

ANNUAL REPORT

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

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Notorious OÜ Management Report

OÜ Notorious (hereinafter the company) is part of the investment partnership Taavet*Sten, which also includes the venture capital fund Plural Platform, Kala House OÜ, Noble Woods OÜ and the non-profit association Taavet+Sten Tulevikufond MTÜ.

Taavet*Sten

The main activity of OÜ Notorious is the investment of its own capital across a diverse range of asset classes and geographies. We are currently transitioning towards a broader-based Endowment-style investment strategy. While early-stage technology investments were central in the past, we continue to pursue these primarily through Plural Platform funds.

Our investment strategy focuses on long-term equity investments, with a particular focus on alternative asset classes such as Absolute Return, Private Credit, Private Equity and Venture Capital. The strong emphasis on non-traditional asset classes stems from their higher potential for returns and risk diversification, especially due to their non-correlative characteristics with traditional asset classes. Alternative assets are inherently less efficiently priced compared to traditionally marketed securities, providing opportunities to exploit market inefficiencies through active management. Consequently, both the current and target portfolios have a significantly higher expected return and lower volatility compared to the long-term average of stock markets.

Investment Decisions

In 2023, we continued to implement our strategy agreed in previous years, which focuses on generating liquidity through our largest position, Wise PLC, using various transaction structures, and reinvesting in other asset classes according to the planned portfolio allocation.

In 2023, we sold a total of 8.8 million Wise PLC shares valued at 63.5 million euros. In addition to the sale of shares, we generated additional financing worth 23.5 million euros using various derivative transaction structures related to Wise (2022: 11.1 million euros).

While macroeconomic conditions can influence the broader market environment, we make investment decisions based on fundamental indicators rather than economic forecasts. Long-term financial results are primarily influenced by strategic asset allocation and the quality of investment decisions within asset classes. Our investment decisions are based on thorough analysis, assessing all relevant factors for each investment, whether in funds or direct investments. This approach has proven effective under various economic conditions, and we believe it positions us well to achieve sustainable growth regardless of macroeconomic fluctuations.

The total volume of investment decisions made during the reporting year was 231 million euros (2022: 88 million euros). Nearly half of this, 48%, was related to alternative investments, divided into Private Credit (29%), Absolute Return (11%), and Private Equity (8%). Venture Capital investments accounted for 42%, which was divided between fund investments (33%) and direct investments (9%). The largest investment decision of the reporting year also fell under venture fund investments, specifically in the Plural II venture capital fund. The remaining 10% of investment decisions were related to short-term financial investments such as exchange-traded stocks, bonds, and crypto. (Figure 1)

Investment decisions by
year and asset class MEUR



2023 investment decisions by
asset class MEUR

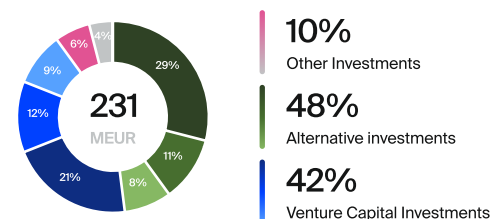


FIGURE 1

Private Credit Absolute Return Private Equity Plural fond VC fondid VC Direct Investments Public Equity Other



It is important to mention that the capital call pace varies by asset class and may occur over several years, generally within 2–3 years following the investment decisions. Therefore, the total volume of investment decisions made does not fully reflect in the company's balance sheet for the same period.

The volume of new paid-in investments for the reporting year was 156,5 million euros, of which 59%, or 92.2 million euros, were long-term investments in funds and direct investments with various strategies. The remaining 41%, or 64.3 million euros, was divided between exchange-traded stocks, short-term bonds and crypto-assets. As of the balance sheet date, 209 million euros of capital was yet to be paid in under concluded agreements (2022: 93 million euros).

Key Investment Decisions

The company makes new investments across asset classes through both direct investments and fund partnerships, where investment teams have extensive experience in actively managing assets and a proven ability to identify market inefficiencies. Through fund partnerships, we have the opportunity to gain access to markets and investment verticals that would otherwise be inaccessible.

Venture Capital Investments

Technology investments are made through venture capital fund partnerships, including Plural Platform, where partners actively manage investments, as well as through direct investments on the company's balance sheet.

The largest investment decision in 2023 was into Plural Platform's second fund, where we are not only actively involved in management but also one of the largest investors in the fund. Outside of Plural, it was decided to invest in General Catalyst and Valar funds, among others, during the reporting year. Both fund managers focus globally on early-stage technology companies.

Although most of the new technology investments are made through the Plural fund, the company continues to actively manage its existing portfolio. The two largest direct technology investments were follow-on investments in Starship, which develops parcel robots, and Open Cosmos, which focuses on the manufacturing, development, operation and data collection of satellites. New direct investments included Bob W and Monumental.

Private Credit

In 2023, the majority of investment decisions were related to the Private Credit asset class due to changes in the interest rate environment. These changes have made it possible to earn a similar rate of return to equity investments, but through lower risk. Despite the high returns, we have maintained a conservative position in this asset class, focusing on strategies that concentrate on high-quality secured loans and funds with extensive experience in financing companies in financial difficulties and special situations.

The largest investment decision in the Private Credit asset class was into Ares ACE, which focuses on issuing loans to large corporations in Europe. The second-largest investment in this asset class was into Fortress Credit Opportunities Fund, which specifically deals with complex debt situations in the US and Europe, including over-leveraged commercial real estate and capital structure investments related to regional banks. The remaining investments are largely focused on first-lien secured strategies globally, ranging from real estate-backed loans in the UK to commodity trade financing.

Absolute Return

The absolute return asset class refers to an investment strategy and funds aimed at achieving positive returns regardless of market conditions. These funds or investments focus on achieving stable returns and mitigating risks through various investment strategies. Despite the many funds, few asset managers have managed to demonstrate long-term higher returns in the stock markets, and with significantly lower volatility.

The largest investment decision was the Riverview Premium Partners fund of funds, which consists of investments in funds such as Citadel, Point72, DE Shaw and Two Sigma. In addition, one of the largest pre-agreements in 2023 was concluded with Elliott Management, one of the oldest and largest asset managers in this asset class. Elliott focuses on a number of investment strategies, including bankruptcy assets, trading strategies, restructurings, private equity, and activist stock investments etc. Since starting operations, Elliott has been able to offer its investors significant returns above the stock market average, while at the same time with zero correlation in stock markets and lower volatility than bonds.

Public Equity

During the year, it became clear that despite the excellent returns, we have been too cautious in allocating to public companies. In the second half of 2023, we decided to increase and expand our investment programme, focusing not only on passive investments but also on actively managed funds and individual investments.

Given our long-term investment horizon, we focus on companies with sustainable competitive advantages, high returns on capital, attractive reinvestment opportunities and excellent management teams.

Our three largest investments were The Children Investment Fund (TCI), Berkshire Hathaway and the S&P 500 Index Fund. TCI, founded in 2003, manages a concentrated portfolio of 10–12 companies with the aforementioned characteristics and has consistently delivered an average of 9 percentage points higher returns than the indices annually.



Financial Results

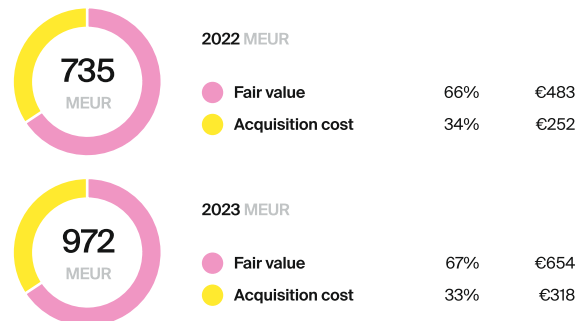
In this report, listed investments, gold and crypto-assets are recognised as short-term at fair value, while other investments, including long-term ones, are mostly recognised at amortised cost. As of the end of 2023, the company's total assets amounted to 1,069.4 million euros (2022: 868.9 million euros), reflecting a 23% increase over the year. Financial investments grew by 32% over the year, reaching 971.5 million euros (2022: 734.7 million euros). Investments recognised at fair value accounted for 67% of financial investments, totalling 652 million euros. Long-term investments recognised at cost accounted for 33%, reaching 318 million euros during the reporting year. (Figure 2)

The profit for the reporting year amounted to 164.3 million euros, mainly influenced by the nearly 58% increase in the value of the largest portfolio position, Wise PLC shares, compared to the end of 2022. In addition to Wise, the most significant positive impact on the accounting year was the increase in the value of the crypto portfolio, which generated a revaluation profit of 22.4 million euros.

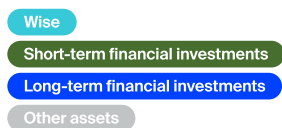
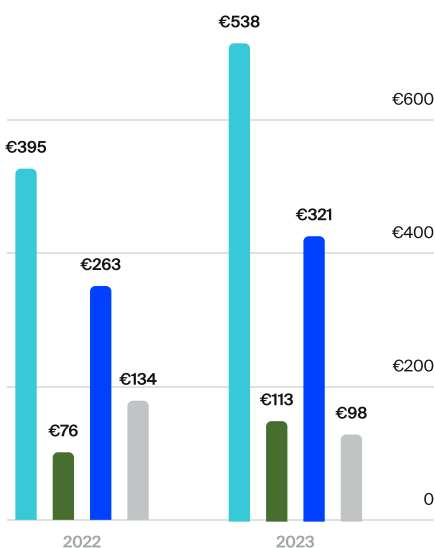
The largest negative impact came from the impairments of long-term direct and fund investments recognised at acquisition cost, totalling 22.9 million euros.

Distribution of financial investments by recognition method MEUR

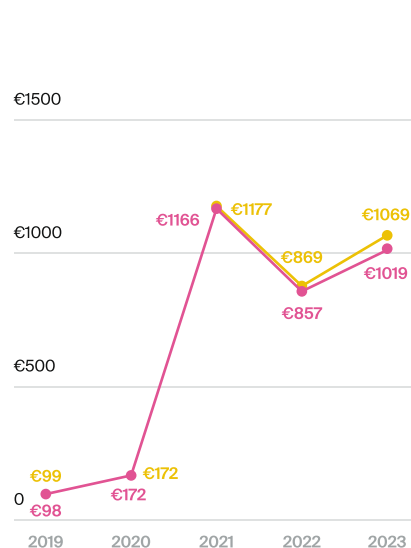
FIGURE 2



Asset allocation MEUR



Assets and equity MEUR



Annual profit (loss) MEUR

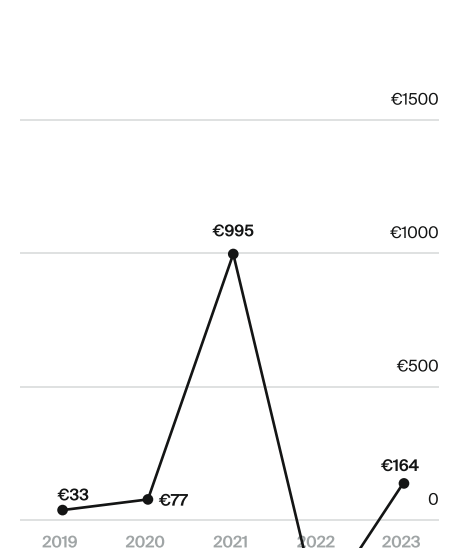


FIGURE 3

Impact Investments

During the reporting year, Notorious OÜ continued to finance Taavet+Sten Tulevikufond MTÜ and plans to continue with it in the coming years. We allocate approximately 3 million euros annually from our annual profits to social investments and grants.

Last year, we refined our focus on impact investments: in the coming years, we will concentrate on changes in education and youth mental health, promote entrepreneurship and support the protection of our freedoms. We make investments in these areas with a long-term perspective, aiming for a positive impact over a 10-year horizon.

A more detailed overview of our impact investment strategy and supported areas can be found in the annual report of Taavet+Sten Tulevikufondi MTÜ.

Risk Management

The management of the company engages in daily risk monitoring with the aim of timely identification, measurement and effective management of risks. The objective of risk management is to increase the value of the assets of the company by minimising losses and reducing the volatility of the results.

The company may be most affected by financial risks such as credit risk, interest rate risk, currency risk and liquidity risk. The most significant risk is the change in the value of investments. This risk is mitigated by the management through a well-thought-out and diversified investment strategy. To manage liquidity risk, the company monitors the ratio of receivables to liabilities based on their maturity dates. The management regularly monitors currency risk and considers this risk to be low. If there is a change in assessment, the management is prepared to use various hedging instruments as deemed appropriate.



Team

Aruandeaastal kasvas osaühingu meeskond ühe inimese võrra kümne inimeseni.

Osaühingu juhtimist korraldab neljaliikmeline juhatus, kuhu kuuluvad Taavet Hinrikus, Sten Tamkivi, Kristina Siimar ja Martin Tälli. Tegevuskohaks on endiselt Eesti.

Environmental and Social Impacts of Operations

For the past four years, we have consistently measured and offset the carbon footprint of our activities, achieving annual reductions. We use the services of Supercritical to calculate and offset the CO₂ emissions generated by our employees, office operations, and travel throughout the year. A significant portion of our offset portfolio has been allocated to scientifically validated biochar. In addition, we actively invest in science-based future technologies that help address global climate issues in the long term.

2024 Strategic Outlook

In the 2024 financial year, the company plans to continue its regular economic activities and implement the investment strategy of the Taavet*Sten partnership.

Key Financial Ratios

	2023	2022
ROA, % (net profit of the period ÷ average assets of the period) × 100	15.37%	-35.50%
ROE, % (net profit of the period ÷ average equity of the period) × 100	16.13%	-36.01%
Quick ratio (current assets ÷ current liabilities)	381.73	43.81
Debt ratio (liabilities ÷ total assets)	0.047	0.014

Annual Accounts

Balance sheet

(in euros)

	31.12.2023	31.12.2022	Note No.
Assets			
Current assets			
Cash	29,058,657	36,797,978	
Financial investments	650,654,328	471,193,859	2
Receivables and prepayments	33,433,445	27,834,556	
Trade receivables	30,488	7,590	
Receivables from related parties	19,798,880	2,125,590	6,7,14
Other receivables	4,104,077	25,701,376	6,7
Prepayments	9,500,000	0	
Total current assets	713,146,430	535,826,393	
Non-current assets			
Investments in subsidiaries and affiliated companies	26,155,031	27,937,503	
Shares of subsidiaries	15,004,890	15,007,390	3
Shares of affiliates	11,150,141	12,930,113	4
Financial investments	320,811,077	263,490,612	5
Receivables and prepayments	8,983,115	41,375,711	
Receivables from related parties	8,630,691	31,362,711	6,7,14
Other receivables	352,424	513,000	6,7
Prepayments	0	9,500,000	
Investment properties	41,543	41,543	
Tangible assets	235,093	259,024	
Total non-current assets	356,225,859	333,104,393	
Total assets	1,069,372,289	868,930,786	
Liabilities and equity			
Liabilities			
Current liabilities			
Borrowings	1,023,267	15,019	
Payables and prepayments	844,918	12,215,042	
Trade payables	76,856	52,565	
Payables to employees	357,066	156,894	
Taxes payable	103,488	80,071	
Other payables	306,608	11,924,612	15
Other prepayments received	900	900	
Total current liabilities	1,868,185	12,230,061	
Non-current liabilities			
Payables and prepayments	48,469,344	0	
Payables to employees	25,587	0	
Other payables	48,443,757	0	15
Total non-current liabilities	48,469,344	0	

Total liabilities	50,337,529	12,230,061	
Equity			
Share capital at nominal value	3,365	3,195	
Share premium	1,293,801	1,293,801	
Retained earnings (loss)	853,389,130	1,163,916,238	8
Profit (loss) for financial year	164,348,464	-308,512,509	8
Total equity	1,019,034,760	856,700,725	
Total liabilities and equity	1,069,372,289	868,930,786	

Income statement

(in euros)

	2023	2022	Note No.
Various operating expenses	-3,390,905	-3,165,427	9
Labour expenses	-856,937	-850,598	10
Depreciation and impairment of non-current assets	-43,530	-42,038	
Other operating expenses	-273,351	-120,590	
Operating profit (loss)	-4,564,723	-4,178,653	
Profit (loss) from financial investments	176,002,062	-306,182,759	11
Interest income	5,112,775	4,095,965	12
Interest expenses	-161,135	-474,209	
Other financial income and expenses	-11,629,797	-1,584,943	13
Profit (loss) before income tax	164,759,182	-308,324,599	
Income tax	-410,718	-187,910	
Profit (loss) for financial year	164,348,464	-308,512,509	

Notes to annual accounts

Note 1 Accounting policies

General information

The annual accounts of Notorious OÜ (hereinafter also referred to as the Company) for 2023 have been prepared in accordance with the Estonian financial reporting standard. The Estonian financial reporting standards are based on internationally acknowledged principles of accounting and reporting, the primary requirements of which are provided for in the Accounting Act and which are elaborated by guidelines of the Estonian Accounting Standards Board.

According to the classification of companies provided in the Accounting Act, the Company is a small consolidation group that has no obligation to submit a consolidated annual report.

A small consolidation group is a consolidation group where no more than one of its consolidated indicators as of the balance sheet date of an accounting year exceeds the terms and conditions established for a small undertaking:

assets 4 million euros

sales revenue 8 million euros

number of employees 50

For the purposes of the Accounting Act, the Company is a small undertaking and this report has been prepared in accordance with the requirements applicable to the abridged annual accounts of a small undertaking, i.e. the annual report includes the balance sheet, income statement and notes to the abridged annual accounts.

The annual accounts have been prepared pursuant to the acquisition cost principle, except for certain assets and liabilities that have been stated at fair value as explained in the accounting policies below.

The income statement of Notorious OÜ has been prepared pursuant to format 1 of the income statement set out in Annex 2 to the Accounting Act.

The management of the company has assessed which income statement format reasonably conveys the nature of the principal activity of the company, i.e. investment activities. Taking into account the alternatives offered in the Accounting Act and the Estonian financial reporting standard, management considers format 1 of the income statement as set out in Guideline 2 of the Estonian Accounting Standards Board to be the best suited. Even though the Company does not comply with the definition of a financial service provider for the purposes of the Credit Institutions Act, management assessed the suitability of the income statement format of a financial service provider but found that the latter's entries have not been substantiated in the Accounting Act and the market practice does not support the use of the format.

The annual accounts have been presented in euros.

Changes in accounting policies and procedures or presentation of information

In the annual accounts for 2023, the gains (losses) from the calculation of the change in the value of investments have been restated in the income statement so that the recognition is in line with the accounting principle applied. In the previous annual accounts, the exchange rate change was distinguished from the change in the fair value of the investments restated using the fair value method and it was recorded in a separate line on the income statement under 'Other financial income and expenses'. After the adjustment, the change in fair value is reflected on the income statement in the total amount under 'Profit (loss) from financial investments'.

Name of additional line	31.12.2022	Change	31.12.2022
Profit (loss) from financial investments	-281,713,718	-24,469,041	-306,182,759
Other financial income and expenses	-26,053,984	24,469,041	-1,584,943

Financial assets

Financial assets are cash, the contractual right to receive cash or other financial assets from another party and the equity instruments of other companies.

The Company has the following financial assets: cash, shares and other equity instruments, fund units, bonds, loan receivables and other receivables.

Financial assets are initially registered at their acquisition cost, which is equal to the fair value of the consideration payable for the financial asset in question. The initial acquisition cost includes all transaction costs directly attributable to the financial assets, except for financial assets

recognised at fair value. Subsequent accounting of financial assets takes place depending on their type, either pursuant to the fair value or acquisition cost method.

In the case of the fair value method, financial assets are revalued on each balance sheet date to their fair value and changes in fair value are recognised on the income statement for the reporting period. The fair value method is applied to financial investments in shares and other equity instruments, fund units and bonds, the fair value of which can be reliably established.

In the case of the acquisition cost method, financial assets are recognised at their acquisition cost less any discounts. The acquisition cost method is applied to financial investments in shares and other equity instruments, fund units, bonds and other assets whose fair value cannot be reliably established.

Current and non-current loan and other receivables are recognised at restated cost, i.e. at their original acquisition cost adjusted by principal repayments and write-downs due to impairment or doubtful recovery.

Write-downs of loan receivables are recognised on the income statement under 'Other financial income and expenses'.

Financial assets are taken off the balance sheet when the Company loses the right to the cash flow generated by the given financial assets or assigns the cash flow generated by the given financial assets and most of the risks and benefits related to the financial assets to a third party.

Cash

Cash and cash equivalents are short-term (generally up to three months) highly marketable investments that can be converted against a previously known amount of cash and bear no significant risk of change in market value.

Cash and cash equivalents are the balances of the bank accounts and short-term (up to three-month) bank deposits.

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

Foreign currency transactions are reported on the basis of the euro exchange rate fixed by the European Central Bank. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities reported at fair value have been revalued in euros at the euro exchange rate fixed by the European Central Bank (ECB). Such non-monetary assets and liabilities that are not recognised at fair value (such as prepayments, financial investments and tangible assets) are not revalued on the balance date but are reported according to the ECB exchange rate on the transaction date. Exchange rate gains and losses are netted in the income statement under 'Other financial income and expenses'.

Financial investments

Short-term financial investments are short-term investments acquired for trading purposes and other investments that are expected to be sold or can be sold within 12 months of the reporting date. Short-term financial investments include cash and cash equivalents as well as shares and other equity instruments, fund units and bonds with a maturity of 12 months from the reporting date, investments in gold and crypto-assets, which have been acquired for trading purposes.

The Company has invested in crypto-assets traded on an active market (mainly Bitcoin and Ethereum) and uses these as an investment. The recognition of crypto-assets is guided by the Estonian Accounting Standards Board's interpretation 'Recording of instruments based on blockchain technology', according to which such crypto-assets may be considered similar to financial instruments and recognised at fair value.

Long-term financial investments are investments that are unlikely to be sold within 12 months of the reporting date, i.e. shares and other equity instruments, fund units and bonds with a maturity of more than 12 months from the reporting date and other investments.

Financial investments are recognised at acquisition cost, which consists of the purchase price (if the payment is made over a longer period of time, the present value payable) and direct expenses related to the acquisition, except in the case of assets recognised at fair value.

Financial investments that can be restated at fair value at reasonable cost and effort and that are publicly traded are recognised on the balance sheet as revalued to the fair value effective on the balance sheet date. Changes in the fair value are recognised on the income statement under 'Profit (loss) from financial investments'.

Long-term investments that are not publicly traded are reported using the acquisition cost method. Write-downs are recognised in the income statement under 'Profit (loss) from financial investments'. Impairment is assessed based on the information available at the time of preparation of the report, which may affect the value of the financial asset, incl. depending on the investment, the market situation, the financial position of the investment object, forecasts and changes therein as well as other circumstances that affect the present value of the payments to be received from the investments.

Shares of subsidiaries and affiliates

Subsidiaries

Subsidiaries are companies controlled by (having a dominant influence over) the parent company. A subsidiary is deemed to be under the control of the parent company if the parent company holds either directly or indirectly more than 50% of the voting shares of the subsidiary or is otherwise able to control the operating and financial policies of the subsidiary.

Investments in subsidiaries are recognised pursuant to the acquisition cost method (the acquisition cost less any impairment write-downs).

Affiliates

An affiliate is a company over which the parent company exercises a significant influence but which is not under the control of the parent company. The existence of significant influence is generally assumed if the parent company holds 20-50% of the voting shares of a company. Investments in affiliates are recognised pursuant to the acquisition cost method (the acquisition cost less any impairment write-downs).

Affiliates and subsidiaries are recognised on the balance sheet as long-term financial investments.

Receivables and prepayments

All receivables (loans receivable, other receivables and trade receivables) are recognised at restated cost.

The restated cost of current receivables is generally equal to their nominal value (less any possible write-downs) and current receivables are therefore recognised on the balance sheet in the amounts that are likely to be collected.

In order to calculate the restated cost of non-current receivables, they are initially registered at the fair value of the amounts to be received, considering the interest income to be gained from the receivable in future periods, using the effective interest method.

Receivables measured at restated cost are to be written down to the present value of the estimated future cash flows to be received from the financial asset (discounted at the asset's original effective interest rate). If the collection of a receivable is deemed partially or fully doubtful, the write-down is recognised under 'Various operating expenses' on the income statement.

Write-downs of receivables from related parties are recognised on the income statement under 'Other financial income and expenses'.

Receivables whose collection has become impossible or impractical are considered irrecoverable and written off the balance sheet.

Prepayments made are recognised in the amounts paid to the counterparty.

Investment properties

Investment properties are the objects (land or buildings) that the Company holds for the purpose of earning rental income or with a view to an increase in the market value and which are not used in the economic activities of the Company.

An investment property is first charged to account in the balance sheet at its acquisition cost, which also includes the transaction costs directly related to acquisition (i.e. notary fees, state fees, payments to advisers and other expenses without which the purchase transaction would likely not have taken place).

The Company has decided to continue recognising investment properties at their acquisition cost less accumulated depreciation and possible write-downs resulting from impairment.

Land is not depreciated.

Tangible and intangible assets

Tangible assets

Assets that are used for the Company's own economic activities for more than one year and that cost 10,000 euros or more are considered tangible assets. Assets with a lower acquisition cost or shorter useful life are charged to expenses at the moment of putting into use and they are accounted for off the balance sheet.

Tangible assets are initially registered at their acquisition cost, which consists of the purchase price and expenses directly attributable to acquisition incurred in bringing the assets to their operating condition and location. Tangible assets are recognised on the balance sheet at the acquisition cost less accumulated depreciation and possible write-downs resulting from impairment.

Subsequent expenditure incurred for an item of property, plant and equipment is recognised as a non-current asset when it is probable that the Company will derive future economic benefits from it and its cost can be measured reliably. Current repairs have been recognised as expenses of the period.

Depreciation is calculated using the straight-line method. A depreciation rate is set separately for each item of property, plant and equipment or for each of its essential distinguishable component depending on its useful life. Calculation of depreciation is commenced as of the moment when the asset can be used for the purpose planned by management and finished when the final value exceeds the carrying amount or when the asset is eventually removed from use.

Threshold for recognition of non-current assets 10,000 euros

Useful life by non-current asset groups (years)

Name of non-current asset group	Useful life
Means of transport	5
Other machinery and equipment	5

Leases

Finance lease is a lease where all essential risks and benefits related to the right of ownership of the property are transferred to the lessee.

Operating lease is a lease other than finance lease.

Company as lessee

Assets leased under operating lease conditions are not recognised in the balance sheet. Operating lease payments made for using the assets are recognised as expenses evenly over the entire lease period regardless of the periods when and the amounts in which the payments are actually made.

Financial liabilities

A financial liability is a contractual obligation to pay cash or other financial asset to another entity or to exchange financial assets with another entity under conditions that are potentially unfavourable (derivatives of a negative fair value).

The Company has the following financial liabilities: borrowings, trade payables, other debts and derivatives of a negative fair value.

A derivative is an instrument whose value depends on changes in the underlying variable, whose initial acquisition cost is zero or very low compared to other contract types, which responds to changes in the market situation in the same direction and to the same extent and which is settled in the future.

Financial liabilities are initially recognised at cost, which is equal to the fair value of the consideration received for the financial liability. The initial acquisition cost includes all the transaction costs directly associated with the financial liability, except for derivatives of a negative fair value, whose transaction costs are not added to the acquisition cost.

Any subsequent accounting of financial liabilities takes place depending on their type either pursuant to the acquisition cost or fair value method.

The restated acquisition cost of current financial liabilities is generally equal to their nominal value and therefore current financial liabilities are recognised on the balance sheet in the amounts payable. In order to calculate the restated cost of non-current financial liabilities, they are initially registered at the fair value of the consideration payable, considering the interest expenses to be incurred on the liabilities in future periods, using the effective interest method.

In the case of the fair value method, the financial assets are revalued on each balance sheet date to their fair value according to the situation on the international markets on the reporting date, and changes in fair value are recognised in the income statement under 'Profit (loss) from financial investments'.

Current liabilities are liabilities whose due date is within 12 months of the reporting date. All other liabilities are recognised as non-current liabilities.

Financial liabilities are derecognised when they have been settled or terminated or when they have expired.

Prepayments received are recognised in the amounts received from the counterparty.

Provisions and contingent liabilities

A contingent liability is a potential or existing liability whose settlement is not likely or whose size cannot be measured with sufficient reliability. Information about material contingent liabilities is disclosed in the notes to the annual accounts.

Income

Interest and dividend income are recognised on an accrual basis when the receipt of the income is likely and the amount of the income can be reliably evaluated. Interest income is recognised based on the effective interest rate and dividend income is recognised when the right of claim to the dividends emerges.

Expenses

The income for the period is reduced by the expenses relating to the accrual of the same income. The expenses for which the respective income accrues in another period are recognised as expenses in the same period in which the related income arises. Expenses that are unlikely to generate income are recognised as expenses when incurred.

Taxation

Pursuant to the Income Tax Act in force in Estonia, the profit of a company earned in an accounting year is not taxed in Estonia. Income tax is paid on dividends, fringe benefits, gifts, donations, reception costs, disbursements not related to business and adjustments made to transfer prices.

The corporate income tax payable on dividends is recognised as a liability and as an income tax expense on the income statement in the same period when the dividends are declared, regardless of the period for which the dividends are declared or when they are actually paid out.

The maximum income tax liability which would arise on the distribution of retained earnings as dividends is presented in the notes to the financial statements. The maximum possible income tax liability has been calculated on the assumption that the distributable net dividend and income tax expense on the dividend cannot exceed distributable profit as of the reporting date.

Related parties

Parties are considered related if one of the parties either controls another or has a significant influence on the business decisions of another party.

The following were deemed related parties when the annual report of Notorious OÜ was prepared:

- the owner and companies under the control or significant influence of the owner
- affiliates
- subsidiaries
- members of the management board and companies under their control or significant influence

Events after the reporting date

Recognition of events that occurred after the reporting date, but before the annual report was approved, depends on whether it is an adjusting or non-adjusting event. An adjusting event after the reporting date is an event which corroborates the circumstances that existed on the reporting date. The impact of adjusting events is recognised on the balance sheet and income statement of the reporting period ended. A non-adjusting event after the report date is an event that does not confirm the circumstances that existed on the report date.

The impact of non-adjusting events is not recognised on the balance sheet and income statement of the reporting period ended, but they are disclosed in the notes if they are material.

Note 2 Short-term financial investments

(in euros)

					Total
	Shares	Fund units	Bonds	Other	
31.12.2021	850,635,427	2,526,882	0	41,787,279	894,949,588
Acquisition	140,235	0	71,130,722	5,895,280	77,166,237
Sales at selling price or redemption	-187,524,064	-2,727,114	-17,572,616	0	-207,823,794
Profit (loss) from sales and revaluation	-266,899,747	200,232	-1,405,466	-30,853,612	-298,958,593
Other	0	0	6,181,105	-320,684	5,860,421
31.12.2022	396,351,851	0	58,333,745	16,508,263	471,193,859
Recognised at fair value	396,351,851	0	58,333,745	16,508,263	471,193,859
Acquisition	10,077,741	0	51,216,955	3,039,543	64,334,239
Sales at selling price or redemption	-66,421,152	0	-41,846,996	0	-108,268,148
Profit (loss) from sales and revaluation	206,442,759	0	-14,760,597	22,763,865	214,446,027
Other	-33,193	0	5,473,629	3,507,915	8,948,351
31.12.2023	546,418,006	0	58,416,736	45,819,586	650,654,328
Recognised at fair value	546,418,006	0	58,416,736	45,819,586	650,654,328

The fair value of short-term shares is measured on the basis of the quoted price in the active market.

The fair value of short-term bonds is measured on the basis of fund quotations.

The 'Other' category includes investments in crypto-assets and gold. The fair value of crypto-assets is measured on the basis of the closing prices of the crypto-assets quoted in the CoinMarketCap environment. The fair value of gold is determined on the basis of the quoted price in the active market.

On the balance sheet date of 31 December 2023, the 'Other' column includes crypto-assets of 42,043,404 euros (31 December 2022: 16,508,263 euros) and an investment in gold of 3,776,182 euros.

In the reporting year, due to high liquidity, the investment in gold was reclassified from a long-term to a short-term financial investment of 3,448,284 euros.

The 'Profit (loss) from sale and revaluation' in the 'Other' column reflects profit (loss) from the revaluation of the crypto-asset in the amount of 22,435,968 euros (2022: -30,853,612 euros) and profit (loss) from the revaluation of the investment in gold in the amount of 327,897 euros.

Note 3 Shares of subsidiaries

(in euros)

Shares of subsidiaries, general information					
Registry code of subsidiary	Name of subsidiary	Country of location	Principal area of activity	Holding (%)	
				31.12.2022	31.12.2023
16345712	TBD Holdco OÜ	Estonia	Business and other management consultancy activities	100	100
16257405	Noble Woods OÜ	Estonia	Silviculture and other forestry activities	60.62	60.62
14186936	Kohinapõhine OÜ	Estonia	Growing vegetables (including cucurbits and tubers) and mushrooms	100	100
16610976	NolaNola OÜ	Estonia	Sea and coastal water transport of passengers	85	85

Shares of subsidiaries, detailed information:					
Name of subsidiary	31.12.2022	Acquisition	Sale	Other changes	31.12.2023
TBD Holdco OÜ	2,500	0	0	0	2,500
Noble Woods OÜ	15,000,000	0	0	0	15,000,000
Kohinapõhine OÜ	2,500	0	0	-2,500	0
NolaNola OÜ	2,390	0	0	0	2,390
Total shares in subsidiaries, at end of previous period	15,007,390	0	0	-2,500	15,004,890

During the reporting period, the shareholding in the company Kohinapõhine OÜ was written off in connection with the dissolution and liquidation of the company.

Note 4 Shares of affiliates

(in euros)

Shares of affiliates, general information: 2023					
Registry code of affiliate	Name of affiliate	Country of location	Principal area of activity	Holding (%)	
				31.12.2022	31.12.2023
16050394	Certific OÜ	Estonia	Other information technology activities	40.58	40.58
B261359	Plural Platform S.a.r.l.	Luxembourg	Holding company	50	50
11052218	Bolton Realestate OÜ	Estonia	Renting and operating of own or leased real estate	26.83	28.07
16462041	Arbonics OÜ	Estonia	Business and other management consultancy activities	16.67	0

Shares of affiliates, detailed information					
Name of affiliate	31.12.2022	Acquisition	Sale	Other changes	31.12.2023
Certific OÜ	3,743,590	0	0	-1,823,030	1,920,560
Plural Platform S.a.r.l.	6,000	0	0	0	6,000
Bolton Realestate OÜ	8,729,092	494,489	0	0	9,223,581
Arbonics OÜ	451,431	0	0	-451,431	0
Total shares of affiliates at end of previous period	12,930,113	494,489	0	-2,274,461	11,150,141

On the balance sheet date of 31 December 2023, the investment in Arbonics OÜ is reclassified as a long-term financial investment. The reason for the reclassification was changes in the circle of owners at the end of the year, after which the shareholding of Notorius OÜ in the company decreased below a significant influence (less than 20%). A member of the management board of Notorius OÜ also resigned from the management board of Arbonics OÜ.

Note 5 Long-term financial investments

(in euros)

					Total
	Shares	Fund units	Bonds	Other	
31.12.2021	116,416,192	51,308,543	2,867,473	8,145,738	178,737,946
Acquisition	37,048,732	50,885,278	18,562,083	1,853,836	108,349,929
Sales at selling price or redemption	-2,821,376	-1,900,607	-1,048,661	0	-5,770,644
Profit (loss) from sales and revaluation	-6,262,725	-2,567,986	-638,114	79,816	-9,389,009
Other	0	-2,256,504	0	-6,181,106	-8,437,610
31.12.2022	144,380,823	95,468,724	19,742,781	3,898,284	263,490,612
Recognised at fair value	0	0	8,142,781	3,448,284	11,591,065
Recognised at cost	144,380,823	95,468,724	11,600,000	450,000	251,899,547

					Total
	Shares	Fund units	Bonds	Other	
31.12.2022	144,380,823	95,468,724	19,742,781	3,898,284	263,490,612
Acquisition	19,604,963	72,068,791	0	500,000	92,173,754
Sales at selling price or redemption	-955,099	-255	0	0	-955,354
Profit (loss) from sales and revaluation	-20,197,681	-2,713,110	-62,582	0	-22,973,373
Other	-3,691,932	1,638,830	-5,423,176	-3,448,284	-10,924,562
31.12.2023	139,141,074	166,462,980	14,257,023	950,000	320,811,077
Recognised at fair value	0	0	2,657,023	0	2,657,023
Recognised at cost	139,141,074	166,462,980	11,600,000	950,000	318,154,054

The fair value of long-term bonds is measured on the basis of fund quotations.

In the reporting year, due to high liquidity, the investment in gold was reclassified from a long-term to a short-term financial investment of 3,448,284 euros ('Other' column and item).

In the reporting year, the profit (loss) from revaluation of financial investments recognised at fair value was -62,582 euros (2022: -539,486 euros) and the write-down of financial investments recognised at cost was 22,910,791 euros (2022: 8,849,523 euros) (Note 11).

Note 6 Other receivables

(in euros)

	31.12.2023	Division by remaining maturity		Note No.
		within 12 months	within 1–5 years	
Interest receivables	3,667,487	2,213,981	1,453,506	
Interest receivables from loans to unrelated parties	454,240	446,490	7,750	
Interest receivables from loans to related parties	3,213,247	1,767,491	1,445,756	14
Accrued income	704,294	691,294	13,000	
Other receivables from unrelated parties	703,545	690,545	13,000	
Other receivables from related parties	749	749	0	14
Total other receivables	4,371,781	2,905,275	1,466,506	

	31.12.2022	Division by remaining maturity		Note No.
		within 12 months	within 1–5 years	
Interest receivables	2,194,731	418,668	1,776,063	
Interest receivables from loans to unrelated parties	313,845	313,845	0	
Interest receivables from loans to related parties	1,880,886	104,823	1,776,063	14
Accrued income	22,892,823	22,379,823	513,000	
Other receivables from unrelated parties	22,006,470	21,493,470	513,000	
Other receivables from related parties	886,353	886,353	0	14
Total other receivables	25,087,554	22,798,491	2,289,063	

Note 7 Loan receivables

(in euros)

	31.12.2023	Division by remaining maturity		Interest rate	Underlying currency	Maturity	Note No.
		within 12 months	within 1–5 years				
Loans receivable from unrelated parties	3,298,715	2,967,041	331,674	3-10%	EUR, USD	2024–2026	
Loans receivable from related parties	25,215,575	18,030,640	7,184,935	3–8%	EUR	2024–2026	14
Loan receivables	28,514,290	20,997,681	7,516,609				

	31.12.2022	Division by remaining maturity		Interest rate	Underlying currency	Maturity	Note No.
		within 12 months	within 1–5 years				
Loans receivable from unrelated parties	4,394,061	3,894,061	500,000	2–10.5%	EUR, USD	2023–2028	
Loans receivable from related parties	30,721,062	1,134,414	29,586,648	2–5%	EUR	2023–2026	14
Loan receivables	35,115,123	5,028,475	30,086,648				

Note 8 Contingent liabilities and assets

(in euros)

	31.12.2023	31.12.2022
Contingent liabilities		
Potential dividends	814,286,639	684,395,951
Income tax liability on potential dividends	203,450,955	171,007,778
Total contingent liabilities	1,017,737,594	855,403,729

As of 31 December 2023, Notorius OÜ has signed investment intentions in the amount of 209,121,594 euros with other parties (2022: 93,228,443 euros), on the basis of which no money has been transferred to investments or funds as of the balance sheet date and the respective investments have not been acquired.

Notorious OÜ has issued a guarantee to the related party Kala House OÜ (presented in Note 14 under 'Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence'). The guarantee secures a loan of 2,705,000 euros granted by Kala House OÜ. Notorius secures the fulfilment of the claims arising from the loan agreement only if Kala House OÜ files a respective claim during the term of validity of the guarantee. During the guarantee period, the beneficiary is obliged to pay a service fee at the rate agreed in the contract. The guarantee has been given for a specified term and it expires on 31 December 2024.

Note 9 Various operating expenses

(in euros)

	2023	2022
Lease and rent	-96,884	-99,062
Other office expenses	-363,376	-313,997
Business travel expenses	-670,355	-428,457
Training expenses	-19,592	-193,763
State and local taxes	-238,317	-283,010
Legal expenses	-259,734	-134,555
Various advisory and consulting services	-1,369,621	-910,447
Other	-373,026	-802,136
Total various operating expenses	-3,390,905	-3,165,427

Note 10 Labour expenses

(in euros)

	2023	2022
Wages and salaries	-641,213	-636,992
Social taxes	-215,724	-213,606
Total labour expenses	-856,937	-850,598
Average number of employees reduced to full-time	10	9
Average number of employees by type of employment:		
Persons working under employment contract	6	6
Members of managing or controlling body of legal person	4	3

Note 11 Profit (loss) from financial investments

(in euros)

	2023	2022	Note No.
Profit (loss) from short-term financial investments recognised at fair value	214,446,027	-298,958,593	2
Profit (loss) from long-term financial investments recognised at cost	-22,910,791	-8,849,523	5
Profit (loss) from long-term financial investments recognised at fair value	-62,582	-539,486	5
Income from investments	6,085,008	3,079,388	
Profit (loss) from derivatives recognised at fair value	-20,968,234	-1,475,691	15
Dividend income	1,307,317	323,070	
Profit (loss) from shares of affiliates and subsidiaries	-1,825,531	107,707	3,4
Other	-69,152	130,369	
Total profit (loss) from financial investments	176,002,062	-306,182,759	

Profit (loss) earned on financial investments during the reporting year has been divided in this Note into three categories: short-term and long-term financial investments recognised at fair value and long-term financial investments recognised at cost. In this way, the profit (loss) set out in the Note corresponds to the classes of investments presented in Notes 2 and 5. The data presented in this Note for the year 2022 have been made comparable.

Note 12 Interest income

(in euros)

	2023	2022
Interest income on deposits	1,361,383	621,571
Interest income on bonds	1,963,997	773,671
Interest income on loans	1,769,669	2,699,907
Other interest income	17,726	816
Total interest income	5,112,775	4,095,965

Interest income on loans granted to related parties amounted to 1,559,074 euros in 2023 (in 2022: 2,378,973 euros) (Note 14).

Note 13 Other financial income and expenses

(in euros)

	2023	2022
Foreign exchange gain (loss)	-630,091	-1,566,937
Other expenses	-15,200	-18,006
Write-down of loan receivables	-10,984,506	0
Total other financial income and expenses	-11,629,797	-1,584,943

The item 'Write-down of loan receivables' contains a write-down of 10,284,506 euros of the principal amount of loans granted to related parties (Note 14).

Note 14 Related parties

(in euros)

Balances with related parties by group

CURRENT	31.12.2023	31.12.2022	Note No.
Receivables and prepayments			
Affiliates	202,411	0	
Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence	19,596,469	2,125,590	
Total receivables and prepayments	19,798,880	2,125,590	6,7
Payables and prepayments			
Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence	156,005	84,055	
Total payables and prepayments	156,005	84,055	

NON-CURRENT	31.12.2023	31.12.2022	Note No.
Receivables and prepayments			
Subsidiaries	764,249	0	
Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence	7,866,442	31,362,711	
Total receivables and prepayments	8,630,691	31,362,711	6,7

LOANS GRANTED	31.12.2021	Loans granted	Repayments of loans granted	31.12.2022	Interest calculated for the period	Note No.
Subsidiaries	30,054,026	18,631,591	48,685,617	0	1,114,532	
Affiliates	798,010	350,000	1,148,010	0	15,476	
Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence	26,318,153	8,194,909	3,792,000	30,721,062	1,248,965	
Total loans granted	57,170,189	27,176,500	53,625,627	30,721,062	2,378,973	

LOANS GRANTED	31.12.2022	Loans granted	Repayments of loans granted	31.12.2023	Interest calculated for the period	Note No.
Subsidiaries	0	741,792	0	741,792	22,457	
Affiliates	0	200,000	0	200,000	2,411	
Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence	30,721,062	4,921,194	11,368,472	24,273,784	1,534,206	
Total loans granted	30,721,062	5,862,986	11,368,472	25,215,576	1,559,074	

SOLD	2023		2022	
	Services	Non-current assets	Services	Non-current assets
Subsidiaries	0	0	137,416	1,225,241
Affiliates	0	0	450	0
Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence	22,400	0	10,823	0
Total sold	22,400	0	148,689	1,225,241

PURCHASED	2023		2022	
	Services	Non-current assets	Services	Non-current assets
Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence	75,976	0	59,139	0
Total purchased	75,976	0	59,139	0

Remuneration and other significant benefits calculated for executive and senior management		
	2023	2022
Calculated remuneration	150,604	269,414

Members of the management board receive no special remuneration or other benefits in the event of their removal or resignation.

The item 'Repayments of loans granted' includes the assignment of a claim of 61,553 euros and a write-down of a loan principal of 10,284,506 euros.

Receivables from related parties include interest receivables of 3,213,247 euros (2022: 1,880,886 euros).

Purchases from related parties have been recognised in the income statement under 'Various operating expenses'.

Note 15 Other payables

(in euros)

	31.12.2023	Division by remaining maturity	
		within 12 months	within 1–5 years
Derivative	48,443,757	0	48,443,757
Other accrued expenses	306,608	306,608	0
Total other payables	48,750,365	306,608	48,443,757

	31.12.2022	Division by remaining maturity	
		within 12 months	within 1–5 years
Derivative	11,714,341	11,714,341	
Other accrued expenses	210,271	210,271	0
Total other payables	11,924,612	11,924,612	0

The Company has entered into agreements with another party to fix the future selling price of some of the Wise share held by the Company at a term of 2025 to 2026 and these agreements meet the criteria for derivatives of a negative fair value. As these shares are publicly traded, the fair value of the derivatives can be determined at a reasonable cost and with a reasonable effort on the basis of the prices fixed in the agreements and the quoted price of the shares.

The profit (loss) from the revaluation of the derivative in the reporting year was -20,968,234 euros (2022: -1,475,691 euros) (Note 11).

Digital signatures to report

The date of completion of the report is: 29.06.2024

The correctness of the information presented in the Annual Report of Notorious OÜ (registry code: 11168790) for the financial year 01.01.2023–31.12.2023 has been approved digitally:

Name of signatory	Role of signatory	Date of signature
STEN TAMKIVI	Member of Management Board	29.06.2024
MARTIN TÄLLI	Member of Management Board	29.06.2024

Status of approval of the report by the meeting of shareholders

Approved by the meeting of shareholders

Digital signatures of auditors

The Auditor's Report appended to the Annual Report of Notorious OÜ (registry code: 11168790) for the financial year 01.01.2023–31.12.2023 has been signed digitally by:

Name of signatory	Role of signatory	Date of signature
MARILIIS ANTON	Certified Auditor	29.06.2024
SVEN SILING	Certified Auditor	29.06.2024

Profit distribution proposal

(in euros)

	31.12.2023
Retained earnings (loss)	853,389,130
Profit (loss) for financial year	164,348,464
Total	1,017,737,594
Distribution	
Retained profit (loss) after distribution (covering)	1,017,737,594
Total	1,017,737,594

Profit distribution decision

(in euros)

	31.12.2023
Retained earnings (loss)	853,389,130
Profit (loss) for financial year	164,348,464
Total	1,017,737,594
Distribution	
Retained profit (loss) after distribution (covering)	1,017,737,594
Total	1,017,737,594