

ANNUAL REPORT

beginning of financial year: 01.01.2024

end of the financial year: 31.12.2024

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Skaala Investments OÜ

2024 management report



Skaala Investments OÜ is an investment company dedicated to creating meaningful, long-term value. We are committed to building sustainable, resilient solutions that drive financial growth as well as positive societal outcomes.

*Skaala

The main field of activity of Skaala Investments OÜ (former name Notorius OÜ and short name Skaala) is investing its own capital in various asset classes globally. As in previous years, we continue to move towards a broader-based investment strategy. Early-stage technology investments are made primarily through the Plural funds.

At the core of our strategy is long-term capital growth, achieved through consistent and deliberate investment across asset classes. We are prepared to take risks and maintain concentrated positions when we see rare opportunities. There are few excellent investment opportunities, and when they arise, we act with conviction.

The Skaala portfolio consists of different asset classes: we invest in listed securities as well as alternative assets, including venture capital, public equity, private capital, private credit, absolute return strategies, etc. History has demonstrated that market environments can shift abruptly and dramatically. We maintain a long-term perspective on which asset classes and portfolio compositions form the strongest foundation for capital appreciation. At the same time, our extended time horizon provides the flexibility to respond to shifts across geographies and asset classes.

In less efficient and opaque markets, we partner with active managers with proven access, skills and deep understanding. Our objective is not to replicate market indices, but to identify opportunities where active management can deliver meaningful outperformance. In more efficient markets where information is widely available and pricing is more effective, we selectively use a passive approach. Nevertheless, we also build direct positions in public markets when we identify significant dislocations and a clear path to outsized returns. These opportunities often arise more abruptly than in private markets, and our structure allows us to act swiftly and independently.

Our role is to be a prudent and responsible steward of capital. We do not engage in speculation or pursue short-term gains. Our mission is to preserve and grow capital over time, in a way that appropriately compensates for risk and delivers resilient performance across economic cycles. If we can avoid costly mistakes, maintain discipline in our investment standards, and act consistently with our principles, we believe that we can achieve attractive returns.



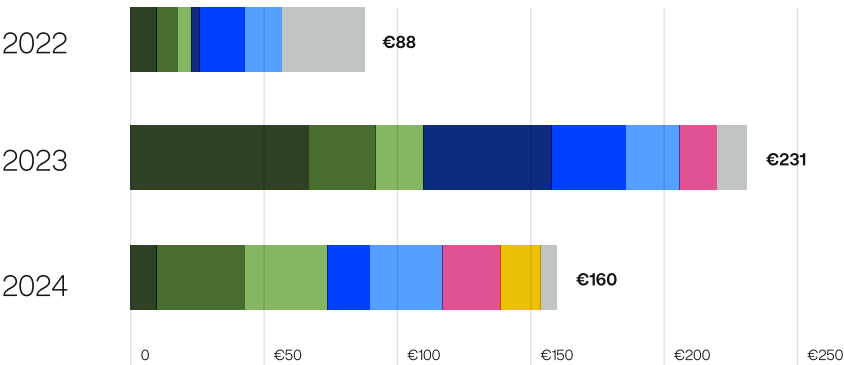
Investment decision allocation

In 2024, we continued to implement the strategy agreed upon in previous years. At the core of this strategy is liquidity-building through our largest position, Wise PLC, using various transaction structures and reinvesting the proceeds across asset classes in accordance with our planned portfolio allocation.

Although macroeconomic conditions can influence the broader market environment, our investment decisions are based on fundamental indicators rather than economic forecasts. Over the long term, strategic asset allocation and the quality of decisions within each asset class are the primary drivers of financial outcomes. We apply a thorough analytical process to every investment, whether it involves a fund or a direct position, carefully evaluating all relevant factors. This approach has proven effective in a range of economic conditions and supports our objective of achieving sustainable growth, regardless of macroeconomic fluctuations.

The investment decisions made in the financial year amounted to 160 million euros (2023: 231 million euros), of which almost half or 46% were related to alternative investments, divided as follows: Absolute Return 21%, Private Equity 19% and Private Credit 6%. Venture Capital investments accounted for 27%, including 17% direct investments and 10% fund investments. The remaining 27% of investment decisions concerned short-term financial investments, such as listed equities 14%, real estate 9% and other assets 4%. (See Figure 1).

Investment decisions by year and asset class MEUR



2024 Investment decisions by asset class MEUR

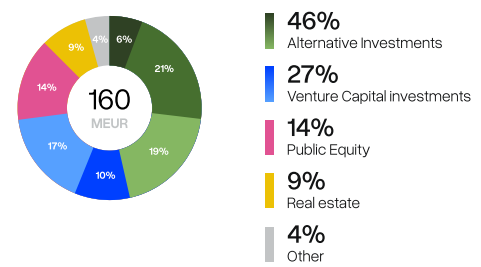


FIGURE 1



It is important to note that the pace at which capital is drawn down varies by asset class and may take several years, though typically no longer than two to three years following the investment decision. As a result, the volume of investment decisions made during the reporting year does not directly correspond to the acquisition cost of investments recognized within the same period.

The new paid-in investments for the financial year amounted to 210.4 million euros, of which 61% or 139.3 million euros were long-term fund and direct investments with different strategies. The remaining 39% or 93.0 million euros was divided between listed equities, short-term bonds and crypto assets. As of the balance sheet date, investment commitments totalling 195.0 million euros had been signed with other parties (2023: 209.1 million euros). No funds had been transferred to investments or funds under these commitments by the balance sheet date, and the respective investments had not been acquired.



Key investment decisions

Skaala makes new investments in different asset classes, both through direct investments and fund partnerships, where the investment teams have long-term experience in active asset management and a proven ability to notice market inefficiencies. Fund partnerships allow us to gain access to markets and investment verticals that are otherwise inaccessible.

Venture Capital

Technology investments are made through partnerships with venture capital funds (incl. Plural Platform, where the partners are actively engaged in investment management) as well as direct and fund investments recognised in the company's balance sheet.

The largest Plural venture capital investment decisions were co-investment in the portfolio companies The Exploration Company (reusable spacecraft) and Pixieray (the world's first autofocus eyewear).

While most new technology investments are made through the Plural funds, the company continues to actively manage its existing portfolio and pursue select fund commitments. The most significant direct investments during the year were in Bob W and Science Corporation. On the fund side, Expeditions Fund II and Night Capital Fund IV were amongst the largest additions to the portfolio.

Private Equity

The primary focus of our private equity investments is on strategies and teams that have demonstrated a strong ability to improve and scale businesses, or that have privileged access to high-quality assets, both globally and within specific regions.

The largest investment decision within this asset class was the commitment to Pophouse Entertainment. The firm specializes in acquiring music rights and related assets from some of the world's most renowned artists. The team works closely with the artists to actively enhance the value of these assets. The current portfolio includes music catalogues from artists such as Avicii, KISS, Swedish House Mafia, and Cyndi Lauper.

Absolute Return

In 2024, the largest number of investment decisions were made within the Absolute Return asset class. Absolute Return refers to strategies and funds that aim to deliver positive returns regardless of broader market conditions. These investments focus on preserving capital, achieving stable performance, and managing risk through a variety of approaches. Although there are many funds in this space, only a select few managers have consistently generated long-term returns that exceed equity markets while maintaining significantly lower volatility.

The most substantial investment decision in this category was a commitment to Elliott International Limited, a fund managed by Elliott Management. The firm applies a wide range of investment strategies, including investments in distressed and bankruptcy-related assets, event-driven trades, restructurings, private capital, and actively managed public equities. Since inception, Elliott has delivered strong returns that exceed equity market averages, with minimal correlation to traditional asset classes and lower volatility than bonds.

Other major investments included commitments to the Point72 and Palestra funds, both of which focus primarily on long/short equity strategies, while also incorporating other approaches.

Public Equity

Throughout the year, we executed an extended investment programme that included both passive investments and allocations to actively managed funds, as well as direct investments in individual companies. With a long-term investment horizon, our focus remains on businesses that possess a durable competitive advantage, strong returns on capital, compelling reinvestment opportunities, and high-quality management teams.

Among actively managed funds, the largest investments were made in Soroban and TCI, both of which invest globally in companies that meet these criteria. The largest passive allocation was made to the S&P 500, while the most significant individual investments were in Rheinmetall, Airbus, and Hermès.

Real Estate

In the real estate sector, the primary focus remains on the development of the Krulli quarter and initiatives aimed at activating and revitalizing the surrounding area. Outside of development-related activities, real estate investments have been minimal. In 2024, in addition to ongoing work at Krulli, one investment decision was made regarding Kristiine Keskus.



Financial results

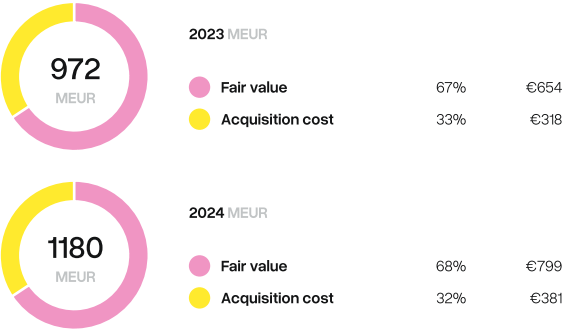
In this report, listed investments and other liquid assets have been recognised at fair value as short-term; the rest of the investments, such as non-listed shares and fund units, have been recognised at adjusted acquisition cost over a long period of time.

At the end of 2024, the assets of Skaala amounted to 1,258.1 million euros (1,069.4 million euros in 2023), having increased by 18% over the year. Financial investments increased by 21% over the year to 1,179.5 million euros (2023: 971.5 million euros). Investments recognised at fair value represented 68% of the financial investments and amounted to 799 million euros. Investments recognised at adjusted acquisition cost represented 32% of the financial investments and amounted to 381 million euros. (See Figure 2.)

The profit for the financial year was 105.0 million euros, with profit from financial investments amounting to 139.4 million euros as its largest component. The profit for 2024 was mainly reduced by income tax expenses of 24.0 million euros, which resulted from the 96.3 million euros of dividends paid in the reporting year. In addition, we paid 8.3 million euros in support to Skaala Impact MTÜ for impact investments over the reporting year.

Distribution of financial investments by recognition method MEUR

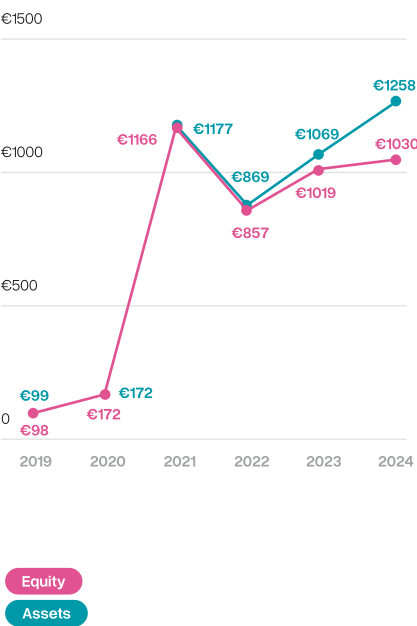
FIGURE 2



Asset allocation MEUR



Assets and equity MEUR



Annual profit (loss) MEUR



FIGURE 3



Impact investments

Our activities go beyond the pursuit of financial returns. It is important to us that growing capital also supports initiatives that drive positive change in society. We invest for the long term not only to generate returns, but to ensure those returns have impact and purpose.

To that end, we have committed to investing approximately five million euros annually into impactful initiatives through Skaala Impact MTÜ. Our mission focuses on three core areas: education, entrepreneurship, and the protection of freedoms. Through these efforts, we aim to strengthen Estonia's competitiveness and help create an environment where everyone has the opportunity to realise their potential. Our contributions take the form of grants, equity investments, and fund commitments.

Risk management

Skaala's management continuously monitors risks to ensure they are identified, assessed, and managed effectively and in a timely manner. The objective of risk management is to preserve and grow the company's assets while minimizing potential losses and reducing the volatility of returns.

Skaala Investments OÜ is primarily exposed to financial risks, including credit, interest rate, foreign exchange, and liquidity risks. The most significant risk is the fluctuation in the value of investments. This is addressed through a carefully constructed and diversified investment strategy.

Liquidity risk is managed by actively monitoring the balance between receivables and payables relative to their due dates. Foreign exchange risk is regularly assessed and is currently considered low. Should this assessment change, management is prepared to implement appropriate risk mitigation instruments.

Team

The team remained stable during the reporting year, with the company maintaining a total of ten employees. Skaala is managed by a management board of four members: Taavet Hinrikus, Sten Tamkivi, Kristina Siimar and Martin Tälli. The company's place of business is Estonia.

Environmental and social impacts

Between 2020 and 2023, we systematically measured and offset the carbon footprint of our operations—covering emissions from employees, offices, and business travel—using Supercritical's methodology and services. In 2024, we estimated our footprint based on the average of the previous three years and did not conduct a separate measurement. The largest share of our offsetting portfolio has been allocated to scientifically validated biochar projects. In parallel, we actively invest in research-driven future technologies that contribute to long-term solutions for global climate challenges.

2025 Strategic outlook

In the 2025 financial year, Skaala plans to continue its regular operations and advance the implementation of its long-term strategy.

Key financial ratios

	2024	2023
ROA, % (net profit of the period ÷ average assets of the period) × 100	8 . 34%	15 . 37%
ROE, % (net profit of the period ÷ average equity of the period) × 100	10 . 19%	16 . 13%
Quick ratio (current assets ÷ current liabilities)	6 . 44	381 . 73
Debt ratio (liabilities ÷ total assets)	0 . 18	0 . 05

The main reason for the decline in the quick ratio is the increase in current liabilities, which rose from 1.8 million euros to 128.9 million euros over the year. The key contributors to this increase were short-term derivatives amounting to 96.5 million euros, tax liabilities of 25.5 million euros, and short-term loans totaling €6.3 million euros.

The annual accounts

Statement of financial position

(In Euros)

	31.12.2024	31.12.2023	Note
Assets			
Current assets			
Cash and cash equivalents	5 432 880	29 058 657	
Financial investments	798 476 288	650 654 328	2
Receivables and prepayments	26 985 097	33 433 445	
Accounts receivable	282	30 488	
Receivables from related parties	9 622 479	19 798 880	7,8,15
Loan receivables	2 592 174	2 967 041	8
Other receivables	5 270 162	1 137 036	7
Prepayments	9 500 000	9 500 000	
Total current assets	830 894 265	713 146 430	
Non-current assets			
Investments in subsidiaries and associates	24 386 486	26 155 031	
Shares of subsidiaries	15 007 690	15 004 890	4
Shares of associates	9 378 796	11 150 141	5
Financial investments	381 031 148	320 811 077	6
Receivables and prepayments	18 793 291	8 983 115	
Receivables from related parties	12 906 131	8 630 691	7,8,15
Loan receivables	5 852 744	331 674	8
Other receivables	34 416	20 750	7
Investment property	2 660 170	41 543	
Property, plant and equipment	347 064	235 093	
Total non-current assets	427 218 159	356 225 859	
Total assets	1 258 112 424	1 069 372 289	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	6 259 914	1 023 267	
Payables and prepayments	122 675 140	844 918	
Trade payables	124 477	76 856	
Employee payables	563 638	357 066	
Tax payables	25 531 260	103 488	3
Other payables	96 454 865	306 608	17
Other received prepayments	900	900	
Total current liabilities	128 935 054	1 868 185	
Non-current liabilities			
Payables and prepayments	99 073 433	48 469 344	
Employee payables	38 943	25 587	
Other payables	99 034 490	48 443 757	17

Total non-current liabilities	99 073 433	48 469 344	
Total liabilities	228 008 487	50 337 529	
Equity			
Issued capital	3 365	3 365	
Share premium	1 293 801	1 293 801	
Other reserves	2 500 000	0	15
Retained earnings (loss)	921 318 611	853 389 130	9
Annual period profit (loss)	104 988 160	164 348 464	9
Total equity	1 030 103 937	1 019 034 760	
Total liabilities and equity	1 258 112 424	1 069 372 289	

Income statement

(In Euros)

	2024	2023	Note
Other income	18 285	0	
Other operating expense	-14 186 811	-3 390 905	10
Employee expense	-895 688	-856 937	11
Depreciation and impairment loss (reversal)	-45 879	-43 530	
Other expense	-152 665	-273 351	
Operating profit (loss)	-15 262 758	-4 564 723	
Gain (loss) from financial investments	139 377 375	176 002 062	12
Interest income	5 373 992	5 112 775	13
Interest expenses	-666 008	-161 135	
Other financial income and expense	149 601	-11 629 797	14
Profit (loss) before tax	128 972 202	164 759 182	
Income tax expense	-23 984 042	-410 718	
Annual period profit (loss)	104 988 160	164 348 464	

Notes

Note 1 Accounting policies

General information

The annual accounts of Skaala Investments OÜ (former name Notorious OÜ) (hereinafter also referred to as the Company) for 2024 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.

As of January 1, 2025, the Accounting Act of the Republic of Estonia and the size categories of enterprises have been amended. Since the company was classified as a small enterprise last year and has not exceeded the size category thresholds for two consecutive years, the company has prepared a shortened annual report for the year 2024 in accordance with the Accounting Act for small enterprises. This report includes the balance sheet, income statement, and notes to the shortened annual report.

The company has not prepared a consolidated annual report because the impact of the subsidiaries is not significant. The main activity of the company is investing in various asset classes. As of December 31, 2024, the total impact of the subsidiaries on the company's total assets is less than 3.5% and on total revenues is less than 2.5%.

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 Skaala Investments OÜ (former name 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 or presentation of information

In the preparation of the 2024 financial report, loan receivables have been reclassified in the balance sheet. In last year's report, loan receivables were presented under the item "Other receivables" in the balance sheet. In this year's report, loan receivables have been moved to the item "Loan receivables" in the balance sheet.

Additional item name	31.12.2023	Change	31.12.2023
Other receivables	4 104 077	-2 967 041	1 137 036
Loan receivables	0	2 967 041	2 967 041

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 and cash equivalents

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 and assets and liabilities denominated in a foreign currency

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 associates

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 property

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.

Plant, property and equipment 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.

Minimal acquisition cost 10 000 euros

Useful life by assets group (years)

Assets group name	Useful life
Cars	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.

Revenue recognition

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.

Expense recognition

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

According to the Estonian Income Tax Act, the profits of companies registered in Estonia are not taxed. Income tax is paid on dividends, gifts, donations, reception expenses, non-business-related disbursements, and transfer pricing adjustments.

In 2024, the applicable income tax rate was 20% (20/80 of the net dividends paid), and there was a special regime that provided for a lower income tax rate of 14% (14/86 of the net amount of dividends) for regular profit distributions. As of January 1, 2025, the income tax rate on dividends is 22% (22/78 of the net dividends paid). The previously applicable preferential rate of 14% (14/86) for regular profit distributions has

been abolished, and a uniform taxation applies to all dividends.

For dividends paid to individuals, which were previously subject to the 14% tax rate, an additional 7% income tax must still be withheld. The income tax related to the payment of dividends is recognized as an income tax expense in the period when the dividends are declared. The maximum possible income tax liability related to the payment of dividends is disclosed in Note 9.

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 Skaala Investments OÜ (former name Notorious OÜ) was prepared:

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

Events after 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.

Voluntary Reserve Capital

In 2024, in accordance with the articles of association, a voluntary reserve capital was established as part of the company's equity, into which both monetary and non-monetary contributions can be made. The formation, size, use, contributions to, and withdrawals from the voluntary reserve capital, as well as other conditions, are decided based on the shareholders' resolution. No interest is calculated or paid on contributions made to the voluntary reserve capital. The termination of the voluntary reserve capital is decided based on the shareholders' resolution. The voluntary reserve capital is recorded in the balance sheet under equity as "Other reserves."

Note 2 Current financial investments

(In Euros)

					Total
	Shares	Fund units	Bonds	Other	
31.12.2022	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
Disposal at selling price or redemption	-66 421 152	0	-41 846 996	0	-108 268 148
Profit (loss) from disposal 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
Carried at fair value	546 418 006	0	58 416 736	45 819 586	650 654 328
Acquisition	15 928 943	0	64 444 882	735 941	81 109 766
Disposal at selling price or redemption	-10 586 505	0	-78 978 989	-10 379 932	-99 945 426
Profit (loss) from disposal and revaluation	152 807 188	0	-3 873 288	35 048 922	183 982 822
Other	-2 763 415		-9 444 914	-5 116 873	-17 325 202
31.12.2024	701 804 217	0	30 564 427	66 107 644	798 476 288
Carried at fair value	701 804 217	0	30 564 427	66 107 644	798 476 288

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 2024, the "Other" column includes crypto-assets of 66,107,644 euros (31 December 2023: 42,043,404 euros).

During the reporting year, security protocols related to digital assets were continuously enhanced, and cooperation with third parties was intensified to prevent the concentration of risks in the hands of individual employees or partners.

As of the balance sheet date of December 31, 2024, the gold investment has been transferred to the company's shareholder.

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 33,716,017 euros (2023: 22,435,968 euros) and profit (loss) from the revaluation of the investment in gold in the amount of 1,332,905 euros (2023: 327,897 euros).

The row "Other" in the column "Total" includes assets transferred to the company's shareholder at fair value amounting to 17,317,415 euros.

Note 3 Tax prepayments and liabilities

(In Euros)

	31.12.2024	31.12.2023
	Tax liabilities	Tax liabilities
Corporate income tax	23 660 465	51 373
Value added tax	17 192	4 554
Personal income tax	15 152	13 007
Fringe benefit income tax	1 805 469	6 679
Social tax	29 475	25 253
Contributions to mandatory funded pension	2 047	1 345
Unemployment insurance tax	1 460	1 277
Total tax prepayments and liabilities	25 531 260	103 488

Note 4 Shares of subsidiaries

(In Euros)

Shares of subsidiaries, general information					
Subsidiary's registry code	Name of subsidiary	Country of incorporation	Principal activity	Ownership interest (%)	
				31.12.2023	31.12.2024
16345712	Skaala Services OÜ (end. 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
16610976	NolaNola OÜ	Estonia	Sea and coastal water transport of passengers	85	85
40203612264	Skaala SIA	Latvia	Activities of holding companies	0	100

Shares of subsidiaries, detailed information:					
Name of subsidiary	31.12.2023	Acquisition	Disposal	Other changes	31.12.2024
Skaala Services OÜ (end. TBD Holdco OÜ)	2 500	0	0	0	2 500
Noble Woods OÜ	15 000 000	0	0	0	15 000 000
NolaNola OÜ	2 390	0	0	0	2 390
Skaala SIA	0	2 800	0	0	2 800
Total shares of subsidiaries, at end of previous period	15 004 890	2 800	0	0	15 007 690

Acquired ownership interests:			
Name of subsidiary	Acquired ownership interest %	Acquisition date	Cost of acquired ownership interest
Skaala SIA	100	11.12.2024	2 800

Note 5 Shares of associate

(In Euros)

Shares of associates, general information: 2024					
Associate's registry code	Name of associate	Country of incorporation	Principal activity	Ownership interest (%)	
				31.12.2023	31.12.2024
16050394	Certific OÜ	Estonia	Other information technology activities	40.58	0
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	28.07	28.12

Shares of associates, detailed information					
Name of associate	31.12.2023	Acquisition	Disposal	Other changes	31.12.2024
Certific OÜ	1 920 560	0	0	-1 920 560	0
Plural Platform S.a.r.l.	6 000	0	0	0	6 000
Bolton Realestate OÜ	9 223 581	149 215	0	0	9 372 796
Total shares of associates, at end of previous period	11 150 141	149 215	0	-1 920 560	9 378 796

As of the balance sheet date of December 31, 2024, the investment in the company Certific OÜ has been reclassified as a long-term financial investment.

Note 6 Long-term financial investments

(In Euros)

					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
Disposal at selling price or redemption	-955 099	-255	0	0	-955 354
Profit (loss) from disposal 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
Carried at fair value	0	0	2 657 023	0	2 657 023
Recognized at cost method	139 141 074	166 462 980	11 600 000	950 000	318 154 054
					Total
	Shares	Fund units	Bonds	Other	
31.12.2023	139 141 074	166 462 980	14 257 023	950 000	320 811 077
Acquisition	38 687 494	90 620 090	0	0	129 307 584
Disposal at selling price or redemption	0	0	-4 464 809	0	-4 464 809
Profit (loss) from disposal and revaluation	-7 984 312	10 730 979	7 786	0	2 754 453
Other	2 676 359	-70 053 516	0	0	-67 377 157
31.12.2024	172 520 615	197 760 533	9 800 000	950 000	381 031 148
Recognized at cost method	172 520 615	197 760 533	9 800 000	950 000	381 031 148

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

In the reporting year, the profit (loss) from revaluation of financial investments recognised at fair value was 7,786 euros (2023: -62,582 euros) and the write-down of financial investments recognised at cost was 2,746,667 euros (2023: -22,910,791 euros) (Note 12).

The row "Other" in the column "Total" includes assets transferred to the company's shareholder at fair value amounting to 64,457,964 euros.

Note 7 Other receivables

(In Euros)

	31.12.2024	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Interest receivables	3 447 429	1 217 492	2 229 937	
Interest receivable on loans unrelated parties	621 975	600 559	21 416	
Interest receivable on loans related parties	2 825 454	616 933	2 208 521	15
Accrued income	4 768 148	4 755 148	13 000	
Other receivables non-related parties	4 682 603	4 669 603	13 000	
Other receivables related parties	85 545	85 545	0	15
Total other receivables	8 215 577	5 972 640	2 242 937	
	31.12.2023	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Interest receivables	3 667 487	2 213 981	1 453 506	
Interest receivable on loans unrelated parties	454 240	446 490	7 750	
Interest receivable on loans related parties	3 213 247	1 767 491	1 445 756	15
Accrued income	704 294	691 294	13 000	
Other receivables non-related parties	703 545	690 545	13 000	
Other receivables related parties	749	749	0	15
Total other receivables	4 371 781	2 905 275	1 466 506	

Note 8 Loan receivables

(In Euros)

	31.12.2024	Allocation by remaining maturity		Interest rate	Base currencies	Due date	Note
		Within 12 months	1 - 5 years				
Loans receivable from unrelated parties	8 444 918	2 592 174	5 852 744	3-10%	EUR, USD	2025-2027.a.	
Loans receivable from related parties	19 617 610	8 920 000	10 697 610	3-8%	EUR	2025-2030.a.	15
Loan receivables	28 062 528	11 512 174	16 550 354				

	31.12.2023	Allocation by remaining maturity		Interest rate	Base currencies	Due date	Note
		Within 12 months	1 - 5 years				
Loans receivable from unrelated parties	3 298 715	2 967 041	331 674	3-10%	EUR, USD	2024-2026.a.	
Loans receivable from related parties	25 215 575	18 030 640	7 184 935	3-8%	EUR	2024-2026.a.	15
Loan receivables	28 514 290	20 997 681	7 516 609				

During the reporting year, the company has written off loans amounting to 7,137,681 euros, which are recorded as an expense under the item "Other financial income and expenses" in the income statement.

In addition, the company has transferred the loan and interest receivable of Kala House OÜ to the majority shareholder for an amount of 12,382,003 euros.

Note 9 Contingent liabilities and assets

(In Euros)

	31.12.2024	31.12.2023
Contingent liabilities		
Distributable dividends	800 519 281	814 286 639
Income tax liability on distributable dividends	225 787 490	203 450 955
Total contingent liabilities	1 026 306 771	1 017 737 594

In calculating the potential income tax liability as of December 31, 2024, it is assumed that the income tax rate of 22/78 (as of December 31,

2023, 20/80) applies to the calculated dividends.

As of December 31, 2024, Skaala Investments OÜ (former name Notorious OÜ) has signed investment commitments with other parties amounting to 194,952,932 euros (2023: 209,121,594 euros), based on which no funds have been transferred to investments or funds as of the balance sheet date, and no corresponding investments have been acquired.

Note 10 Miscellaneous operating expenses

(In Euros)

	2024	2023
Leases	-72 683	-96 884
Miscellaneous office expenses	-346 862	-363 376
Travel expense	-726 236	-670 355
Training expense	-25 535	-19 592
State and local taxes	-2 111 749	-238 317
Legal expenses	-311 606	-259 734
Various advisory and consulting services	-1 832 872	-1 369 621
Grants and donations given	-8 341 984	-10 390
Other	-417 284	-362 636
Total miscellaneous operating expenses	-14 186 811	-3 390 905

Note 11 Labor expense

(In Euros)

	2024	2023
Wage and salary expense	-669 834	-641 213
Social security taxes	-225 854	-215 724
Total labor expense	-895 688	-856 937
Average number of employees in full time equivalent units	10	10
Average number of employees by types of employment:		
Person employed under employment contract	6	6
Member of management or controlling body of legal person	4	4

Note 12 Profit (loss) from financial investments

(In Euros)

	2024	2023
Profit (loss) from short-term financial investments recognised at fair value	183 982 822	214 446 027
Profit (loss) from long-term financial investments recognised at cost	2 746 666	-22 910 791
Profit (loss) from long-term financial investments recognised at fair value	7 786	-62 582
Income from investments	4 297 386	6 085 008
Profit (loss) from derivatives recognised at fair value	-53 436 651	-20 968 234
Dividend income	1 779 366	1 307 317
Profit (loss) from shares of affiliates and subsidiaries	0	-1 825 531
Other	0	-69 152
Total gain (loss) from financial investments	139 377 375	176 002 062

See annex 2 and 6.

Note 13 Interest income

(In Euros)

	2024	2023
Interest income from deposits	693 972	1 361 383
Interest income from bonds	1 789 966	1 963 997
Interest income from loans	2 428 124	1 769 669
Other interest income	461 930	17 726
Total Interest income	5 373 992	5 112 775

Interest income on loans granted to related parties amounted to 2,010,487 euros in 2024 (in 2023: 1,559,074 euros) (Note 15).

Note 14 Other financial income and expense

(In Euros)

	2024	2023
Profit (loss) from exchange rate differences	514 824	-630 091
Other financial expenses	-3 443 840	-15 200
Write-down of loan receivables	3 078 617	-10 984 506
Total other financial income and expense	149 601	-11 629 797

Included in other financial charges is the settlement of a claim arising from the performance of a guarantee given to a related party amounting to 3,393,705 euros (Note 15).

The item "Write-down of loan receivables" includes the impairment of loan and interest receivables given to related parties in the amount of

7,205,889 euros (2023: 10,284,506 euros) (Note 15).

The item "Write-down of loan receivables" also includes the reversal of the impairment of the principal amount of loans given to related parties in the amount of 10,284,506 euros (Note 15).

Note 15 Related parties

(In Euros)

Related party balances according to groups

SHORT TERM	31.12.2024	31.12.2023	Note
Receivables and prepayments			
Associates	0	202 411	
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	9 622 478	19 596 469	
Total receivables and prepayments	9 622 478	19 798 880	7,8
Payables and prepayments			
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	198 106	156 005	
Total payables and prepayments	198 106	156 005	

LONG TERM	31.12.2024	31.12.2023	Note
Receivables and prepayments			
Subsidiaries	1 992 645	764 249	
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	10 913 486	7 866 442	
Total receivables and prepayments	12 906 131	8 630 691	7,8

GIVEN LOANS	31.12.2022	Given loans	Given loans repayments	31.12.2023	Interest accrued for period	Note
Subsidiaries	0	741 792	0	741 792	22 457	
Associates	0	200 000	0	200 000	2 411	
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	30 721 062	4 921 194	11 368 472	24 273 784	1 534 206	
Total given loans	30 721 062	5 862 986	11 368 472	25 215 576	1 559 074	

GIVEN LOANS	31.12.2023	Given loans	Given loans repayments	31.12.2024	Interest accrued for period	Note
Subsidiaries	741 792	1 141 494	0	1 883 286	86 902	
Associates	200 000	0	200 000	0	5 523	
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	24 273 784	17 001 476	23 540 937	17 734 323	1 923 586	
Total given loans	25 215 576	18 142 970	23 740 937	19 617 609	2 016 011	

SOLD	2024	2023
	Services	Services
Subsidiaries	7 220	0
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	99 312	22 400
Total sold	106 532	22 400

BOUGHT	2024	2023
	Services	Services
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	794	75 976
Total bought	794	75 976

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2024	2023
Remuneration	144 364	150 604

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

During the reporting year, dividends amounting to 96.3 million euros (2023: 1.4 million euros) were declared and paid to shareholders, of which 94.1 million euros were non-monetary (Notes 2, 6, 8), resulting in an income tax expense of 24.0 million euros (2023: 0.4 million euros).

The item "Given loans" includes the reversal of the impairment of loan receivables from the previous period amounting to 10,284,506 euros in 2024 (Note 14).

The item "Given loans repayments" includes the write-off of receivables amounting to 7,137,681 euros (Note 14), the conversion of receivables into investments amounting to 200,000 euros, the offsetting of receivables with liabilities amounting to 2,855,000 euros, the transfer of loans to shareholders amounting to 10,622,981 euros, and the treatment of loans as donations amounting to 2,925,275 euros in 2024.

As of the balance sheet date of December 31, 2024, mutual interest receivables and liabilities between the lender and the borrower were offset amounting to 538,705 euros, the write-off of interest receivables amounting to 68,208 euros, the transfer of interest receivables to shareholders amounting to 1,759,022 euros, and the treatment of interest receivables as donations amounting to 130,441 euros.

The guarantee letter signed at the end of 2023 between Skaala Investments OÜ (former name Notorious OÜ) (the guarantor) and Kala

House OÜ (the beneficiary) was realized on December 30, 2024, when the beneficiary submitted a written claim to the guarantor for the fulfillment of the guarantee claim arising from the guarantee letter. As a result of fulfilling the guarantee claim, mutual receivables and liabilities were offset amounting to 3,393,705 euros, and the guarantee claim was considered fully satisfied (Note 14).

Receivables from related parties include interest receivables amounting to 2,825,454 euros (2023: 3,213,247 euros).

The receivables from related parties have been invoiced as sales and are recorded in the balance sheet under the item "Receivables from related parties". As of the balance sheet date, these receivables have been settled and the balance is zero. Purchases from related parties are recorded in the income statement under the item "Various operating expenses."

In 2024, a voluntary reserve capital was established. Shareholders made a monetary contribution of 2,500,000 euros to the voluntary reserve capital.

Note 16 Events after the reporting date

After the reporting date, the Tallinn City Government has approved the detailed plan for the Krulli Quarter in North Tallinn. This event creates a precondition for the acquisition of 100% of the shares in Krulli Kvartal AS by Skaala Investments OÜ (formerly Notorious OÜ), pursuant to the Krulli Kvartal AS share sale agreement concluded in 2021.

Lisa 17 Other payables

(euros)

	31.12.2024	Allocation by remaining maturity	
		Within 12 months	1-5 years
Derivative instrument	194 887 053	95 852 563	99 034 490
Other accruals	602 302	602 302	0
Total other payables	195 489 355	96 454 865	99 034 490

	31.12.2024	Allocation by remaining maturity	
		Within 12 months	1-5 years
Derivative instrument	48 443 757	0	48 443 757
Other accruals	306 608	306 608	0
Total other payables	48 750 365	306 608	48 443 757

The Company has entered into agreements with another party to fix the sale price of the Company's listed shares 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 fair value has been determined based on the asset manager's quotation.

The profit (loss) from the revaluation of the derivative in the reporting year was -53,436,651 euros (2023: -20,968,234 euros) (Note 12).