

ANNUAL REPORT

Beginning of financial year:	1 January 2023
End of financial year:	31 December 2023
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Management report

Business activities

Grünfin AS was established in January 2021. This annual report has been prepared for the period of 01.01.2023–31.12.2023. Grünfin AS received an authorisation of an investment firm from the Financial Supervision Authority in October 2021 and thereafter started to provide customers with the service. Grünfin Group OÜ, the parent company of Grünfin AS, has raised a total of EUR 3,852,565.04 in investments from shareholders and investors. These investments have covered the contribution to the share capital of Grünfin AS and the share premium, no direct external investments have been raised into the share capital of Grünfin AS. The investments are aimed at expanding the Group's business activities and product base, making sustainable investment simple, convenient and accessible to as many client groups as possible. The objective of the Company is to become the best provider of value-based investment services in Europe.

The Company is a (100%) subsidiary of Grünfin Group OÜ and provides portfolio management and ancillary investment services (safekeeping and administration of securities) in the European Economic Area (EEA).

The average number of employees in 2023 was 10 in the financial year.

The objective of Grünfin is to provide customers with a value-based portfolio management service that does not require the existence of a larger than usual start-up capital but is rather aimed at regular and long-term saving. Value-based investing provides customers with an opportunity to invest in three categories – climate, healthcare and equal treatment. In 2023, the theme of the S&P 500 Planet Friendly Companies portfolio was launched and a portfolio with a risk level profile of 100% equity funds was launched.

The average* return on portfolios in 2023 (1.01.2023–31.12.2023) was as follows:

Portfolio theme	Ambitious	Progressive	Balanced	Conservative
Climate	18.76%	17.49%	11.77%	8.63%
Equal opportunities	13.15%	12.46%	10.05%	8.43%
Health innovation	-0.29%	3.77%	5.66%	6.71 %
S&P 500 Planet Friendly Companies	7.53% (26.32%**)	7.53% (23.55%**)	6.56% (15,00%**)	5.94% (10.12%**)

* The return is calculated from the start of the year and on the assumption that no additional contributions have been made during the year.

** The S&P 500 Planet Friendly Companies theme portfolio was launched on 1.10.2023 and the return is calculated on a 3-month basis. Using the same method from the beginning of the year as for the other portfolios, the 12-month returns from the beginning of the year are shown in brackets.

The corporate segment was entered in 2023 and an employee investment plan product for companies was launched to help them increase their value proposition for employees. The product is a good alternative to an option plan and a way to build up savings to increase the financial security of employees and help them take their first steps in growing money regularly. A series of financial literacy training and knowledge-sharing sessions for companies was also launched.

At the end of the year, Grünfin managed 1,904 portfolios and the total assets of clients under management amounted to EUR 2.46 million. The company had 1611 customers, 54 of which were corporate customers.

The Company earned EUR 24,715 (2022: EUR 7,543) as service fees. The balance sheet total of the Company at end of the year amounted to EUR 1,345,454 (31.12.2022: EUR 2,329,758). The total loss of Grünfin Group OÜ for the financial year amounted to -EUR 899,851 (2022: -EUR -1,304,145). Due to an increase in revenues and other sources of income and a reduction in costs, the Company's losses decreased by 30% compared to 2022. The Company's capital adequacy and liquidity ratios were very good at the end of 2023. The capital ratio was 2.753 times and the liquidity ratio was 9.4 times. The Company is in a growth phase, so both the ROE and ROA are negative. The average ROE in 2023 was -58% (2022: -66%) and ROA -49% (2022: -56%).

In 2024, the Company intends to extend its activities, increase both the number of customers and the volume of assets. Even more attention will also be focused on business customers, in particular on the sale of the employee investment plan product. In addition, the Company engages in further development of the investment platform software and improves the customer experience in its entirety.

No significant events took place during the period of preparation of the financial statements that are not disclosed in the financial statements but that have or could have a significant impact on the results of the following financial years. Due to the small size and nature of activities of the Company, the activities involve no substantial environmental and social impacts.

External environment

The war between Russia and Ukraine, which began in 2022, and macroeconomic changes (increase in interest rates, instability of equity markets, increase in the prices of raw materials and inflation), continued into 2023. High uncertainty about investing and at the same time fear of inflation make people search for more stable asset classes. As for its nature, the product of Grünfin is long-term, oriented at stable capital growth and is thus a suitable product in changing economic conditions. At the same time, the investment capacity of retail clients has declined due to rising interest rates and inflation.

There were important changes on the regulatory landscape, which have gradually come into force and are in the process of coming into force as a result of the regulatory framework for sustainable investment. The most significant of these are Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) and Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation). These regulations ensure that sustainable investments undergo uniform treatment and obligate, among other things, fund managers and portfolio managers to disclose information about the services they provide: to what extent they take environmental, social or governance criteria into consideration.

Grünfin has taken the position that, upon the selection of investments, it prefers funds corresponding to Article 8 and 9 of the SFDR that either promote or aim to comply with sustainable criteria, respectively. With respect to investment portfolio management, the aim has been to consider sustainability criteria, but at the same time to be critical and address the same challenges faced by larger fund managers. This concerns in particular the quality and availability of data. Grünfin is in constant contact with fund managers and believes that the quality of data will improve over the coming years, although it will probably take years to achieve full certainty.

Financial statements

Statement of financial position (EUR)

ASSETS	Note	31.12.2023	31.12.2022
Current assets			
Cash	7	802,459	1,817,490
Financial investments	8	9,588	0
Receivables and prepayments	9	43,961	28,130
Total current assets		856,008	1,845,620
Fixed assets			
Property, plant and equipment	11	145,052	181,562
Intangible assets	12	344,394	302,576
Total fixed assets		489,446	484,138
TOTAL ASSETS		1,345,454	2,329,758
LIABILITIES AND EQUITY			
PAYABLES			
Current liabilities			
Lease liabilities	13	45,327	44,163
Payables and prepayments received	14	89,109	170,268
Total current liabilities		134,436	214,431
Long-term liabilities			
Lease liabilities	13	90,113	128,540
Provisions	15	17,055	0
Total non-current liabilities		107,168	128,540
TOTAL LIABILITIES		241,604	342,971
EQUITY			
Share capital at nominal value	18	150,003	150,003
Share premium		3,384,999	3,384,999
Other reserves	22	51,603	34,689
Retained earnings (loss)		-1,582,904	-278,759
Profit (loss) for reporting period		-899,851	-1,304,145
TOTAL EQUITY		1,103,850	1,986,787
TOTAL LIABILITIES AND EQUITY		1,345,454	2,329,758

Statement of comprehensive income
(EUR)

	Note	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Fee and commission income	19	24,715	7,543
Fee and commission expenses	20	-22,965	-32,183
Net operating income		1,750	-24,640
Labour expenses	21	-475,626	-606,370
Options expenses	22	-16,914	-28,803
Other operating expenses	23	-305,480	-567,892
Depreciation of non-current assets	11, 12	-123,376	-69,542
Other operating revenue		2,701	630
Other operating expenses		-297	-5,714
Other financial income	24	20,617	92
Other financial expenses		-3,226	-1,906
Profit (-loss) before income tax		-899,851	-1,304,145
Profit (loss) for reporting period		-899,851	-1,304,145
Comprehensive income (-loss) for reporting period		-899,851	-1,304,145

Cash flow statement
(EUR)

	Note	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Cash flows from operating activities			
Loss for reporting period		-899,851	-1,304,145
Adjustments:			
Depreciation of property, plant and equipment, and intangible assets	11, 12	123,376	69,542
Formation of reserves	22	16,914	28,803
Interest income		-13,945	0
Other financial expenses		3,226	1,906
Formation of provisions		17,055	0
Total adjustments		146,626	100,251
Change in receivables and prepayments related to operating activities		-10,782	-21,369
Change in payables and prepayments related to operating activities		-81,159	-98,091
Total cash flow from operating activities		-845,166	-1,323,354
Cash flow from investing activities			
Acquisition of tangible and intangible assets	11, 12	-122,099	-209,929
Loans granted		-5,000	0
Acquisition of financial investments		-559,516	0
Sales of financial investments		557,183	0
Interest received		9,799	0
Total cash flow from investing activities		-119,633	-209,929
Cash flow from financing activities:			
Proceeds from issue of shares	18	0	2,710,002
Payments for the principal portion of lease liabilities	13	-47,040	-32,420
Interest paid		-3,192	0
Total cash flow from financing activities		-50,232	2,677,582
Total cash flow		-1,015,031	1,144,299
Cash and cash equivalents at beginning of period	7	1,817,490	673,191
Change in cash and cash equivalents		-1,015,031	1,144,299
Cash and cash equivalents at end of period	7	802,459	1,817,490

Statement of changes in equity
(EUR)

	Share capital	Share premium	Other reserves	Retained earnings	Total
Balance on 31.12.2021	150,000	675,000	5,886	-278,759	552,127
Loss for financial year	0	0	0	-1,304,145	-1,304,145
Share capital issued	3	2,709,999	0	0	2,710,002
Formation of reserve	0	0	28,803	0	28,803
Balance on 31.12.2022	150,003	3,384,999	34,689	-1,582,904	1,986,787
Loss for financial year	0	0	0	-899,851	-899,851
Formation of reserve	0	0	16,914	0	16,914
Balance on 31.12.2023	150,003	3,384,999	51,603	-2,482,755	1,103,850

Further information on the share capital is set out in Note 18.

Further information on the equity reserve formed is set out in Note 22.

Note 1. General information

Grünfin AS is an investment firm licensed as of 04.10.2021. According to the authorisation, the Company provides securities portfolio management service. The Company's address on 31.12.2023 was Volta 1, Tallinn, Estonia.

The financial statements of Grünfin AS for 2023 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The financial statements for the year ended 31 December 2023 were approved by the management board on 25 March 2024. The financial statements approved by the management board will be approved by the supervisory board and shareholders. The shareholders have the right to approve or reject the financial statements and demand that the management prepare new statements. The supervisory board has no such right.

Note 2. Important accounting policies and procedures and other explanatory information used for preparing the financial statements

The financial statements of Grünfin AS have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). In addition to the information required pursuant to the International Financial Reporting Standards, the financial statements include information concerning risk management, own funds and capital adequacy subject to disclosure, which is set out in Note 5.

The financial statements have been prepared on a historical cost basis unless otherwise described in the accounting policies below.

The financial year started on 1 January 2023 and ended on 31 December 2023.

The estimates in the financial statements are presented in euros and in full units unless otherwise stated. There are no changes in accounting policies compared to the previous year.

Financial assets

Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured at fair value with changes through profit or loss
- those to be measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the transaction date, being the date on which the company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, financial assets are measured at fair value. Transaction fees of financial assets are expensed in profit or loss.

Impairment

The Company assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions. The Company uses expert-based individual assessments for calculating ECLs.

The ECL model has a three-stage approach based on changes in the credit risk. A 12-month ECL (Stage 1) applies to all items unless there is a significant increase in credit risk since initial recognition. For items where there is a significant increase in credit risk (Stage 2) or which are in default (Stage 3), life-time ECL applies.

On each balance sheet date the Company performs an assessment of whether credit risk has increased significantly since initial recognition. The assessment of whether there has been a significant increase in credit risk is based on quantitative and qualitative indicators. Indicators include payments that are past due >30 days and <90 days and financial assets whose contractual terms have been revised due to the customer's financial difficulties. In case there has been a significant increase in credit risk since initial recognition, an allowance for lifetime ECL shall be recognised and the financial asset is transferred to Stage 2. The approach is symmetrical, meaning that in subsequent balance sheet dates, if the credit quality of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the financial asset moves back to Stage 1.

For trade receivables without a significant financing component the Company applies a simplified approach permitted by IFRS 9 and measures the allowance for impairment losses at expected lifetime credit losses from initial recognition of the receivables. The Company uses a provision matrix in which allowance for impairment losses is calculated for trade receivables falling into different ageing or overdue periods.

Fair value measurement

The Company measures the fair value of financial instruments, such as derivatives, at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – quoted (unadjusted) price on the active market for identical assets and liabilities;

Level 2 – assessment methods whereby the significant inputs of the lowest tier are directly or indirectly observable;

Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Cash

Cash and cash equivalents include cash at bank and short-term bank deposits (with a redemption term of less than 3 months) that do not bear any significant risk of changes in their market value.

Foreign currency transactions and financial assets and liabilities denominated in foreign currencies

The functional currency of the Company is the euro. Foreign currency transactions are recognised using the official exchange rates quoted by the European Central Bank on the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are restated in euros using the official exchange rates quoted by the European Central Bank on the reporting date. Gains and losses on foreign currency transactions are recognised in profit or loss as revenue and expenses of the period.

Financial investments

Financial investments are initially registered at their cost which is equal to the fair value paid for the financial asset in question and the investments are registered on the date of the transaction.

Transaction costs associated with financial investments are recognised in profit or loss. Investments in equity instruments must always be recognised at fair value.

Financial instruments recognised at fair value are restated on each working day according to their current fair value without deducting potential transaction costs associated with the realisation of the financial instrument. The basis for the fair value is the listed market price of the financial instrument.

Property, plant and equipment, and intangible assets

Based on the materiality concept, only such asset items are recognised as non-current assets that have, separately or as a set, a cost of more than EUR 10,000 and useful life of more than one year.

Property, plant and equipment have been recognised in the statement of financial position at their cost, less accumulated depreciation and any write-downs resulting from impairment of assets. Property, plant and equipment are depreciated using the straight-line method.

Depreciation rates are established separately for each item of fixed assets on the basis of its useful life.

The depreciation rates established for property, plant and equipment are reviewed if circumstances have occurred that might change the useful life of the fixed assets or the useful life of the group of fixed assets to a significant extent. The effect of changes in evaluations is recognised within the reporting period and in subsequent periods.

Property, plant and equipment are derecognised upon transfer of the assets or when the entity no longer expects an economic benefit from the use or sale of the assets. Expenses related to current maintenance and repairs are recognised under the expenses of the reporting period.

The threshold for recognition of non-current assets is EUR 10,000 and the useful life is determined separately in the event of each asset item.

Leases

As a result of all leases, the lessor receives the right to use the asset as of the commencement of the lease and – if the lease payments are made over a period of time – they receive financing as well.

The lessee must (a) register the assets and liabilities of all leases with a term of more than 12 months unless the value of the leased asset is low; and (b) recognise depreciation on leased assets and interest expenses on lease liabilities in profit or loss.

The Company leases office premises. At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option. The lessee reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the lessee is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Initial measurement

At the commencement date, a lessee measures the right-of-use asset at cost.

The cost of the right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement of the lease term, less any lease incentives received;
- any initial direct costs incurred by the lessee;

- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the lessee uses the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Subsequent measurement

After the commencement date, the Company measures the right-of-use asset and the corresponding liability on the date that the cost model can be applied to the leased asset. To apply a cost model, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

After the commencement date, the Company measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. After the commencement date, the lessee recognises interest on the lease liability in profit or loss. If there are changes in lease payments, there may be a need to remeasure the lease liability. A lessee recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the lessee recognises any remaining amount of the remeasurement in profit or loss.

A lessee accounts for a lease modification as a separate lease if both:

- a) the modification increases the scope of the lease by adding the right to use one or more underlying asset; and
- b) the consideration of the lease increases by an amount commensurate with the standalone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

Each lease payment is apportioned between the finance charge (interest expense) and the principal repayments of the lease liability to reduce the carrying amount of the liability. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability at any given time.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Financial liabilities

The trade creditors, taxes payable and payables to employees recognised under financial liabilities are initially registered at their cost, which is the fair value of the consideration payable or receivable for the particular financial liabilities.

Payables to employees include calculated but unpaid salaries and holiday pay liability as at the reporting date. Holiday pay liability is recognised together with social taxes and unemployment insurance premiums in the balance sheet under payables and prepayments and in profit or loss under personnel expenses.

Legal reserve

Pursuant to the Commercial Code of the Republic of Estonia, the Company transfers each financial year at least 5% of the net profit of the current year to the statutory reserve capital until the reserve capital accounts for at least 10% of the share capital.

The statutory reserve capital may not be distributed as dividends, but it may be used to cover losses if the losses cannot be covered from the available equity. The statutory reserve capital may also be used to increase the share capital of the Company.

Off-balance sheet accounting

Off-balance sheet accounts consist of customers' funds safekept by Grünfin. Off-balance sheet assets may be recognised in cash or securities. Grünfin invests cash deposited by customers in securities once a week. Customers' assets are also recognised as off-balance sheet liabilities. Customers' assets are recognised as liabilities on a cash basis at the moment when cash is received from the customer.

Grünfin keeps off-balance sheet accounting in the accounting programme as a separate module (Customer Ledger) which includes all the accounts used in the accounting of customers' assets.

The Customer Ledger receives input information from the Grünfin system and from customers' bank accounts, including securities accounts. It also serves as an output for the accounting of Grünfin in order to keep accounts of revenue and expenses.

Revenue recognition

Revenue is recognised in terms of the following main revenue types: fee and commission income, other operating revenue and financial income.

Fee and commission income is recorded in the accounting on an accrual basis at the moment of executing the respective transaction. Revenue earned in the Company's ordinary course of business is recognised at the fair value of the consideration received or receivable.

Performance linked fees or fee components are recognised when the performance criteria are fulfilled. Other one-off service revenues and other revenues are recognised on an accrual basis at the moment of executing the respective transaction.

The sales revenue of the Company consists of fixed monthly fees for the management of portfolios and the performance fee if upon achieving the ultimate goal the portfolio has yielded a larger gain than that which was initially estimated.

Taxation

Corporate income tax

Pursuant to the Income Tax Act in force in Estonia, the profit of a company earned in a financial year is not taxed in Estonia. Income tax is paid on dividends, fringe benefits, gifts, donations, costs of entertaining guests, payouts not related to business and adjustments of the transfer price.

There are no differences between the carrying amounts and tax bases of the assets of companies registered in Estonia that could result in deferred tax receivables and deferred tax liabilities. The contingent income tax liability which would arise on the distribution of retained earnings as dividends is not recognised in the balance sheet. The maximum tax liability that would arise upon the payout of retained earnings as dividends is presented in the notes to the financial statements.

The corporate income tax associated with the distribution of dividends is recognised as a liability and an income tax expense in profit or loss at the time the dividends are declared, regardless of the period for which the dividends are declared or the time of their actual payment.

The income tax liability emerges on the 10th day of the month following the month when the dividends were paid out. The income tax is withheld by the entity that distributed the dividends.

Related parties

For the purposes of the financial statements, related parties include:

Executive and senior management and private owners with majority holdings, except if such persons are unable to exercise significant influence on the business decisions of the company;

Close family members of the persons described above (i.e. the family members who can be presumed to have significant influence, such as spouses and children) and companies under their control or significant influence.

Recognition of events after the balance sheet date

Events after the balance sheet date include events of impact on the business activities of the Company, which had not yet occurred on the balance sheet date, but which have an influence on business activities in subsequent periods. A distinction is made between adjusting and non-adjusting events. Adjusting events have an impact on the financial results of the period that has ended. Non-adjusting events have no impact on financial results.

Note 3. Adoption and interpretation of new or revised standards and new accounting policies

Adoption of new or revised standards and interpretations

As of 1 January 2023, some new standards or interpretations thereof have become effective and have therefore been adopted by the Company, but these do not have a material impact on the Company's financial results.

New standards, interpretations and amendments thereto that have not entered into force yet

At the date of approval of these financial statements, the IASB and IFRIC have issued a number of new standards and amendments to existing standards or interpretations that have not entered into force yet. The Company has not adopted any of these standards or amendments to existing standards in advance.

The management intends to apply the new standards and interpretations from the date of their entry into force. The management believes that the new or revised standards or interpretations thereof are not expected to have a material impact on the Company's financial results.

Note 4. Critical management estimates and judgments

The preparation of financial statements in conformity with IFRS as adopted in the EU requires management to make judgments, estimates and assumptions that affect applicable accounting policies and reported amounts of assets and liabilities, income and expenses.

The estimates and related assumptions are based on historical experience and a number of other facts believed to be relevant and are derived from facts that form the basis for policies for valuing assets and liabilities that are not directly derived from other sources. The actual results may differ from the estimates. The estimates and underlying assumptions are reviewed periodically. The effects arising from the review of accounting estimates are recognised in the period in which the estimates are changed, if this only concerns the given period, or in the given and future periods, if the change concerns both the current and future periods.

The following are key management estimates that may have an impact on the financial statements:

Trade receivables (assessment of recoverability) – the management assesses accounts receivable on the basis of its experience and best knowledge, and the management assesses all the receivables individually, the expected credit losses are calculated in respect of accounts receivable, and the management tests, above all, impairment of the value of outstanding receivables and writes off the estimated sum of doubtful and uncollectible receivables.

Value of assets – on each balance sheet date the management estimates whether there are any indications that the value of assets may have fallen below their carrying amount and whether there are any objective indications to an impairment of the value of assets, including intangible assets; an impairment of the value is recognised if it is highly likely that the assets in their entirety or a significant portion thereof do(es) not bring the expected economic benefit, e.g. expiration or termination of use of licences.

Assessment of useful lives of property, plant and equipment – the management has assessed the useful lives of property, plant and equipment proceeding from the forecast useful life of the assets and relying on its experience. The useful lives and residual values of items of property, plant and equipment are reviewed at the end of each financial year and, if necessary, the depreciation methods or rates are adjusted.

Recognition of assets held by customers – the management has analysed the recognition of assets held by customers and determined that pursuant to the principles of the IFRS, all asset classes of clients must be recognised in the off-balance sheet accounts and the revenue and expenses generated by the assets of customers belong to the customer in full.

Going concern – the management board of Grünfin AS has assessed the ability of Grünfin AS to continue as a going concern and believes that Grünfin AS has sufficient funds in order to continue its activities. Therefore, the financial statements are prepared on the basis of the going concern principle.

Contingent liabilities – the tax authority is entitled to inspect the Company’s accounting for taxation purposes within five (5) years of the due date for filing a tax return and, upon identifying errors, determine an additional amount of tax, interest or penalty. The Company’s management is of the opinion that in 2023 there were no circumstances that could result in tax authorities imposing any significant additional tax amounts on the Company.

Note 5. Risk management, principles of calculating capital requirements and capital adequacy

Grünfin AS has applied, on a Group basis, a set of risk management rules, the principles and policies of which have been approved by the management board and supervisory board. In order to manage possible business risks, the Company applies corresponding processes for identifying, mitigating and monitoring risks. Risk management consists in consistent activities in which the organisation as a whole has been involved and the purpose of which is to ensure the sustainability of the Company through the existence of sufficient capital should the risks materialise as well as to ensure transparency and high quality of management decisions.

The most significant risks for Grünfin AS are the following:

Liquidity risk – the risk that the Company is unable to meet its liabilities on time. To manage this risk, a regular capital and risk assessment process is carried out and the cash flows arising from assets and liabilities and having an impact on liquidity also undergo regular monitoring. The revenue of Grünfin consists of the fees and commissions collected from customers; in the case of arrears, Grünfin has the right to sell the securities held by customers in order to cover the arrears. Liquidity risk includes the risk of funding, which may materialise if the Company lacks stable sources of financing for its operations. As a starting company, the Company needs additional financing until revenues exceed costs. Grünfin has a robust process for monitoring capital and plans for additional financing are made well in advance.

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

	Note	Demand	Up to 1 year	More than 1 year	Total
Assets held for managing liquidity risk					
Cash and cash equivalents	Note 7	802,459	0	0	802,459
Financial investments	Note 8	0	9,588	0	9,588
Receivables and prepayments	Note 9	0	43,961	0	43,961
Total assets held for managing liquidity risk		802,459	53,549	0	856,008
Liabilities by contractual maturity dates					
Payables and prepayments	Note 14	0	89,109	0	89,109
Lease liability	Note 13	0	45,327	90,113	135,440
Provisions	Note 15	0	0	17,055	17,055
Total liabilities		0	134,436	107,168	241,604

Economic cycle risk – the risk resulting from changes in the phase of an economic cycle. This risk may have an impact on the activity of customers and, in turn, reveal itself in the form of another risk, e.g. business risk, for the Company. The service provided by Grünfin is generally aimed at regular savings, which should level the fluctuation of financial markets for the customer during a longer savings period. Grünfin monitors the risk and reports to the management regularly.

Strategy and business risk – the risk that inadequate business decisions or insufficient implementation thereof or inadequate response to changes in the operating environment and customer behaviour or technological development results in loss or reduces revenue. For example, changes in the operating environment and customer behaviour that may, among other things, be caused by the materialisation of the risks listed above. Business risk is mitigated, among other things, through the recruitment policy, regular reporting on implementation of the business plan and operational regular risk and financial reporting which ensures that the management board and supervisory board have sufficient information for making necessary decisions and producing adequate responses. Similarly to business risks, we have considered strategic risks to be significant risks that may arise from inappropriate strategy or its implementation and that could affect the economic performance and sustainability of the Company. This risk is managed mainly through the organisational structure, ensuring that the supervisory board regularly receives information and is able to intervene and make proposals when the need arises. In addition, the management and supervisory board of Grünfin AS with the representatives of the lead investors hold strategy days twice a year to review the set directions (new markets, new products, new client segments, cost levels, business performance, sustainability targets) in order to make corrections in the strategy or its implementation if necessary.

Concentration risk – the assets of customers and Grünfin are held through Swedbank AS. The risk may materialise if Swedbank is unable to meet its obligations to its customers. In order to hedge the risk, Grünfin takes into consideration the credit ratings issued with regard to Swedbank AB, the parent company of Swedbank AS (SP, Fitch, Moodys: <https://www.swedbank.com/investor-relations/debt-investors/rating.html>), conducts regular counterparty assessments and, where necessary, reassesses the asset holding as volumes increase.

The Company has also assessed the earnings risk, operational risk, market risk, price risk, currency risk, credit risk and other risks, but their impact is not significant. However, we assess the risks regularly and, when our business grows and/or the environment changes, we will adjust the assessment results.

Credit risk arises from potential loss due to improper performance or non-performance of obligations under the law of obligations or due to other factors (including the economic situation). The assets exposed to credit risk are mainly receivables from credit institutions and investment firms, receivables, loans, financial assets at fair value through profit or loss. The management has assessed the ECLs as insignificant due to the strong rating of the counterparty.

Financial assets at fair value with changes through profit and loss These are mainly the available funds of Grünfin AS, which are invested in highly liquid government bonds and the term and overnight deposits of highly rated banks. The management estimates the ECL as unlikely.

Grünfin AS granted a loan to Grünfin Group OÜ in the amount of EUR 5,000 for the purpose of liquidity management. The credit risk of the loan granted has not increased since it was issued and there is no material credit risk associated with the loans granted to the related party.

Own funds

The own funds of Grünfin AS only consist of Tier 1 (i.e. the strongest and most liquid) funds, which are the paid-up share capital and the share premium.

	2023	2022
Own funds	707,853	1,649,522
Tier 1 capital	707,853	1,649,522
Common equity tier 1 capital (CET 1)	707,853	1,649,522
Share capital	150,003	150,003
Share premium	3,384,999	3,384,999
Deductions from own funds (including loss, intangible assets)	-1,244,245	-1,606,721

Capital management and requirements

The purpose of capital management is to ensure the existence of sufficient own funds in order to cover the risks assumed and therethrough ensure the sustainability of economic activities. Grünfin adheres to the two-pillar principle. Pillar 1 ensures the minimum regulatory capital requirement and Pillar 2 ensures the additional capital reserve which is formed as a result of the internal capital and risk assessment (ICARA) or as a result of an additional supervisory assessment and that is not covered by Pillar 1.

The own funds requirement is calculated on the basis of Regulation (EU) 2019/2033 of the European Parliament and of the Council on the prudential requirements of investment firms, which entered into force in summer 2021. The own funds requirement, i.e. Pillar 1 own funds, of Grünfin AS amounted to the forecast fixed overhead for three months (the own funds requirement is the higher of the three, either the minimum capital requirement or fixed overhead requirement or K-factor).

Pillar 2, i.e. the additional capital requirement, is assessed regularly according to the internal capital and risk assessment (ICARA) process. According to the assessment made in 2023, the Pillar 2 additional capital requirement amounted to EUR 113,818. The capital requirement of Pillar 1 and Pillar 2 in total amounted to EUR 370,952.

Grünfin AS met all the regulatory capital requirements. Own funds requirements and capital requirements are set out in the tables below.

	2023	2022
Own funds requirement	257,134	270,000
Minimum capital requirement	150,000	150,000
Fixed overhead requirement	257,134	270,000
K-factor	1,002	357
Total own funds requirement	257,134	270,000

Capital adequacy

	2023	2022
CET1 capital ratio	2.753	6.109
Surplus (+) / deficit (-) of CET1 capital	+ 563,858	+1,498,322
Tier 1 capital ratio	2.753	6.109
Surplus (+) / deficit (-) of Tier 1 capital	+515,002	+ 1,447,022
Capital ratio	2.753	6.109
Surplus (+) / deficit (-) of total capital	+ 450,719	+ 1,379,522

Liquidity requirement

The regulatory liquidity requirement applicable to investment firms is 1/3 of the fixed overhead requirement. The fixed overhead requirement is determined in accordance with Article 13 of Regulation (EU) 2019/2033, which states that the fixed overhead requirement for the first year is based on projections and that for the following years the actual fixed overheads of the previous year are taken into account. In 2023, Grünfin AS' liquid assets consisted of short-term unencumbered deposits. Grünfin AS' liquidity requirement was met to the extent of more than 9 times as of 31.12.2023.

	Liquidity requirement	Liquid assets	Liquidity requirement rate
2023	85,711	802,459	9.4
2022	90,000	1,817,490	20.2

Note 6. Fair value measurement of financial assets and liabilities (EUR)

	Tier 1	Tier 2	Tier 3	Total
31.12.2022				
Financial assets				
Cash	0	1,817,490	0	1,817,490
Receivables and prepayments	0	0	28,130	28,130
Total	0	1,817,490	28,130	1,845,620
Financial liabilities				
Payables and prepayments	0	0	170,268	170,268
Total	0	0	170,268	170,268
31.12.2023				
Financial assets				
Cash	0	802,459	0	802,459
Financial investments	9,588	0	0	9,588
Receivables and prepayments	0	0	43,961	43,961
Total	9,588	802,459	43,961	856,008
Financial liabilities				
Payables and prepayments	0	0	89,109	89,109
Total	0	0	89,109	89,109

Levels used in fair value measurement:

Level 1 – quoted price in active markets

Level 2 – financial instruments are measured based on market information

Level 3 – financial instruments are measured using other measurement methods

Note 7. Cash
(EUR)

	31.12.2023	31.12.2022
Current account	0	1,817,490
Overnight deposit	182,459	0
Term deposit*	620,000	0
Total cash	802,459	1,817,490

* A short-term deposit that expires on demand and does not incur significant costs on early termination.

Note 8. Financial investments
(EUR)

	31.12.2023	31.12.2022
Investments in exchange-traded shares and index funds (ETFs)	9,588	0
Total financial investments	9,588	0

Note 9. Receivables and prepayments
(EUR)

	Note No.	31.12.2023	within 12 months	31.12.2022	within 12 months
Prepayment for right-of-use assets		6,761	6,761	6,761	6,761
Other prepaid expenses		13,130	13,130	21,061	21,061
Outstanding interest		4,097	4,097	0	0
Prepaid taxes	10	13,859	13,859	0	0
Fees and commissions receivable		1,065	1,065	308	308
Receivables from related parties (loans)	17	5,049	5,049	0	0
Total receivables and prepayments		43,961	43,961	28,130	28,130

In the opinion of the management, there has been no material increase in credit risk on this loan since its initial recognition, so this loan is valued at the balance sheet date of phase 1. The 12-month ECL is estimated as insignificant given the low probability of default and the credit loss in the event of default.

Note 10. Prepaid taxes and taxes payable
(EUR)

	Note No.	Prepayment 31.12.2023	Payable 31.12.2023	Prepayment 31.12.2022	Payable 31.12.2022
Income tax withheld		0	950	0	9,743
Income tax on fringe benefits		0	767	0	549
Social tax		0	8,294	0	15,334
Mandatory funded pension		0	328	0	612
Unemployment insurance premium		0	400	0	715
Value added tax	9	13,859	0	0	1,662
Other taxes payable		0	12,243	0	25,100
Total taxes payable	14	13,859	22,982	0	53,715

Note 11. Property, plant and equipment and right of use
(EUR)

	Right-of-use assets (office premises)	Fixtures and fittings	Total
31.12.2021			
Cost	0	0	0
Accumulated depreciation	0	0	0
Residual value	0	0	0
New leases	203,217	0	203,217
Acquired property, plant and equipment	0	652	652
Additions through business combinations	0	10,116	10,116
Depreciation expenses	-30,808	-1,615	-32,423
31.12.2022			
Cost	203,217	10,768	213,985
Accumulated depreciation	-30,808	-1,615	-32,423
Residual value	172,409	9,153	181,562
Depreciation cost 2023	-40,941	-2,154	-43,095
Adjustment of cost	6,585	0	6,585
31.12.2023			
Cost	209,802	10,768	220,570
Accumulated depreciation	-71,749	-3,769	-75,518
Residual value	138,053	6,999	145,052

Note 12. Intangible assets
(EUR)

	Capitalised development costs*	Other software	Total
31.12.2021			
Cost	131,944	8,590	140,534
Accumulated depreciation	0	0	0
Residual value	131,944	8,590	140,534
including in progress (not in use)	11,875	8,590	20,465
			0
Purchases and improvements	190,381	0	190,381
Additions through business combinations	0	8,780	8,780
Depreciation expenses	-34,514	-2,605	-37,119
			0
31.12.2022			
Cost	322,325	17,370	339,695
Accumulated depreciation	-34,514	-2,605	-37,119
Residual value	287,811	14,765	302,576
including in progress (not in use)	42,025	0	42,025
			0
Purchases and improvements	122,099	0	122,099
Depreciation expenses	-76,807	-3,474	-80,281
			0
31.12.2023			
Cost	444,424	17,370	461,794
Accumulated depreciation	-111,321	-6,079	-117,400
Residual value	333,103	11,291	344,394
including in progress (not in use)	0	0	0

* Grünfin's own software, both as outsourced services and as capitalised wage costs, has been recognised under capitalised development costs.
Grünfin's software has a useful life of five (5) years.

Note 13. Leases
(EUR)

The Company leases office premises since March 2023, which is recognised as a right-of-use asset and a corresponding liability in accordance with IFRS 16.

Right-of-use assets and lease liabilities are recognised under separate headings in the statement of financial position. Further information concerning the movement of right-of-use assets has been provided in Note 11.

Movements in lease liabilities:

	Lease liabilities
Balance on 31.12.2021	0
Addition of a new lease	195,266
Lease principal repayments	-32,420
Interest expenses	1,906
Adjustments	7,951
Balance on 31.12.2022	172,703
Lease principal repayments	-47,040
Interest expenses	3,192
Adjustments	6,585
Balance on 31.12.2023	135,440

The lease liability was divided into short-term and long-term liabilities as follows:

	31.12.2023	31.12.2022
Short-term lease liability	45,327	44,163
Long-term lease liability	90,113	128,540
Total	135,440	172,703

Note 14. Payables and prepayments received
(EUR)

	Note No.	31.12.2023	within 12 months	31.12.2022	within 12 months
Payables to employees	16	28,299	28,299	59,283	59,283
Payables to related parties	17	5,296	5,296	18,367	18,367
Taxes payable	10	22,982	22,982	53,715	53,715
Trade creditors		5,306	5,306	9,805	9,805
Other accruals		23,650	23,650	21,171	21,171
Credit card bookings		3,576	3,576	7,927	7,927
Total payables and prepayments		89,109	89,109	170,268	170,268

Note 15. Provisions
(EUR)

	31.12.2023	31.12.2022
Long-term provisions		
Grünfin Employer Programme	10,259	0
Tax allocation from Grünfin Employer Programme	6,796	0
Total long-term provisions	17,055	0

Note 16. Payables to employees
(EUR)

	31.12.2023	31.12.2022
Wages and salaries payable	16,936	38,056
Holiday pay liability	11,363	21,227
Total payables to employees	28,299	59,283

Note 17. Related parties
(EUR)

Related parties of the Company are deemed to be the following persons:

1. Executive and senior management and close family members of such persons (spouse, cohabiting partner, child) and companies under their control or significant influence [1].
2. Parent company (and persons controlling or having significant influence over the parent company)
3. Private owners with majority holding (unless the persons cannot exercise significant influence over the business decisions of the Company) and close family members of the persons listed above, and companies under their control or significant influence
4. Subsidiaries
5. Other companies belonging in the same consolidation group (e.g. the remaining subsidiaries of the parent company)
6. Associates

[1] Control or significant influence generally arises either from a holding in the Company's capital or membership in its managing bodies

The parent company Grünfin Group OÜ, who is a reporting entity and holds 100% of the shares of the Company, is a company registered in Estonia.

Transactions and balances with related parties by groups were as follows:

Total receivables and prepayments to related parties	Note No.	31.12.2023	31.12.2022
Short-term loan granted to parent company		5,000	0
Outstanding loan interest		49	0
Total receivables and prepayments	9	5,049	0

Payables and prepayments received from related parties	Note No.	31.12.2023	31.12.2022
Members of the management board (settlements with reporting persons)	14	5,296	18,367
Total payables and prepayments		5,296	18,367

Purchases from related parties	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022
Services from the parent company	0	80,906
Non-current assets from the parent company	0	18,896
Total purchases from related parties	0	99,802

Financial income from related parties	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022
Interest income on loan agreement	49	0
Total financial income from related parties	49	0

Remuneration and other significant benefits calculated for executive and senior management	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022
Remuneration calculated	142,997	235,728
Options related to executive and senior management	97	184

Note 18. Share capital
(EUR)

	31.12.2023	31.12.2022
Share capital	150,003	150,003
Number of shares	150,003	150,003
Nominal value of shares	1	1

No shares were issued during the financial year (2022: 3 shares with a nominal value of EUR 1 were issued).

The issue of the shares resulted in the share premium of EUR 2,709,999 in 2022.

On the basis of the Articles of Association, the minimum amount of the share capital is EUR 125,000 and the maximum amount is EUR 500,000.

Note 19. Fee and commission income
(EUR)

Sales revenue by geographical regions	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Sales to EU countries:		
Estonia	21,249	6,520
Germany	1,979	764
France	99	0
Austria	97	70
Spain	267	43
Finland	140	12
Belgium	100	0
Hungary	285	94
Portugal	163	16
Lithuania	94	4
Netherlands	84	0
Italy	79	0
Czech Republic	51	0
Slovakia	21	0
Romania	1	20
Other countries	6	0
Total:	24,715	7,543

Sales revenue by areas of activity	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Securities portfolio management	16,239	7,245
Investment plans for companies	2,466	298
Training expenses	6,010	0
Total:	24,715	7,543

Note 20. Fee and commission expenses
(EUR)

	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Securities account fees	11,274	8,424
Service charges of securities transactions	7,986	9,026
Other service charges	3,705	14,733
Total fee and commission expenses	22,965	32,183

Note 21. Labour expenses
(EUR)

	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Wage and salary expenses	424,497	552,106
Social tax	145,107	190,036
Unemployment insurance premium	2,234	2,512
Income tax expenses	11,569	0
Total	583,407	744,654
Capitalised wage costs	-107,781	-138,284
Total staff costs	475,626	606,370
Average number of employees in full-time equivalents	10	11
Average number of employees by type of work:		
Person working under employment contract	6	7
Member of management or supervisory body of legal entity	4	4

Note 22. Employee option programme
(EUR)

The employee option programme was adopted by a resolution of shareholders on 30 October 2020. The purpose of the option programme is to offer a long-term motivation programme to all employees of the Group and also meet the expectations of the labour market in the technology company.

The management board decides on the option packages of the Company in the case of each employee and position separately. On the basis of the option programme, an employee has no right to expect guaranteed return or financial compensation. Every employee earns options during an individual vesting period while working in the Company within four years. Thereby, the first 25% of the options are vested after one year has passed from the commencement of the employment relationship and thereafter in monthly portions until the end of the vesting period.

Upon termination of the employment relationship, the Company has no obligation to offer any financial compensation for options. Owning options does not grant the employee the right to vote or the right to dividends.

	2023	2022
Expenses resulting from the issuance of share options	16,914	28,803

Summary of options issued	2023		2022	
	Average strike price	Number of options	Average strike price	Number of options
1 January	0.01	90,050	0.01	96,500
Issued within the year	0	0	0.01	2,550
Exercised within the year	0	0	0	0
Withdrawn within the year	0.01	-1,417	0	0
31 December	0.01	88,633	0.01	96,500

* *weighted average value*

** *considering the requirement for 1-year length of employment*

No options expired and 1417 options were withdrawn during the period.
The weighted average vesting period of unvested options as at the end of the period was 1.55 years.

Fair value of options

The fair value of options was measured proceeding from the value of the Company measured on the basis of the transaction for sale of shares that was concluded in November 2022. The fair value of options issued before that event was measured proceeding from the value of the paid-up equity of the Company.

In addition, the fair value of options was also measured using the Black Scholes option pricing simulation model in which the following inputs were used:

1. Strike price of option – EUR 0.01 (2022: EUR 0.01)
2. Weighted average fair value at measurement date – EUR 8.74
3. Term – 4 years after issue
4. Price volatility – 15% (*S&P 500 historical average volatility*)
5. Expected dividend yield – 0%
6. Risk-free interest rate – 3%

As at 31.12.2023, the share option reserve totalled EUR 51,603 (31.12.2022: EUR 34,689).

Note 23. Other operating expenses (EUR)

	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Lease and rent	0	2,583
Other office expenses	30,165	76,679
Business travel expenses	14,226	20,800
National and local taxes	10,522	49,468
Legal aid and accounting	72,695	107,592
Marketing expenses	78,346	202,438
Services and consultations	7,991	23,095
Other expenses	87,909	70,588
Personnel-related expenses	17,672	0
Training and recruitment expenses	898	14,649
Income from adjustment of VAT proportion	-14,944	0
Total other operating expenses	305,480	567,892

Note 24. Other financial income
(EUR)

	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Financial income on bonds	6,672	0
Interest on bank deposits and current account	13,945	92
Total other financial income	20,617	92

Note 25. Off-balance-sheet assets and liabilities
(EUR)

Off-balance sheet assets include customers' funds in a separate bank account and customers' securities. The assets of customers are held separately from those of the company and are accounted for off-balance sheet. Customers' assets are safekept at a credit institution, the parent company of which has been assessed by the rating agencies Fitch, S&P and Moody's <https://www.swedbank.com/investor-relations/debt-investors/rating.html>.

Off-balance sheet assets	31.12.2023	31.12.2022
Securities	2,437,853	994,491
Customers' current account	21,052	6,594
Interim accounts for customer settlements	4,159	-37
Total	2,463,064	1,001,048
Off-balance sheet liabilities	31.12.2023	31.12.2022
Liabilities to customers	2,463,064	1,001,048
Total	2,463,064	1,001,048

Note 26. Events after the reporting date
(EUR)

No significant events have occurred after the reporting date 31.12.2023 that could have an impact on the results of the past financial year.

Signatures of members of management board to annual report 2023

The management board has prepared the management report and the financial statements of Grünfin AS for the financial year ended 31 December 2023.

The management board declares that the management report of Grünfin AS set out on pages 3-4 gives a true and fair view of the development and results of the business activities, and financial position of the Company.

The management board declares that, to the best of their knowledge, the financial statements set out on pages 5 to 26 give a true and fair view of the assets, liabilities, financial position and results of the Company in accordance with the International Financial Reporting Standards as adopted by the European Union and include a description of the main risks and doubts.

..... 2024
Triin Hertmann
Member of the Management Board

..... 2024
Karin Nemeč
Member of the Management Board

..... 2024
Alvar Lumberg
Member of the Management Board

..... 2024
Jürgen Valter
Member of the Management Board

**Proposal for covering loss for financial year
(EUR)**

The loss of Grünfin AS as at 31.12.2023 was as follows:

Retained loss	-1,582,904
Loss for reporting period	- 899,851
Total retained earnings (loss)	-2,482,755

The management board of Grünfin AS makes a proposal to the general meeting of shareholders to cover the loss for the financial year on the account of the profit of future periods.

25.03.2024

Triin Hertmann
Member of the Management Board

Karin Nemec
Member of the Management Board

Alvar Lumberg
Member of the Management Board

Jürgen Valter
Member of the Management Board

Division of revenue of Grünfin AS pursuant to Estonian Classification of Economic Activities (EMTAK)

Estonian Classification of Economic Activities (EMTAK) code	2023	2022
64301	24,715	7,543
Investments of trusts, investment funds and similar financial entities in bonds, securities and other financial instruments		