

ANNUAL REPORT

beginning of financial year: 01.01.2023

end of the financial year: 31.12.2023

business name: HOOVI Rental OÜ

register code: 16020217

postal address: Harju maakond, Tallinn, Kesklinna linnaosa,
Ahtri tn 6a

postal code: 10151

telephone: +372 51919192

e-mail address: support@hoovi.ee

web address: <https://www.hoovi.ee>

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Management report

HOOVI Rental OÜ is a financial institution whose main activity is to offer financial products to companies registered in Estonia, whose activities comply with the developed rules for issuing loans.

The company is an ongoing business and plans are being made to expand its operations and increase its customer base.

The most important ratios of the company:

	2023/ EUR	2022 / EUR
Net interest income	573 410	427 359
Net fee income	386 940	53 396
Profit/Loss for the Financial Year	307 467	72 507

The annual accounts

Statement of financial position

(In Euros)

	31.12.2023	31.12.2022	Note
Assets			
Current assets			
Cash and cash equivalents	99 114	90 211	2
Receivables and prepayments	1 416 789	1 240 129	3
Total current assets	1 515 903	1 330 340	
Non-current assets			
Receivables and prepayments	3 546 666	1 114 434	3
Total non-current assets	3 546 666	1 114 434	
Total assets	5 062 569	2 444 774	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	2 028 431	402 723	5
Payables and prepayments	191 216	374 692	6
Total current liabilities	2 219 647	777 415	
Non-current liabilities			
Loan liabilities	2 586 136	1 718 040	5
Total non-current liabilities	2 586 136	1 718 040	
Total liabilities	4 805 783	2 495 455	
Equity			
Issued capital	2 500	2 500	
Retained earnings (loss)	-53 181	-125 688	
Annual period profit (loss)	307 467	72 507	
Total equity	256 786	-50 681	
Total liabilities and equity	5 062 569	2 444 774	

Income statement

(In Euros)

	2023	2022	Note
Interest income	1 031 069	662 623	12
Interest expenses	-457 660	-235 264	13
Net interest income	573 409	427 359	
Service fee income	477 750	67 013	8
Service fee expenses	-90 810	-13 617	10
Net service fee income	386 940	53 396	
Other financial income and expense	1 216	0	
Other income	27 110	4	7
Other operating expense	-527 899	-372 201	9
Employee expense	-153 206	-28 892	11
Other expense	-103	-7 159	
Profit (loss) before tax	307 467	72 507	
Annual period profit (loss)	307 467	72 507	

Notes

Note 1 Accounting policies

General information

The annual accounts of Hoovi Rental OÜ have been prepared in accordance with the Estonian financial reporting standard. Estonian financial reporting standard is a set of public financial reporting requirements based on internationally recognized accounting and reporting principles, the basic requirements of which are established by the Accounting Act of the Republic of Estonia and specified by the Accounting Committee guidelines to be issued.

The company's annual accounts have been prepared in accordance with the standards established for the abbreviated annual accounts of small enterprises requirements. The profit and loss statement has been prepared on the basis of the special scheme of the financial institution in accordance with the Accounting Act.

The financial statements have been prepared in euros.

Financial assets

Financial assets include money, short-term and long-term loan claims to customers, short-term financial investments, claims against buyers and other claims. Financial assets are initially recognized at their acquisition cost, which is the fair consideration paid or received for the given financial asset value. The original acquisition cost includes all transaction costs directly related to the financial asset. A financial asset is removed from the balance sheet when the company loses the right to the cash flows arising from the financial asset or it transfers the cash flows arising from the asset to a third party, and most of the risks and rewards associated with financial assets. Purchases and sales of financial assets are consistently recorded on the value date, i.e. the day on which the company becomes the owner of the purchased financial asset or loses ownership of the sold financial asset.

Cash and cash equivalents

Deposits in banks are recorded as cash and cash proxies.

Receivables and prepayments

Short- and long-term loan receivables, accruals and receivables from buyers are recorded at adjusted cost. Short-term claims adjusted acquisition cost is generally equal to their nominal value (minus discounts), therefore short-term receivables is reflected in the balance sheet in the amount likely to be received. To calculate the adjusted cost of long-term financial assets the financial asset is initially taken into account at the fair value of the consideration received, taking into account the interest income in the following periods at the internal interest rate method. Discounts on receivables are recorded in the balance sheet under the item Unprobable receivables from customers. Loan receivables are recorded in the net amount in which the provision for unlikely claims has been taken into account. Bad debts are written off the balance sheet. Resulting from a decrease in value discounts are recognized as an expense in the income statement.

Financial liabilities

Financial liabilities are initially taken into account at their acquisition cost, which is the fair consideration paid or received for the given financial liability value. The original acquisition cost includes all transaction costs directly related to the financial liability. Financial liabilities are recorded in the balance sheet at adjusted cost. A financial liability is removed from the balance sheet when it is satisfied, terminated or expired.

Revenue recognition

Revenue is recognized at the fair value of the consideration received or receivable.

Revenues are:

1. interest income;
2. service fee income;
3. other business income.

All interest income and interest income from loans are recorded under interest income. Service fee income on the record is reported under financial services related negotiation service, contract fees, guarantee fees and securities transaction fee, received arrears.

Expense recognition

In the reporting period, the revenues earned during the period and the expenses related to earning these revenues are recorded.

The costs are:

1. interest costs;
2. service fee costs;
3. various operating costs;
4. labor costs;
5. other business expenses.

Related parties

The company considers parties to be related if one controls the other or has significant influence over the other's activities to decisions.

Related parties are:

- owners;
- members of the board and council;
- close family members of the above-mentioned persons and their related companies.

Note 2 Cash and cash equivalents

(In Euros)

	31.12.2023	31.12.2022
Bank account	40 691	82 019
Money in transit	58 423	8 192
Total cash and cash equivalents	99 114	90 211

Note 3 Receivables and prepayments

(In Euros)

	31.12.2023	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	27 110	27 110		
Accounts receivables	27 110	27 110		14
Loan receivables	4 648 794	1 102 128	3 546 666	4
Other receivables	145 278	145 278		
Interest receivables	142 979	142 979		
Accrued income	2 299	2 299		
Prepayments	7 571	7 571		
Other paid prepayments	7 571	7 571		
Paid guarantees	90 241	90 241		
Other claims towards clients	44 461	44 461		
Total receivables and prepayments	4 963 455	1 416 789	3 546 666	
	31.12.2022	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Receivables from related parties	141	141		
Loan receivables	2 229 749	1 115 315	1 114 434	4
Other receivables	55 968	55 968		
Interest receivables	55 968	55 968		
Prepayments	3 337	3 337		
Other paid prepayments	3 337	3 337		
Other transferable claims	34 592	34 592		
Paid guarantees	30 776	30 776		
Total receivables and prepayments	2 354 563	1 240 129	1 114 434	

Note 4 Loan receivables

(In Euros)

	31.12.2023	Allocation by remaining maturity		Interest rate	Base currencies	Due date	Note
		Within 12 months	1 - 5 years				
Clients loans	3 988 252	126 885	3 861 367	12-40%	eur	2025-2027	3
Requirements for long-term loans in the next period	1 073 036	1 073 036		12-40%	eur	2024	3
Loan portfolio provisions	-412 494	-97 793	-314 701				9
Loan receivables	4 648 794	1 102 128	3 546 666				

	31.12.2022	Allocation by remaining maturity		Interest rate	Base currencies	Due date	Note
		Within 12 months	1 - 5 years				
Clients loans	1 519 772	306 452	1 213 320	12-40%	eur	2023-2026	3
Requirements for long-term loans in the next period	907 827	907 827		12-40%	eur	2023	3
Loan portfolio provisions	-197 850	-98 964	-98 886				9
Loan receivables	2 229 749	1 115 315	1 114 434				

Note 5 Loan commitments

(In Euros)

	31.12.2023	Allocation by remaining maturity			Interest rate	Base currencies	Due date	Note
		Within 12 months	1 - 5 years	Over 5 years				
Current loans								
GetIncome Marketplace	2 028 431	2 028 431			10-12%	EUR	2024	
Current loans total	2 028 431	2 028 431						
Non-current loans								
Hoovi Group OÜ	1 986 136		1 986 136		15%	EUR	2025	14
Wellman SIA	600 000		600 000		15%	EUR	2025	14
Non-current loans total	2 586 136		2 586 136					
Loan commitments total	4 614 567	2 028 431	2 586 136					
	31.12.2022	Allocation by remaining maturity			Interest rate	Base currencies	Due date	Note
		Within 12 months	1 - 5 years	Over 5 years				
Current loans								
GetIncome Marketplace	402 723	402 723			10-12%	EUR	2023	
Current loans total	402 723	402 723						
Non-current loans								
Hoovi Group OÜ	1 718 040		1 718 040		13-15%	EUR	2025	14
Non-current loans total	1 718 040		1 718 040					
Loan commitments total	2 120 763	402 723	1 718 040					

Note 6 Payables and prepayments

(In Euros)

	31.12.2023	Within 12 months	Note
Trade payables	21 541	21 541	
Employee payables	11 484	11 484	
Tax payables	14 347	14 347	
Other payables	67 194	67 194	
Interest payables	67 194	67 194	14
Prepayments received	400	400	
Other received prepayments	400	400	
Received unclaimed payments [clients]	76 250	76 250	
Total payables and prepayments	191 216	191 216	

	31.12.2022	Within 12 months	Note
Trade payables	317 361	317 361	
Employee payables	5 475	5 475	
Tax payables	8 068	8 068	
Other payables	43 388	43 388	
Interest payables	43 224	43 224	14
Other accrued expenses	164	164	
Prepayments received	400	400	
Other received prepayments	400	400	
Total payables and prepayments	374 692	374 692	

Note 7 Other operating income

(In Euros)

	2023	2022
Sales of software development services	27 110	0
Other	0	4
Total other operating income	27 110	4

Note 8 Service fee income

(In Euros)

	2023	2022
Contract Fees	407 926	67 013
Administrative fees	62 824	0
Notification fees	7 000	0
Total service fee income	477 750	67 013

Note 9 Miscellaneous operating expenses

(In Euros)

	2023	2022	Note
Leases	1 438	0	
Miscellaneous office expenses	95	409	
Exploration and development expense	596	0	
State and local taxes	20	414	
Management service	244 800	291 908	14
Brokerage fee	31 541	4 317	
Loan portfolio provisions	214 645	75 153	4
Brokerage fee	32 851	0	
Accounting fees	1 598	0	
Other	315	0	
Total miscellaneous operating expenses	527 899	372 201	

Note 10 Service fee expenses

(In Euros)

	2023	2022
Collection fees	0	34
Background check	2 068	255
Commission fee	4 860	173
Portfolio management fee	75 424	9 951
IT services	4 182	3 204
Legal costs	3 601	0
Advertising fees	675	0
Total service fee expenses	90 810	13 617

Note 11 Labor expense

(In Euros)

	2023	2022
Wage and salary expense	114 539	21 646
Social security taxes	38 667	7 246
Total labor expense	153 206	28 892
Average number of employees in full time equivalent units	3	3
Average number of employees by types of employment:		
Person employed under employment contract	3	3

Note 12 Interest income

(In Euros)

	2023	2022
Interest income from loans	922 149	613 328
Fines for delays	108 920	49 295
Total interest income	1 031 069	662 623

Note 13 Interest expenses

(In Euros)

	2023	2022
Interest expenses from loans	457 660	235 264
Total interest expenses	457 660	235 264

Note 14 Related parties

(In Euros)

Name of accounting entity's parent company	Hoovi Group OÜ
Country where accounting entity's parent company is registered	Estonia

Related party balances according to groups

SHORT TERM	31.12.2023	31.12.2022
Receivables and prepayments		
Parent company	27 110	0
Total receivables and prepayments	27 110	0
Payables and prepayments		
Parent company	67 194	353 098
Total payables and prepayments	67 194	353 098

LONG TERM	31.12.2023	31.12.2022
Loan commitments		
Parent company	1 986 136	1 718 039
	1 986 136	1 718 039

LOAN COMMITMENTS	31.12.2021	Loans received	Loans received repayments	31.12.2022	Interest accrued for period
Parent company	1 431 220	334 000	47 181	1 718 039	224 892
Total loan commitments	1 431 220	334 000	47 181	1 718 039	224 892

LOAN COMMITMENTS	31.12.2022	Loans received	Loans received repayments	31.12.2023	Interest accrued for period
Parent company	1 718 039	726 576	458 479	1 986 136	312 491
Total loan commitments	1 718 039	726 576	458 479	1 986 136	312 491

SOLD	2023	2022	
	Services	Goods	Services
Parent company	27 110		
Total sold	27 110		

BOUGHT	2023	2022	
	Services	Goods	Services
Parent company	245 700	351	291 908
Total bought	245 700	351	291 908

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2023	2022
Remuneration	33 118	10 099