ANNUAL REPORT

beginning of financial year:	01.01.2025
end of the financial year:	31.12.2025
business name:	Crowdestate AS
register code:	14773059
postal address:	Harju maakond, Tallinn, Kesklinna linnaosa, Narva mnt 7a
postal code:	15172
e-mail address:	info@crowdestate.eu
web address:	https://www.crowdestate.eu

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Management report

Introduction

Founded in January 2014, by the end of its first decade of operations Crowdestate had become one of the longest-standing and best-known real estate crowdfunding platforms in Europe. Crowdestate's mission was to make professional-grade real estate investing accessible to everyone interested in such investments, and its globally scalable technology platform served tens of thousands of investors from more than 100 countries.

The year 2025 was the most transformative financial year in the company's history and marks a clear turning point compared with the company's first decade of operations. Following five years of adverse developments affecting the real estate crowdfunding market — the COVID-19 pandemic, high inflation, the sharp increase in interest rates, Russia's war in Ukraine, and the prolonged downturn in the real estate market — the Management Board and Supervisory Board of Crowdestate decided to change the company's business focus.

Consequently, in spring 2025 the company decided to **discontinue the provision of real estate crowdfunding services** and to focus on a new business line: **the provision of payment services aimed at regulated crowdfunding platforms**, under a Payments-as-a-Service model, and **crowdfunding technology software services**, under a Software-as-a-Service model.

Discontinuation of the Crowdfunding Business Line

Since the COVID-19 pandemic, retail investors' interest in real estate crowdfunding projects had gradually declined to a level at which continuing this business line was no longer economically viable. During the period in which the decision to discontinue the real estate crowdfunding business line was being considered, the Supervisory Board and the Management Board met every few weeks and, in light of the likely closure of the business line, concluded that it would not be prudent to assume new long-term obligations towards investors.

Crowdestate published its final crowdfunding offer in December 2024.

In March 2025, Crowdestate initiated discussions with the Estonian Financial Supervision and Resolution Authority regarding the discontinuation of crowdfunding services and, on 10 April 2025, submitted an application to voluntarily surrender the crowdfunding service provider licence issued to the company on 6 March 2023, licence No. 4.1.-1/32. Crowdestate also submitted to the Financial Supervision and Resolution Authority a comprehensive action plan for the discontinuation of the business line.

Crowdestate discontinued its crowdfunding business line under the supervision of the Financial Supervision and Resolution Authority and in a manner that best protected the interests of clients.

One of the main priorities in closing the crowdfunding business line was the return of clients' funds to investors' personal bank accounts. As a result, client funds held on the platform decreased significantly during the reporting year, from EUR 3,055,744 as at 31 December 2024 to EUR 523,938 as at 31 December 2025. Client funds continue to be clearly separated in Crowdestate's balance sheet from the company's own assets.

As at 31 December 2025, the procedure for revoking the crowdfunding service provider licence was still ongoing (see Note 14).

Recovery of the Crowdfunded Investment Portfolio

With respect to the remaining crowdfunding investments, Crowdestate's primary operational focus was on recovering the capital invested in these projects and on the related legal proceedings.

Of the more than one thousand crowdfunding investments successfully funded during the platform's operating history, only a limited number of problematic projects remained in the recovery phase by the time the decision to discontinue the crowdfunding business line was made. At the time of preparation of this report, approximately 40 projects remained in the crowdfunding portfolio, in respect of which collateral assets are being realised in various forms through court or enforcement proceedings.

The sale of collateral assets has proved more difficult than usual in the current geopolitical and economic environment. Weak demand has extended sales periods, limited access to capital has made the completion of projects more difficult, and the collateral realisation system based on auctions has not always produced the expected results. Consequently, in some cases the realisable value of collateral assets has been significantly lower than the values previously indicated in expert valuations. Crowdestate is represented in court and enforcement proceedings by local professional law firms, and the proceedings will continue until all collateral has been realised and the recovered funds have been distributed to investors.

New Business Line: Payment Services (PaaS) and Crowdfunding Technology (SaaS)

The decision to discontinue the provision of crowdfunding services did not mean that the company had decided to cease operations entirely. Crowdestate retained its most valuable assets: a mature, reliable and highly scalable technology platform, into which approximately EUR 2 million had been invested over the years; more than ten years of practical, supervised experience in the crowdfunding market; and a payment institution licence.

In the second half of 2025, the company developed a new strategy, “Crowdestate 2.0”, to redirect these assets into two complementary business lines:

- **Payment services (PaaS)** — the provision of regulated payment services and payment infrastructure to third-party European crowdfunding service providers. Under the European Crowdfunding Regulation (EU) 2020/1503, crowdfunding platforms may not themselves hold client funds and must use a licensed payment institution for this purpose. This has created structural and continuing demand for precisely the regulated payment services that Crowdestate is licensed to provide. The market for such payment services is concentrated in the hands of a small number of service providers, primarily based in Western Europe, as a result of which Baltic and Central and Eastern European platforms, whose investor bases are predominantly pan-European, are structurally underserved.
- **Crowdfunding technology (SaaS)** — the provision of Crowdestate’s automated crowdfunding platform technology to regulated crowdfunding platforms. Among other functions, this technology covers the full lifecycle of providing crowdfunding services, including onboarding investors and project owners, opening and managing wallets and accounts, KYC/AML functionality, publishing and managing crowdfunding projects, payment processing, and preparing and submitting regulatory reporting.

The distinguishing feature of this offering is **the combination of a licensed payment institution with ten years of direct experience in providing crowdfunding services** — a position that no market participant providing only payment services or IT services can credibly replicate. During 2025, Crowdestate began validating the new business line through discussions with several potential clients, partners and platform operators, and started the strategic, organisational and technical preparations necessary for its implementation. The regulatory steps required to launch the new business model will take place after the reporting date and are described in Note 14.

Licences and Regulatory Status

In 2025, Crowdestate AS continued to operate as a **payment institution** under the Estonian Payment Institutions and E-money Institutions Act, on the basis of payment institution licence No. 4.1-1/82 issued by the Financial Supervision and Resolution Authority on 21 June 2021. The licence gives Crowdestate the right to open payment accounts for clients, execute their payment transactions and hold client funds, and is a central element of the company’s future business model.

At the company’s own request, Crowdestate’s **crowdfunding service provider licence** was subject to a voluntary revocation procedure throughout the reporting year. The company continued to operate under the supervision of the Financial Supervision and Resolution Authority and fulfilled its regulatory reporting and compliance obligations during the reporting year.

Investors

In line with its decision to discontinue the provision of crowdfunding services, Crowdestate ceased registering new investors and did not carry out marketing activities aimed at acquiring investors during the reporting year.

The focus of communication with investors shifted to transparently explaining the closure of the platform and managing the existing crowdfunding portfolio.

Organisation and Governance

During the transition phase, the company maintained an appropriately lean organisation. In 2025, the company had a two-member Management Board and no salaried employees.

The average number of employees, calculated on a full-time equivalent basis, was three, consisting of members of management or supervisory bodies. Loit Linnupõld served as Chairman of the Supervisory Board throughout the year.

In connection with the launch of the new business line, the company initiated a change in the composition of the Management Board. The fit-and-proper assessment materials for the candidate for the position of the new Chairman of the Management Board were submitted to the Financial Supervision and Resolution Authority in December 2025. The change will take effect after the reporting date (see Note 14).

In addition, the company carried out the annual collective suitability self-assessment of its governing bodies, which was updated to reflect the competencies required for the new business model centred on payment and software services.

Financial Results

The year 2025 was a year of consolidating remaining operations, reducing costs and closing the crowdfunding business line. The decrease in the volume of operations, together with the service fees earned during the year, resulted in a significantly improved financial result compared with the previous year.

The company's financial position at the reporting date was strong:

- **Total assets** amounted to EUR 1,569,137 (2024: EUR 3,838,778), including cash of EUR 714,879, of which client funds accounted for EUR 523,938. These client funds are recognised as a corresponding liability to clients.
- **Equity** amounted to EUR 1,018,438 (2024: EUR 652,075), including share capital of EUR 250,000 and share premium of EUR 820,380.
- As a payment institution, the company's **own funds** significantly exceeded the regulatory minimum requirement: own funds amounted to approximately EUR 527,000, compared with the regulatory minimum requirement of EUR 125,000. This represents a net own funds surplus of approximately EUR 402,000, or a 4.2-times capital buffer. The company maintained own funds adequacy above the regulatory minimum throughout the reporting year.

Going Concern

The annual report has been prepared on a going concern basis. The company exited 2025 with positive equity, own funds exceeding the regulatory minimum, and a clear forward-looking strategy.

The Management Board and the Supervisory Board consider the going concern assumption appropriate, taking into account the company's capital position, the orderly nature of the discontinuation of crowdfunding activities, and the planned transition to a business model based on payment and technology services.

The annual accounts

Statement of financial position

(In Euros)

	31.12.2025	31.12.2024	Note
Assets			
Current assets			
Cash and cash equivalents	714 879	3 086 031	2
Receivables and prepayments	381 324	351 943	3
Total current assets	**1 096 203**	**3 437 974**	
Non-current assets			
Receivables and prepayments	343 821	163 170	3
Property, plant and equipment	0	537	6
Intangible assets	129 113	237 097	7
Total non-current assets	**472 934**	**400 804**	
Total assets	**1 569 137**	**3 838 778**	
Liabilities and equity			
Liabilities			
Current liabilities			
Payables and prepayments	550 699	3 186 703	8
Total current liabilities	**550 699**	**3 186 703**	
Total liabilities	**550 699**	**3 186 703**	
Equity			
Issued capital	250 000	250 000	9
Share premium	820 380	820 380	
Retained earnings (loss)	-202 795	25 659	
Annual period profit (loss)	150 853	-443 964	
Total equity	**1 018 438**	**652 075**	
Total liabilities and equity	**1 569 137**	**3 838 778**	

Income statement
(In Euros)

	2025	2024	Note
Revenue	580 131	408 470	10
Other income	50 590	20 404	
Raw materials and consumables used	-4 273	-23 226	
Other operating expense	-184 939	-294 846	11
Employee expense	-146 223	-356 483	12
Depreciation and impairment loss (reversal)	-168 521	-243 702	6, 7
Other expense	-717	-12 795	
Operating profit (loss)	**126 048**	**-502 178**	
Interest income	36 785	59 895	
Interest expenses	-53	-864	
Other financial income and expense	-11 927	56	
Profit (loss) before tax	**150 853**	**-443 091**	
Income tax expense	0	-873	
Annual period profit (loss)	**150 853**	**-443 964**	

Notes

Note 1 Accounting policies

General information

The financial statements of Crowdestate AS for 2024 have been prepared in accordance with the Estonian Financial Reporting Standards.

The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements have been prepared in euros.

Crowdestate AS is classified as a "small business" and thus, the statement of cash flows and the statement of the changes in equity are not included in this annual report.

Cash and cash equivalents

Cash in hand and at the bank is recognized as "Cash and cash equivalents".

Receivables and prepayments

Accounts receivable have been valued in the balance sheet based on the amounts likely to be received. Each outstanding invoice is assessed individually, considering all the known information on the client's solvency. Doubtful receivables are partially or fully expensed, depending on the specific circumstances for being uncollectible.

Plant, property and equipment and intangible assets

When recognising fixed assets in the balance sheet, accumulated depreciation and impairment losses are deducted from their acquisition cost. Based on the materiality principle, those assets with an acquisition cost exceeding 640 euros and a useful life of more than one year are recognised as fixed assets. Assets with a lower acquisition cost or a shorter useful life are expensed when taken into use and are accounted for on off-balance-sheet accounts. The Company uses the straight-line method to depreciate its fixed assets.

Minimal acquisition cost 650

Useful life by assets group (years)

Assets group name	Useful life
Vehicles	3 aastat
Software	3 aastat

Financial liabilities

Financial liabilities include unpaid suppliers' invoices, accrued liabilities and other current and non-current liabilities. Financial liabilities are accounted for on the balance sheet at amortised costs. A financial liability is removed when it is discharged, cancelled or expired.

Revenue recognition

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

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

Expense recognition

Expenses are classified according to the items in the selected income statement scheme No. 1. Expenses are recognized in the same period as they are recognized related revenues. Expenses incurred in the course of business are either recurring expenses or prepaid expenses. Expenses that are equal to or longer than the reporting period are subject to accrual basis based on the materiality principle. Such periods are generally months, quarters, years.

Related parties

The company considers parties to be related if one party has control over the other party or has a significant influence over the other party's business decisions, and such parties are:

The parent company (and owners of the parent company);
Other companies belonging to the same consolidation group;
Managing director, management board and supervisory board of a company and private owners with significant holdings, unless these persons do not have the opportunity to have a significant influence on the business decisions of the company.
In addition, related parties are close relatives of the persons described above and companies controlled or significantly influenced by them.

Note 2 Cash and cash equivalents

(In Euros)

	31.12.2025	31.12.2024
Bank accounts	190 941	30 287
Customer assets	523 938	3 055 744
Total cash and cash equivalents	**714 879**	**3 086 031**

Note 3 Receivables and prepayments
(In Euros)

	31.12.2025	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	193 743	115 991	77 752	
Accounts receivables	193 743	115 991	77 752	
Receivables from related parties	90 243	59 091	31 152	13
Tax prepayments and receivables	14 009	14 009	0	4
Loan receivables	120 880	120 880	0	13
Other receivables	63 931	63 931	0	
Interest receivables	63 931	63 931	0	13
Prepayments	3 906	3 906	0	
Other paid prepayments	3 906	3 906	0	13
	1 349	0	1 349	
	3 516	3 516	0	
	233 568	0	233 568	
Total receivables and prepayments	**725 145**	**381 324**	**343 821**	

	31.12.2024	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	162 851	65 855	96 996	
Accounts receivables	162 851	65 855	96 996	
Receivables from related parties	93 708	61 500	32 208	13
Tax prepayments and receivables	7 479	7 479	0	4
Loan receivables	159 680	159 680	0	13
Other receivables	44 782	44 782	0	
Interest receivables	44 782	44 782	0	13
Prepayments	11 024	11 024	0	
Deferred expenses	0	0	0	
Other paid prepayments	11 024	11 024	0	
Deposits	1 500	1 500	0	
Other receivables to customer	123	123	0	
Other prepayments for legal expenses	33 966	0	33 966	
Total receivables and prepayments	**515 113**	**351 943**	**163 170**	

Note 4 Tax prepayments and liabilities

(In Euros)

	31.12.2025		31.12.2024	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Corporate income tax	0	13	0	0
Value added tax	14 009	0	7 479	6 195
Personal income tax	0	1 809	0	5 924
Social tax	0	2 864	0	11 232
Contributions to mandatory funded pension	0	455	0	751
Unemployment insurance tax	0	12	0	198
Total tax prepayments and liabilities	**14 009**	**5 153**	**7 479**	**24 300**

Note 5 Shares of subsidiaries

(In Euros)

Shares of subsidiaries, general information					
Subsidiary's registry code	Name of subsidiary	Country of incorporation	Principal activity	Ownership interest (%)	
				31.12.2024	31.12.2025
12952326	Crowdestate Collateral Agent OÜ	Estonia		100	100

Note 6 Property, plant and equipment

(In Euros)

					Total
				Machinery and equipment	
	Transportation	Computers and computer systems	Other machinery and equipment		
31.12.2023					
Carried at cost	82 739	1 199	1 075	85 013	85 013
Accumulated depreciation	-73 730	-1 199	0	-74 929	-74 929
Residual cost	**9 009**	**0**	**1 075**	**10 084**	**10 084**
Depreciation	-3 675	0	-538	-4 213	-4 213
Disposals (in residual costs)	-5 334	0	0	-5 334	-5 334
Other changes	0	0	0	0	0
31.12.2024					
Carried at cost	0	1 199	1 075	2 274	2 274
Accumulated depreciation	0	-1 199	-538	-1 737	-1 737
Residual cost	**0**	**0**	**537**	**537**	**537**
Depreciation	0	1 199	538	1 737	1 737
Impairment loss	0	-1 199	-1 075	-2 274	-2 274
31.12.2025					
Carried at cost	0	0	0	0	0
Accumulated depreciation	0	0	0	0	0
Residual cost	**0**	**0**	**0**	**0**	**0**

Disposed property, plant and equipment at selling price

	2025	2024
Machinery and equipment	0	18 770
Transportation	0	18 770
Total	**0**	**18 770**

Note 7 Intangible assets
(In Euros)

		Total
	Computer software	
31.12.2023		
Carried at cost	1 758 060	1 758 060
Accumulated depreciation	-1 367 199	-1 367 199
Residual cost	**390 861**	**390 861**
Acquisitions and additions	85 725	85 725
Depreciation	-239 489	-239 489
31.12.2024		
Carried at cost	1 843 785	1 843 785
Accumulated depreciation	-1 606 688	-1 606 688
Residual cost	**237 097**	**237 097**
Acquisitions and additions	60 000	60 000
Depreciation	-167 984	-167 984
31.12.2025		
Carried at cost	1 903 785	1 903 785
Accumulated depreciation	-1 774 672	-1 774 672
Residual cost	**129 113**	**129 113**

Note 8 Payables and prepayments

(In Euros)

	31.12.2025	Within 12 months	Note
Trade payables	18 419	18 419	
Employee payables	1 256	1 256	
Related parties payables	16 802	16 802	13
Tax payables	5 153	5 153	4
	1 658	1 658	
	507 411	507 411	
Total payables and prepayments	**550 699**	**550 699**	
	31.12.2024	**Within 12 months**	**Note**
Trade payables	22 724	22 724	
Employee payables	9 942	9 942	
Related parties payables	48 724	48 724	13
Tax payables	24 300	24 300	4
	25 211	25 211	
	3 055 802	3 055 802	
Total payables and prepayments	**3 186 703**	**3 186 703**	

Note 9 Share capital

(In Euros)

	31.12.2025	31.12.2024
Share capital	250 000	250 000
Number of shares (pcs)	250 000	250 000

Note 10 Net sales

(In Euros)

	2025	2024
Net sales by geographical location		
Net sales in European Union		
Estonia	343 500	65 454
Italy	0	392
Romania	33 229	134 494
Latvia	170 478	84 603
Portugal	28 642	116 767
Poland	0	831
Slovakia	0	107
Finland	4 282	4 975
Other European Union net sales	0	674
Total net sales in European Union	**580 131**	**408 297**
Net sales outside of European Union		
Other net sales outside of European Union	0	173
Total net sales outside of European Union	**0**	**173**
Total net sales	**580 131**	**408 470**
Net sales by operating activities		
Veebiportaalide tegevus	580 131	408 470
Total net sales	**580 131**	**408 470**

Note 11 Miscellaneous operating expenses

(In Euros)

	2025	2024
Leases	10 521	12 600
Miscellaneous office expenses	46 954	40 511
Travel expense	898	726
Training expense	0	129
State and local taxes	15	3
Allowance for doubtful receivables	22 021	43 309
Legal services	42 336	51 516
Marketing services	18 962	61 801
IT expenses	27 648	40 205
Accounting and audit expenses	15 538	44 046
Other	46	0
Total miscellaneous operating expenses	**184 939**	**294 846**

Note 12 Labor expense
(In Euros)

	2025	2024
Wage and salary expense	110 449	292 428
Social security taxes	36 494	74 893
Vacation reserve	-720	-10 838
Total labor expense	**146 223**	**356 483**
Average number of employees in full time equivalent units	3	6
Average number of employees by types of employment:		
Person employed under employment contract	0	3
Member of management or controlling body of legal person	3	3

Note 13 Related parties
(In Euros)

Related party balances according to groups

SHORT TERM	31.12.2025	31.12.2024
Receivables and prepayments		
Parent company	31 781	31 781
Subsidiaries	27 311	29 636
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	188 717	204 545
Total receivables and prepayments	**247 809**	**265 962**
Payables and prepayments		
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	16 802	48 724
Total payables and prepayments	**16 802**	**48 724**

LONG TERM	31.12.2025	31.12.2024
Receivables and prepayments		
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	31 152	32 208
Total receivables and prepayments	**31 152**	**32 208**

GIVEN LOANS	31.12.2023	Given loans	Given loans repayments	31.12.2024	Interest accrued for period
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	159 680	0	0	159 680	19 214
Total given loans	**159 680**	**0**	**0**	**159 680**	**19 214**

GIVEN LOANS	31.12.2024	Given loans	Given loans repayments	31.12.2025	Interest accrued for period
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	159 680	0	-38 800	120 880	19 149
Total given loans	**159 680**	**0**	**-38 800**	**120 880**	**19 149**

SOLD	2025			2024		
	Goods	Services	Non-current assets	Goods	Services	Non-current assets
Subsidiaries	0	0	0	0	4 786	0
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	0	11 000	0	0	17 586	0
Total sold	**0**	**11 000**	**0**	**0**	**22 372**	**0**

BOUGHT	2025			2024		
	Goods	Services	Non-current assets	Goods	Services	Non-current assets
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	0	0	70 400	0	0	85 725
Legal person with material ownership interest and material influence of management and higher	0	0	0	0	150	0
Total bought	**0**	**0**	**70 400**	**0**	**150**	**85 725**

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2025	**2024**
Remuneration	99 415	166 607