	-43,000
Proceeds from sale of other financial investments	5	11,227	0
Loans granted		0	-40,000
Repayments of granted loans		16,000	22,000
Received interests		6,873	3,731
Total cash flow from investing activities		**3,721**	**-268,650**
Cash flows from financing activities			
Loans recieved	9	300,000	0
Dividends paid		-192,918	-356,981
Income tax paid		-31,405	-58,113
Repayments of lease obligations	11	-92,591	-70,384
Total cash flows from financing activities		**-16,914**	**-485,478**
TOTAL CASH FLOWS		**84,583**	**-757,179**
Cash and cash equivalents at the beginning of period	**4**	**437,752**	**1,194,931**
Net change in cash and cash equivalents		84,584	-757,179
Cash and cash equivalents at the end of period	**4**	**522,336**	**437,752**

The notes on pages 15-30 form an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

(EUR)	Share-capital	Retained earnings	Total
Balance as of 01.01.2022	**125,052**	**1,241,676**	**1,366,728**
Dividends paid	0	-356,981	-356,981
Total transactions with shareholders	**0**	**-356,981**	**-356,981**
Income for the reporting year	0	217,694	217,694
Comprehensive income for the reporting year	**0**	**217,694**	**217,694**
Balance as of 31.12.2022	**125,052**	**1,102,389**	**1,227,441**
Balance as of **01.01.2023**	**125,052**	**1 102,389**	**1,227,441**
Dividends paid	0	-192,918	-192,918
Total transactions with shareholders	**0**	**-192,918**	**-192,918**
Income for the reporting year	0	72,294	72,294
Comprehensive income for the reporting year	**0**	**72,294**	**72,294**
Balance as of **31.12.2023**	**125,052**	**981,765**	**1,106,817**

More detailed information on share capital is presented in Note 12.

The notes on pages 15-30 form an integral part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

NOTE 1: General information

AS Redgate Capital ("the Company") is a limited liability company operating under investment company license. The address of its registered office is Pärnu mnt 10, Tallinn, Estonia. Its main activity is providing financial advisory services in Estonia, Latvia and Lithuania. AS Redgate Capital owns 100% shares of OÜ Redgate Advisory Services.

These consolidated financial statements were approved and authorized for issue by the Management Board on 9th of May 2024. Pursuant to the Commercial Code of the Republic of Estonia, the annual report (that includes the financial statements) is prepared by the Management Board and approved by the Supervisory Board and authorised for issue by the General Meeting of Shareholders.

In addition to the information complying with International Financial Reporting Standards, as adopted by the European Union, financial statements include the parent company's separate financial statements, as required by the Estonian Accounting Act (Note 19).

NOTE 2: Summary of significant accounting policies

AS Redgate Capital's and its subsidiary's OÜ Redgate Advisory Services consolidated financial report, which has been compiled 31 December 2023, has been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, which are issued by the International Accounting Standards Board (IASB).

The key accounting policies used in the consolidated financial statements are outlined below. These policies have been used consistently in all the years presented, unless otherwise stated.

These consolidated financial statements have been prepared under the historical cost convention, except for the cases when described otherwise in the following accounting policies.

The financial year started on 1 January 2023 and ended on 31 December 2023. The Company's functional currency is the euro. The consolidated financial statements are presented in full units, unless otherwise stated.

New standards, implementations and amendments

Certain new International Financial Reporting Standards, amendments to existing standards, and interpretations became effective from January 1, 2023, or will become mandatory for the Company in later reporting periods.

The standards that came into effect from January 1, 2023, did not have a significant impact on the Company, except for the amendment to IAS 1 regarding accounting policies, which the Company adopted, and which changed the content and title of Note 2 from "Summary of Significant Accounting Policies" to "Disclosure of Significant Accounting Policies."

The amendment did not involve changes to the accounting policies themselves; they only affected, in certain cases, the disclosed accounting policies. Amendments to standards that become effective for reporting periods beginning on or after January 1, 2024, but which have not yet been approved by the EU, include amendments to IFRS 16 Leases, IAS 1 Presentation of Financial Statements, and IAS 7 Statement of Cash Flows. The Company assesses that the potential or actual impact of implementing these amendments is not significant.

Consolidation

The consolidated financial statements include the financial data of AS Redgate Capital and its subsidiary consolidated line by line. The subsidiary's activities are reflected in the Company's reports from the time control is acquired until it is relinquished.

Subsidiaries use the same accounting policies in preparing their reports as the Company.

Investments in subsidiaries are recognized in the unconsolidated financial statements of the parent company using the equity method.

Financial assets

Purchases and sales of financial assets that occur under normal market conditions are recognized on the transaction date, i.e., the date when the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial asset expire or are transferred, and the Company transfers substantially all the risks and rewards.

Financial assets are initially recognized at fair value plus transaction costs.

The subsequent recognition of debt instruments depends on the Company's business model for managing financial assets and the contractual cash flows of the financial asset. As of December 31, 2022, and December 31, 2023, all debt instruments are classified in the amortized cost measurement category.

Assets held to collect contractual cash flows, where those cash flows are solely payments of principal and interest on the principal amount outstanding, are measured at amortized cost. Interest income from these assets is recognized in financial income using the effective interest rate method. Gains or losses upon derecognition are recognized in the income statement under other income/expenses. Foreign exchange gains and losses and credit losses are presented in the income statement on separate lines.

As of December 31, 2022, and December 31, 2023, all the Company's financial assets were classified in the amortized cost measurement category:

- investments in bonds,
- trade receivables,
- other receivables and prepayments,
- cash and cash equivalents.

Investments in equity instruments are recognized at fair value through profit or loss. As of December 31, 2022, and December 31, 2023, the Company's only equity instrument was an investment in the fund Usaldusfond Redgate Timberland.

Tangible fixed assets

Tangible fixed assets are recognized in the statement of financial position at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets..

The capitalization threshold for fixed assets is EUR 640. The estimated useful lives of tangible fixed assets are as follows:

- Computers and office equipment: 3 to 5 years
- Furniture and office furnishings: 5 to 8 years
- Other fixed assets: 2 to 5 years

Intangible fixed assets

After acquisition, intangible fixed assets are recognized in the statement of financial position at cost less accumulated amortization and accumulated impairment losses.

Amortization is calculated on a straight-line basis. The Company's intangible fixed assets consist of software development work commissioned by the Company, with an estimated useful life of 5 years. The capitalization threshold for intangible fixed assets is EUR 640.

Leases

The Company leases office spaces.

In determining the lessee's incremental borrowing rate, the Company has used the interest rate of a loan obtained from a third party, adjusted to reflect changes in financing conditions since the time of obtaining the loan.

Right-of-use assets are depreciated on a straight-line basis over the asset's useful life and the lease term, whichever is shorter.

Financial liabilities

All financial liabilities (trade payables, accrued expenses) are initially recognized at their cost, which includes all directly attributable transaction costs. Subsequent recognition is at amortized cost using the effective interest rate method. Transaction costs are included in the calculation of the effective interest rate. Differences between amounts received (minus transaction costs) and redemption value are recognized in the comprehensive income statement over the term of the instrument using the effective interest rate. Interest expenses are recognized in the comprehensive income statement under "Interest expenses".

Loans received are initially recognized at fair value, net of transaction costs.

Taxation

According to the Estonian Income Tax Act, legal entities do not pay income tax on profits earned. Income tax is paid on fringe benefits, gifts, donations, representation expenses, dividends, and disbursements not related to business activities. Therefore, in Estonia, there are no differences between the tax and carrying amounts of assets, which would give rise to deferred income tax.

Dividends paid out of retained earnings are taxed at a rate of 20/80 on the net amount distributed. The income tax related to the payment of dividends is recognized in the comprehensive income statement as income tax in the same period when the dividends are declared, regardless of the period for which they are declared or when they are actually paid out.

Since 2019, it is possible to apply a tax rate of 14/86 to dividend payments. This favorable tax rate can be used for dividend payments up to the average dividend payout of the previous three financial years. In calculating the average dividend payout of the previous three financial years, the year 2021 is the first year to be considered.

Related parties

Transactions with related parties are considered to be transactions with members of the Supervisory Board and Management Board, their close associates, and companies in which they have control or significant influence, as well as transactions with shareholders who have significant influence.

Revenue

Revenue is recognized at the transaction price. The transaction price is the total amount to which the Company expects to be entitled in exchange for transferring promised services to a customer, less amounts collected on behalf of third parties.

The main source of the Company's revenue is service fee income from financial advisory projects (capital raising, sale of commercial real estate, corporate acquisitions and sales, etc.), service fee income from investment advisory, and securities transactions. Revenue from financial advisory projects is divided into two parts: advisory fees during the transaction preparation phase and success fees, i.e., variable fees upon successful completion of the transaction.

A variable fee is a fee payable only upon realization of the transaction. The variable fee is recognized at the specific point in time when the Company has fulfilled its performance obligations. The variable fee is recognized in revenue only to the extent that it is highly probable, in the management's estimation, that a significant reversal in the amount of cumulative revenue recognized will not occur.

Service fees and costs are recognized linearly over the service period because the customer benefits from the service at the same time as it is provided by the Company.

Significant accounting estimates

Preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the European Union requires management to make assumptions, estimates, and decisions that affect the accounting policies applied, the assets and liabilities recognized, and income and expenses. Estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable and are used in determining the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed periodically. The effects of revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Below are the most significant management estimates that may affect the financial statements:

<u>Recognition of success fees in revenue</u>. The Company's revenue consists predominantly of service fee income from transaction advisory services. This consists mainly of two parts:

a) a fixed fee paid by the client during the transaction preparation period,
b) a variable fee (success fee) payable only upon realization of the transaction.

Advisory agreements concluded by the Company with clients may, depending on the transaction, last from one month up to a year (sometimes longer). In the Management Board's assessment, the success fee can be recognized as revenue only after the completion of the transaction, even in the case of a contract that spans multiple reporting periods. Before the completion of the transaction, it is not possible to reliably predict the probability of the transaction occurring or generally the exact amount of the success fee payable for the transaction.

NOTE 3: Risk management, principles of calculating capital requirements and capital adequacy

Economic activities of the Company involve taking risks, which could have negative impact on the Company's financial position when they realize. The Company's risk management is based on the risk policy approved by the Management Board that maps most significant risks for the Company, defines the Company's risk profile and risk management process in the Company.

Risk management is the constant process, and the Management Board is responsible for that. Risk management purposes are:

a) to map most significant risks for the Company;
b) to minimise the probability of realization of the risks to the optimal level for the Company by applying limits, restrictions, or other risk mitigation techniques;
c) to monitor and track the risks;
d) to be prepared to cover losses arising from the realization of risks by providing adequate own funds buffer or access to an additional capital to restore financial situation.

For AS Redgate Capital the most significant risks are:

- Credit risk
- Liquidity risk
- Operational risk

Credit risk

Credit risk expresses potential loss if the Company's counterparties cannot fill their contractual obligations. The Company is open to credit risks through clients' unpaid invoices, investments in bonds and cash and cash equivalents hold in financial institutions.

To prevent and reduce credit risks from unpaid invoices the Management Board evaluates the Company's credit solvency, tracks the Company's credit history and if needed applies additional measures to reduce risks.

To measure expected credit losses, receivables are grouped according to common attributes of credit risk and due dates. Expected credit losses are based on the payment discipline of past 36 months up to 31 December 2022 and historical credit losses occurred in respective periods. Historical losses are adjusted to reflect current and future information on macroeconomic factors and buyers' ability to pay claims. The Company has estimated that GDP and unemployment rates in the countries where its' goods and services are sold are the most relevant indicators and the Company adjusts the historical losses rate based on the expected change of these indicators.

The impairment of receivables based on principles described above was not material as of 31 December 2022 and 31 December 2023.

The Company's investment portfolio only includes investments in bonds, which issues the Company advised itself. In order to mitigate the risk, the Company established bonds- and issuer-based limits as well as a limit on the total portfolio size. The Company does not grant loans (except for small-scale investments in bonds).

Although cash and cash equivalents and bank deposits with the maturity of over 3 months are also included in the IFRS 9 expected credit loss model, the impairment recognized was not material as of 31 December 2022 and 31 December 2023.

Free funds are held mainly on bank accounts in LHV, Swedbank, SEB and Luminor Group.

(EUR)	Note	Moody's reiting 31.12.2023	31.12.2023	31.12.2022
Swedbank		Aa3 (group)	247,235	106,937
SEB		Aa3 (group)	28,555	28,381
Luminor		A3	2,442	82,797
LHV		Baa1	244,078	219,613
Total cash on bank accounts	4		**522,310**	**437,727**

The Company's historical credit losses from the realization of credit risk have been very low. In the last five years the Company did not have any losses from credit risks.

Liquidity risk

Liquidity risk is related to the solvency of the Company's contractual obligations in a timely manner or in a full amount without incurring significant costs. Liquidity risk arises from differences in maturities between assets and liabilities.

To manage liquidity risk, the Management Board estimates constantly cash flows from assets, liabilities and off-balance sheet positions that have an impact on the Company's liquidity and financing needs.

As at 31.12.2022 and 31.12.2023, the Company had no overdue payables

Assets and liabilities held for managing liquidity risk by contractual maturity dates (31.12.2023)

(EUR)	Note	On demand	0-3 months	3-12 months	1-5 years	Over 5 years	Total	Carrying amount
Assets held for managing liquidity risk								
Cash and cash equivalents	4	522,336	0	0	0	0	**522,336**	**522,336**
Trade receivables	6	0	968,100	165,000	146,667	0	**1,279,767**	**1,279,767**
Financial investments	5	0	0	0	71,323	0	**71,323**	**71,323**
Total assets held for managing liquidity risk		**522,336**	**968,100**	**165,000**	**217,990**	**0**	**1,873,426**	**1,873,426**
Liabilities by contractual maturity dates								
Payables and prepayments	9	0	698,554	0	0	0	**698,554**	**698,554**
Lease liabilities	10	0	48,637	20,438	53,240	0	**122,315**	**122,315**
Total liabilities		**0**	**747,191**	**20,438**	**53,240**	**0**	**820,869**	**820,869**

Assets and liabilities held for managing liquidity risk by contractual maturity dates (31.12.2022)

(EUR)	Note	On demand	0-3 months	3-12 months	1-5 years	Over 5 years	Total	Carrying amount
Assets held for managing liquidity risk								
Cash and cash equivalents	4	437,752	0	0	0	0	**437,752**	**437,752**
Trade receivables	6	0	821,828	0	0	0	**821,828**	**821,828**
Financial investments	5	0	0	0	77,668	0	**77,668**	**77,668**
Total assets held for managing liquidity risk		**437,752**	**821,828**	**0**	**77,668**	**0**	**1,337,248**	**1,337,248**
Liabilities by contractual maturity dates								
Payables and prepayments	9	0	386,165	0	0	0	**386,165**	**386,165**
Lease obligations	10	0	22,410	49,469	13,524	0	**85,403**	**85,403**
Total liabilities		**0**	**408,575**	**49,469**	**13,524**	**0**	**471,568**	**471,568**

Operational risk

Operational risk is the risk of loss from the activities of people, internal procedures or systems not functioning as expected.

In order to mitigate the risk, the Company conducts a comprehensive selection of employees at the recruitment phase, contributes to the continuous training of employees, uses internal limits and control systems. The Company also carries out regular maintenance, upgrades, and tests of IT systems. The Company regularly updates its procedures and conducts regular internal trainings to ensure that they are followed.

In order to reduce operational risk, the Company has also entered into a liability insurance contract with an internationally recognized insurance service provider.

Capital management

The purpose of the Company's capital management is to ensure sufficient capitalization to cover taken risks and economic sustainability.

The Company monitors capitalization on two levels:

- minimum regulatory capital requirement
- buffers and additional capital resources to cover operational risks identified as a result of self-assessment

Under IFR, an investment firm must have own funds on an ongoing basis for at least the amount specified as the higher of (1) the investment firm's fixed overheads requirement, (2) the investment firm's minimum capital requirement, or (3) the investment firm's K-factor requirement. The required level of Redgate Capital's own funds is determined by the requirement for fixed overheads.

NOTE 4: Cash and cash equivalents

(EUR)	Note	31.12.2023	31.12.2022
Cash on hand		26	26
Bank accounts	3	522,310	437,726
Total cash and cash equivalents		**522,336**	**437,752**

NOTE 5: Financial investments

(EUR)	Note	31.12.2023	31.12.2022
Other shares and securities	3	71,323	77,668
Loans granted		898	17,770
Total other shares and securities		**73,323**	**95,438**

Financial investments are reflected in the report at adjusted acquisition cost. The fair value of financial assets does not differ significantly from their adjusted cost.

NOTE 6: Receivables and prepayments

(EUR)	Note	31.12.2023	31.12.2022
Trade receivables		26,307	405,775
Contract assets		1,253,460	416,053
Total trade receivables		**1,279,767**	**821,828**
Tax prepayments	7	1,451	658
Prepaid expenses		25,330	27,859
Other prepayments		25	52
Other receivables		3,605	2,093
Other short-term receivables and prepayments		**30,411**	**30,662**
Total receivables and prepayments		**1,310,178**	**852,490**

NOTE 7: Prepaid taxes and tax liabilities

	31.12.2023		31.12.2022	
(EUR)	Prepayment	Tax liability	Prepayment	Tax liability
Value added tax	560	10,133	0	38,526
Personal income tax	0	24,627	0	23,727
Tax on fringe benefits	0	405	0	1,663
Social security tax	0	41,966	0	40,698
Contribution to mandatory funded pension	0	2,123	0	2,362
Unemployment Insurance tax	0	2,620	0	2,523
Other tax liabilities	0	3,172	0	7,932
Prepayment account balance	891	0	658	0
Total prepaid taxes and tax liabilities	**1,451**	**85,046**	**658**	**117,431**

Information regarding receivables and liabilities is presented in notes 6 and 10.

Tax authorities have the right to review the Company's tax records for up to 5 years after submitting the tax declaration and upon finding errors, impose additional taxes, interest and fines. The management of the Company believes that there are not any circumstances, which may lead the tax authorities to impose significant additional taxes on the Company.

NOTE 8: Property, plant and equipment

(EUR)	Fixed assets	Right-of-use asset	Total fixed assets	Intangible assets	Total property, plant and equipment
31.12.2022					
Acquisition cost	126,150	152,622	**278,772**	227,751	**506,523**
Accumulated depreciation	-92,325	-73,144	**-165,469**	-27,725	**-193,194**
Carrying amount	**33,825**	**79,478**	**113,303**	200,026	**313,329**
Additions and improvements	8,076	121,396	**129,472**	17,420	**146,892**
Depreciation expense	-9,866	-80,364	**-90,230**	-47,040	**-137,270**
31.12.2023					
Acquisition cost	134,226	274,018	**408,244**	245,171	**653,415**
Accumulated depreciation	-102,191	-153,508	**-255,699**	-74,765	**-330,464**
Carrying amount	**32,035**	**120,510**	**152,545**	170,406	**322,951**

In 2023 and 2022, the Company has not written off any tangible assets due to the decrease in value and has not cancelled write-downs made in previous years.

NOTE 9: Loan liabilities

		Breakdown by residual maturity				
(EUR)	31.12.2023	0-12 months	1-5 years	over 5 years	Interest rate	Maturity date
Unsecured loan from a company	300,000	300,000	0	0	8%	31.12.2024
Total loan liabilities	**300,000**	**300,000**	**0**	**0**		

NOTE 10: Payables and prepayments

(EUR)	Note	31.12.2023	31.12.2022
Trade payables		452,559	75,400
Payables to employees		129,158	190,547
Tax liabilities	7	85,046	117,431
Other liabilities		31,791	2,787
Total payables and prepayments received		**698,554**	**386,165**

NOTE 11: Right-of-use assets and lease liabilities

The Company rents office space in Tallinn, Riga and Vilnius. All lease agreements can be terminated by agreement of the parties.

(EUR)	Lease liabilities
Balance 01.01.2022	**118,531**
Additions	34,091
Amortization	-73,144
Balance 31.12.2022	**79,478**
Additions	121,396
Amortization	-80,364
Balance 31.12.2023	**120,510**

(EUR)	Lease liabilities
Balance 01.01.2021	**118,531**
Repayments of lease liabilities	-70,384
Revaluation of previous periods	35,124
Interest expenses	2,132
Balance 31.12.2022	**85,403**
Additions	129,475
Repayments of lease liabilities	-92,591
Revaluation of previous periods	-2,227
Interest expenses	2,255
Saldo 31.12.2023	**122,315**

NOTE 12: Share capital

(EUR)	31.12.2023	31.12.2022
Share capital	125,052	125,052
Number of issued shares	1,957	1,957
Nominal value of shares	63.90	63.90

All (100%) of the Company shares belong to OÜ Redgate Holding.

The Company's retained earnings as of December 31, 2023, were 981,764 euros (December 31, 2022: 1,102,389 euros).

As of the reporting date, it is possible to distribute 981,764 euros (December 31, 2022: 1,102,389 euros) from the retained earnings to the owners as dividends, and the payment of dividends would incur dividend income tax amounting to 228,280 euros (December 31, 2022: 234,638 euros).

NOTE 13: Revenue

(EUR)	2023	2022
Net sales by geographical location		
Net sales in European Union	**2,797,661**	**2,945,109**
Estonia	1,927,167	1,649,762
Latvia	408,156	866,346
Lithuania	407,204	77,691
Luxembourg	45,734	340,130
Other countries	9,400	11,180
Total revenue	**2,797,661**	**2,945,109**

Net sales by operating activities		
Financial advisory services	2,782,955	2,936,853
Other revenue	14,706	8,256
Total revenue	**2,797,661**	**2,945,109**

NOTE 14: Costs of subcontracted services

(EUR)	2023	2022
Fees paid to distributors and partners	-385,359	-640,425
Total fees paid to distributors and partners	**-385,359**	**-640,425**

NOTE 15: Payroll costs

(EUR)	2023	2022
Wages and salaries	-1,029,538	-902,918
Social security taxes	-381,213	-301,362
Total payroll costs	**-1,410,751**	**-1,204,280**

Average number of employees working under an employment contract	22	18
Average number of employees working under member of the Management Board contract	2	2
Total number of employees reduced to full-time equivalents	**24**	**20**

NOTE 16: Operating expenses

(EUR)	2023	2022
Rent	-72,004	-45,891
Miscellaneous office expenses	-14,012	-9,819
Communications	-5,373	-6,388
IT, data and homepage	-108,964	-39,986
Information costs	-46,450	-39,642
Accounting and auditing	-39,173	-43,904
Legal expenses	-58,217	-64,631
Other consulting	-185,457	-153,656
Marketing and advertising	-69,969	-116,768
Insurance	-21,801	-25,205
Training costs	-5,334	-6,300
Transportation costs	-49,667	-47,084
Travel expenses	-18,102	-48,069
National and local taxes	-2,326	-11,816
Proportionate non-refundable VAT	-26,250	-63,948
Allocations	-31,791	0
Other operating expenses	-26,953	-36,601
Total operating expenses	**-781,843**	**-759,709**

The increase in IT and telecommunications expenses is due to costs associated with the implementation and hosting of new software solutions.

Other consulting expenses are related to cooperation agreements in Latvia and Lithuania, where the company's own team is smaller and the company more frequently involves external partners in projects.

NOTE 17: Other operating income

(EUR)	2023	2022
Other operating income	28,969	15,230
Fines, interest and penalties	0	10,834
Total other operating income	**28,969**	**26,064**

NOTE 18: Related party transactions

The sole shareholder of AS Redgate Capital is Redgate Holding OÜ. Redgate Holding OÜ shareholders are AS Redgate Capital partners through personal holding companies and they are Aare Tammemäe (Brandeis Grupp OÜ), Mart Altvee (Vahikalda Investeringud OÜ), Andrei Zaborski (SoSo OÜ), Valeria Kiisk (Montmorency OÜ) and Mairo Kaseväli (Narvik OÜ).

Purchases and sales

(EUR)	2023 Purchases	2023 Sales	2022 Purchases	2022 Sales
Owners with significant ownership and the entities under their control or significant influence	7,035	1,743	8,125	0

Balances at the end of the reporting period

(EUR)	2023 Purchases	2023 Sales	(EUR)	2022 Purchases
Owners with significant ownership and the entities under their control or significant influence	2,101	402	2,093	804

Remuneration and other significant benefits calculated for members of the management and the supervisory board

(EUR)	2023	2022
Remuneration	108,000	89,030

There are no potential obligations for the Company upon the ending of contracts with members of the management board.

NOTE 19: Parent company's unconsolidated financial statements

Parent company's unconsolidated statement of financial position

(EUR)	31.12.2023	31.12.2022
ASSETS		
Current assets		
Cash and cash equivalents	492,114	273,595
Receivables and prepayments	969,599	350,186
Total current assets	**1,461,713**	**623,781**
Non-current assets		
Investments in subsidiaries and associates	396,232	399,791
Receivables and prepayments	146,667	0
Financial assets at fair value with changes through profit or loss	71,324	77,668
Long-term receivables and advances	0	166,331
Property, plant and equipment	32,035	32,042
Intangible assets	170,405	200,026
Right-of-use assets	120,510	79,478
Total non-current assets	**937,173**	**955,336**
Total assets	**2,398,886**	**1,579,117**
LIABILITIES		
Current liabilities		
Loan liabilities	300,000	0
Lease liabilities	69,075	71,879
Payables and prepayments	638,756	266,274
Total current liabilities	**1,007,831**	**338,153**
Non-current liabilities		
Loan liabilities	230,998	0
Lease liabilities	53,240	13,524
Total non-current liabilities	**284,238**	**13,524**
Total liabilities	**1,260,278**	**351,677**
EQUITY		
Share capital	125,052	125,052
Retained earnings	981,765	1,102,388
Total equity	**1,106,817**	**1,227,440**
Total liabilities and equity	**2,398,886**	**1,579,117**

Parent company's unconsolidated statement of comprehensive income

(EUR)	2023	2022
Revenue	1,979,102	1,988,411
Subcontract expenses	-327,659	-621,425
Operating expenses	-711,486	-706,276
Payroll costs	-942,381	-744,748
Depreciation and impairment loss	-144,548	-88,979
Other income	28,969	26,064
Other expenses	-2,203	-1,978
Interest income	6,397	5,139
Operating income (-loss)	**-113,811**	**-143,792**
Income from subsidiaries	189,359	364,462
Interest expenses	-3,254	-2,976
Income before income tax	**72,294**	**217,694**
Income tax	0	0
Income for the reporting year	**72,294**	**217,694**
Comprehensive income for the reporting year	**72,294**	**217,694**

Parent company's unconsolidated statement of cash flows

(EUR)	2023	2022
Cash flows from operating activities		
Income before income tax	72,294	217,694
Adjustments		
Depreciation, amortisation and impairment of non-current assets	144,548	88,979
Interest income	-6,397	-5,139
Interest expense	3,254	2,976
Income from subsidiaries	-189,359	-364,462
Other adjustments	17	0
Total adjustments	**-47,937**	**-277,646**
Changes in receivables and prepayments related to operating activities	-766,080	942,931
Changes in payables and prepayments related to operating activities	372,482	-1,032,597
Total cash flow from operating activities	**-369,239**	**-149,618**
Cash flows from investing activities		
Paid for acquisition of property, plant and equipment and intangible assets	-8,076	-30,480
Paid for the acquisition of intangible fixed assets	-17,420	-180,901
Paid for acquiring other financial investments	-4,883	-43,000
Proceeds from sales of financial investments	11,227	0
Loans granted	0	-167,000
Given loan repayments	165,000	0
Interest received	4,501	3,715
Dividends received	192,918	356,981
Total cash flows from investing activities	**343,267**	**-60,685**
Cash flows from financing activities		
Loans received	550,000	0
Repayments of loans received	-20,000	0
Dividends paid	-192,918	-356,981
Repayments of rental obligations	-92,591	-68,103
Total cash flows from financing activities	**244,491**	**-425,084**
TOTAL CASH FLOW	**218,519**	**-635,387**
Cash and cash equivalents at the beginning of period	**273,595**	**908,982**
Net change of cash and cash equivalents	218,519	-635,387
Cash and cash equivalents at the end of period	**492,114**	**273,595**

Parent company's unconsolidated statement of changes in equity

(EUR)	Share capital	Retained earnings	Total equity
Balance 01.01.2022	**125,052**	**1,241,676**	**1,366,728**
Dividends paid	0	-356,981	**-356,981**
Total transactions with shareholders	**0**	**-356,981**	**-356,981**
Income for the reporting year	0	217,694	**217,694**
Comprehensive income for the reporting year	**0**	**217,694**	**217,694**
Balance 31.12.2022	**125,052**	**1,102,389**	**1,227,440**
Balance 01.01.2023	**125,052**	**1,102,389**	**1,227,440**
Dividends paid	0	-192,918	**-192,918**
Total transactions with shareholders	**0**	**-192,918**	**-192,918**
Income for the reporting year	0	72 294	**72,294**
Comprehensive income for the reporting year	**0**	**72 294**	**72,294**
Balance 31.12.2023	**125,052**	**981 765**	**1,106,817**

Management Board's signatures to the 2023 Consolidated Annual Report

The management has prepared the management report and the consolidated financial statements of AS Redgate Capital for the financial year ended on 31 December 2023. The management confirms that the management report and the consolidated financial statements present a true and fair overview of the Company's financial position, its financial performance and its cash flows for the year ended.

09.05.2024

Valeria Kiisk

Member of the Management Board

Mairo Kaseväli

Member of the Management Board

Independent Auditor's Report

To the Shareholders of AS Redgate Capital

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of AS Redgate Capital and its subsidiary (together the "Group") as at 31 December 2023, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Reporting on other information including the Management report

The Management Board is responsible for the other information. The other information comprises the Management report and Management Board's signatures to the 2023 Consolidated Annual Report and Profit distribution proposal (but does not include the consolidated financial statements and our auditor's report thereon).

AS PricewaterhouseCoopers
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Translation note:

This version of our report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

This independent auditor's report (translation of the Estonian original) should only be used with the Estonian original annual report signed by AS PricewaterhouseCoopers.

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 identified above 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 the Management Board and those charged with governance for the consolidated financial statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Management Board 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, the Management Board 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 the Management Board 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.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, 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 the Management Board.

- Conclude on the appropriateness of the Management Board’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 auditor’s 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 auditor’s 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.

AS PricewaterhouseCoopers

Kristi Ziugov
Auditor’s certificate no. 650

Liina Nöörlaid
Auditor’s certificate no. 686

9 May 2024
Tallinn, Estonia

Translation note:

This version of our report is a translation from the original, which was prepared in Estonian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

This independent auditor’s report (translation of the Estonian original) should only be used with the Estonian original annual report signed by AS PricewaterhouseCoopers.

Profit distribution proposal

The Management Board proposes to the General Meeting of Redgate Capital AS to distribute the profit as follows (in euros):

- Retained earnings as of 31.12.2023: 981,765 EUR
- Distribution of dividends: 0 EUR
- Retained earnings after dividends: 981,765 EUR

09.05.2024

Valeria Kiisk

Member of the Management Board

Mairo Kaseväli

Member of the Management Board