

# **UNAUDITED CONSOLIDATED INTERIM REPORT FOR THE FIRST HALF OF 2022**

**Beginning of the period of the financial year: 01.01.2022**

**End of the period of the financial year: 30.06.2022**

**Business name: ELMO Rent AS**

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## Management Report

The public limited company ELMO Rent (hereinafter 'ELMO Rent') is an Estonian company whose main field of activity is the provision of an environmentally friendly vehicle sharing service and the development, launch, and scaling of related environmentally friendly and innovative technologies, such as the IT operating systems of the vehicle fleet, car controllers, and remote-control vehicles.

The unaudited sales revenue of ELMO Rent for the first half of 2022 was 713,332 euros (six months in 2021: 230,672 euros) and the EBITDA of the reporting period was -233,333 euros, the total loss for the period was 817,328 euros (total loss in six months in 2021: 185,842 euros), the main reason for which is the cost of developing and launching remote-control vehicles. The short-term rental service offered by the company is profitable.

Compared to the expenses of the first half of 2021, the following five articles represent the largest increase in expenses in the first half of 2022:

- labour costs – approximately 263,000 euros more compared to the same period in 2021;
- legal, financial consultant costs – approximately 133,000 euros more compared to the same period in 2021;
- depreciation of fixed assets – approximately 105,000 euros more compared to the same period in 2021;
- electricity and fuel costs – approximately 74,000 euros higher compared to the same period in 2021;
- direct costs related to the vehicle fleet – approximately 58,000 euros more compared to the same period in 2021.

Sales revenue for the first half of the year increased by 211%.

The short-term rental sales revenue of ELMO Rent has increased more than 2.4 times (first half of 2021 vs first half of 2022 – 142,671 euros and 347,660 euros, respectively). By month, January of 2021 vs January of 2022 (low season) – respectively 16,709 euros and 43,843 euros (increase 2.6 times) and June of 2021 vs June of 2022 (high season) – respectively 33,616 euros and 79,100 euros (increase 2.4 times) The vehicle fleet increased from 63 vehicles to 108 vehicles in January of 2021 vs January of 2022 (1.7 times increase) and to 122 vehicles as at June of 2022. Revenue per car (the entire fleet, including the ones not rented) increased 1.8 times during the period, i.e. from 354 euros (June of 2021) to 648 euros (June of 2022). On average, every vehicle is rented 41% of the time (24 h × 41% = rented 9.8 h per day in various sessions), which is a very good indicator from the point of view of short-term rental. Together with remote-control technology, the goal is to increase the average rental time to 48% (by December of 2022), which also means that the same customer base is served with a smaller number of vehicles.

As at 30 June 2022, the balance sheet volume of ELMO Rent was 3,574,449 euros (30 June 2021: 3,048,945 euros), which increased by 17% compared to the same period of 2021. Current assets made up 1,109,917 euros of assets (30 June 2021: 1,076,287 euros) or 31.1% of total assets. Fixed assets made up 2,464,532 euros (30 June 2021: 1,972,658 euros) or 68.9% of the balance sheet total. The total liabilities of ELMO Rent were 2,256,704 euros (30 June 2021: 2,085,962 euros) and the equity capital of the company was 1,317,745 euros (30 June 2021: 962,983 euros).

To finance development and growth plans, ELMO Rent issued 256,363 new shares this January, which were admitted to public trading on the Nasdaq Baltic alternative market First North. In the first half of the year, the goal of the company of opening a subsidiary in a foreign market – in France – was

realised. The goal was the purchase of new electric vehicles, including the Premium class, and their sale to a larger purchasing market by replacing the vehicle fleet. The establishment of a subsidiary in France was also motivated by the potential to offer our remote-control vehicle technology to local car manufacturers (Renault, Peugeot – which makes up 31% of the vehicle fleet of ELMO Rent today) and to companies in the field of transport. As part of this, we introduced our remote-control vehicle technology to interested parties in both France and Germany in June. The technology was very popular and the introduction turned out to be successful.

The company was the first in Estonia to offer customers the possibility of ordering a vehicle to a location of their choice within the borders of Harju County and the city of Tartu. The vehicle is delivered to them by fleet operators. This service is gaining popularity rapidly, which supports the demand for remote-control technology. Very soon, the vehicles will be delivered to the customer by remote control, which makes it possible to offer this service to customers with significantly lower labour costs and shorter waiting time, i.e. more cost-effectively.

The first remote-control vehicle prototype passed the first part of the site test of the Transport Administration at the end of 2021. After that, errors have been eliminated and the cars have been directed to traffic (including the city streets of Toulouse, Paris, Munich, and Berlin). Our remote-control vehicle passed the field test on 30 June 2022 (see <https://view.news.eu.nasdaq.com/view?id=b4bc4292c22f45902cce95827b9b27061&lang=et>). The development of remote-control technology is also supported by Enterprise Estonia with 374,094 euros.

ELMO Rent also closely works with companies in the field, the Transport Administration, the Ministry of Economic Affairs and Communications, the Police and Border Guard Board, and others in the steering group of the Traffic Act and technical conditions concerning remote-control and self-driving vehicles, with the aim of establishing the new documents by the end of 2022. The documents are also used as input for the same documents being drawn up by the EU Commission, which are due to be established in the second half of 2022.

In the first half of 2022, a total of 25 new vehicles were added to the car fleet of ELMO Rent (instead of the planned 50), which, together with the existing ones, helped ELMO Rent to prevent producing a total of 189,245 kg of CO<sub>2</sub> on Tallinn and Tartu city roads in the first half of 2022 (87,181 kg of CO<sub>2</sub> in the first half of 2021), which is 117% more than the year before.

We grew the workforce of the company by more than 367%. As at June 30 2022, the company had 28 employees. Labour costs (including taxes) in the first half of 2022 were 302,377 euros (first half of 2021: 35,708 euros).

The management board of the company hired several people during the summer – Raoul Järvis started working as the IT development manager. He was the original creator of Taxipal, one of the first and most awarded taxi booking mobile applications in the world. The activities of ELMO Rent in France and Germany were launched by Kristiina Kaldmaa, whose previous experience at Enterprise Estonia, embassies, and Business France supports the plans of the company to expand outside of Estonia. Raili Somelar, with a fintech background and international experience, will lead the marketing of remote-controlled vehicle technology. The management of the company was taken over by Enn Laansoo, Jr., the founder of ELMO Rent and a pioneer in the green field.

3,701 new customers joined ELMO Rent in the first half of the year (554 in the first half of 2021), which is 6.6 times more compared to the previous period.

**Plans for the second half of 2022**

ELMO Rent has contributed and will continue to actively contribute to the expansion of the service (including the launch of the taxi service) and the development of remote technology with the introduction of the service on public streets, which provides a prerequisite for strong sales growth in the future as well.

In the second half of 2022, ELMO Rent will introduce a unique remote-control vehicle service to the market, the software of which the company plans to use for export and in a new customer segment (military, agriculture, etc.). The launch of the taxi service will significantly increase the availability and quality of the services of ELMO Rent for the customers, bringing additional turnover to the company and increasing the number of new customer registrations among both private and business customers.

We are also actively working on updating the brand and the application, which will be announced and launched in the second half of 2022.

ELMO Rent is constantly analysing and developing the market and its service portfolio with the aim of ensuring innovation and growth of business volumes. Expanding the service and product portfolio and entering a new customer segment gives ELMO Rent the prerequisite to achieve the set goals.

In order to develop remote-control technology and rental services of the new generation, ELMO Rent is raising capital from private investors in the second half of 2022 in two stages within the framework of non-public placings. The company will use the raised capital mainly to bring remote-control vehicle technology to the streets and expand to foreign markets, but also to expand the car fleet and enter the taxi service market. In May, we announced the involvement of two investor consultants, KPMG Baltics and Keystone Advisers (<https://view.news.eu.nasdaq.com/view?id=b369a1a315cfc6346406717f144392da4&lang=en>). The involvement of three million euros started in June 2022 and we plan to carry out a major campaign at the end of 2022/in the beginning of 2023, the preliminary work of which has also already been started.

## Interim Financial Statements

### Consolidated Balance Sheet (EUR)

Description	30.06.2022	30.06.2021	Note
<b>Assets</b>			
Current assets			
Cash	105,926	757,148	2
Receivables and prepayments	986,877	319,139	3
Inventories	17,114	0	
<b>Total current assets</b>	<b>1,109,917</b>	<b>1,076,287</b>	
Fixed assets			
Property, plant and equipment	2,464,532	1,972,658	
Total property, plant and equipment	2,464,532	1,972,658	
<b>Total fixed assets</b>	<b>2,464,532</b>	<b>1,972,658</b>	
<b>Total assets</b>	<b>3,574,449</b>	<b>3,048,945</b>	
<b>Liabilities and equity</b>			
Liabilities			
Current liabilities			
Loans payable	463,472	266,033	5
Payables and prepayments	342,098	299,276	6
<b>Total current liabilities</b>	<b>805,570</b>	<b>565,309</b>	
Long-term liabilities			
Loans payable	1,451,134	1,520,653	5
<b>Total long-term liabilities</b>	<b>1,451,134</b>	<b>1,520,653</b>	
<b>Total liabilities</b>	<b>2,256,704</b>	<b>2,085,962</b>	
Equity			
Share capital at nominal value	245,636	220,000	7
Share premium	2,286,645	934,333	
Other reserves	10,000	10,000	
Retained earnings (loss)	-407,208	-15,508	
Profit (loss) for financial year	-817,328	-185,842	
<b>Total equity</b>	<b>1,317,745</b>	<b>962,983</b>	
<b>Total liabilities and equity</b>	<b>3,574,449</b>	<b>3,048,945</b>	

## Consolidated Income Statement (EUR)

	<b>2022</b>	<b>2021</b>	<b>Note</b>
	<b>First half- year</b>	<b>First half-year</b>	
Sales revenue	713,332	230,672	8
Other operating revenue	25,274	72,500	
Goods, raw materials and services	-629,016	-184,390	
Miscellaneous operating expenses	-341,162	-75,235	
Staff costs	-302,377	-35,708	9
Depreciation and impairment of fixed assets	-226,678	-119,995	
Other operating charges	-1,788	-14,222	
<b>Operating profit (loss)</b>	<b>-762,415</b>	<b>-318,301</b>	
Interest expenses	-54,940	-59,467	
Other financial income and expenses	27	3	
<b>Profit (loss) before income tax</b>	<b>-817,328</b>	<b>-185,842</b>	
<b>Profit (loss) for reporting period</b>	<b>-817,328</b>	<b>-185,842</b>	

## Consolidated Cash Flow Statement (EUR)

	<b>2022</b>	<b>2021</b>
	<b>First half-year</b>	<b>First half-year</b>
Cash flow from operating activities		
Operating profit (loss)	-762,415	-126,378
Adjustments		
Depreciation and impairment of fixed assets	226,678	119,995
Profit (loss) on sales of fixed assets	195,257	-13,883
Other adjustments	-31,639	-3,816
<b>Total adjustments</b>	<b>390,296</b>	<b>102,296</b>
Change in receivables and prepayments related to operating activities	-338,695	-94,198
Change in inventories	0	-15,984
Change in liabilities and prepayments related to operating activities	12,101	128,321
<b>Total cash flow from operating activities</b>	<b>-698,717</b>	<b>-5,943</b>
Cash flow from investment activities		
Paid upon acquisition of property, plant and equipment, and intangible assets	-283,636	-279,080
Received from sales of property, plant and equipment, and intangible assets	15,000	18,917
Paid upon acquisition of subsidiaries	0	0
Received from sales of subsidiaries	0	0
Loans granted	-2	0
<b>Total cash flow from investment activities</b>	<b>-268,634</b>	<b>-260,463</b>
Cash flow from financing activities		
Loans raised	0	459,625
Repayments of loans raised	-110,105	-188,646
Financial lease principal repayment	-160,157	-215,961
Interest paid	-52,661	-59,463
Received from issue of shares	1,367,733	0
Other proceeds from financing activities	0	0
<b>Total cash flow from financing activities</b>	<b>1,044,810</b>	<b>981,248</b>
<b>Total cash flow</b>	<b>77,459</b>	<b>714,842</b>
Cash and cash equivalents at the beginning of period	28,467	42,306
<b>Change in cash and cash equivalents</b>	<b>77,459</b>	<b>714,842</b>
Cash and cash equivalents at the end of period	105,926	757,148



## Consolidated Statement of Changes in Equity (EUR)

	Share capital at nominal value	Share premium	Other reserves	Retained earnings (loss)	Minority interest	Total
<b>31.12.2019</b>			90,250	-17,923		72,327
Profit (loss) for reporting period			0	2,310		2,310
Changes in reserves			-80,250			-80,250
Other changes in equity	2,500				404	2,904
<b>30.06.2020</b>	2,500		10,000	-171,884		-159,384
Profit (loss) for reporting period						
Changes in reserves						
<b>31.12.2020</b>	2,500		10,000	-15,613	404	-5,209
Profit (loss) for reporting period				-185,842		-185,842
Share capital issued	217,500	934,334				
Dividends declared						
Changes in reserves				104	-404	-300
<b>30.06.2021</b>	220,000	934,334	10,000	-201,351	0	962,983
Profit (loss) for reporting period				-205,857		-205,857
Share capital issued						
Dividends declared						
Changes in reserves		-14,489				
<b>31.12.2021</b>	220,000	918,913	10,000	-407,208	0	741,705
Profit (loss) for reporting period				-817,328		-817,328
Share capital issued	25,636	1,367,732				1,393,368
Dividends declared						
Changes in reserves						
				-		
<b>30.06.2022</b>	245,636	2,286,645	10,000	1,224,536	0	1,317,745

## Notes to Interim Financial Statements

### Note 1 Accounting Policies

#### General information

The consolidated financial statements of AS Elmo Rent for the first half of 2022 have been prepared in compliance with the Estonian financial reporting standard. The accounting principles generally accepted in Estonia are based on internationally acknowledged principles of accounting and reporting, the primary requirements of which are provided in the Accounting Act and which are supplemented by guidelines issued by the Accounting Standards Board of the Republic of Estonia.

The consolidated financial statements for the first half of 2022 are presented in euros. Reporting is done in accordance with the small enterprise regulation. Reporting consists of the balance sheet, income statement, cash flow statement, statement of changes in equity and notes.

The main accounting policies used in the preparation of the consolidated financial statements for the first half of the year are set out below.

#### Preparation of consolidated financial statements

##### PRINCIPLES OF CONSOLIDATION

The financial indicators of the parent company and its subsidiaries recognised in the consolidated statements have been added up as though they were a single company. The consolidated financial statements for the first half of 2022 recognise the financial performance of ELMO Rent Autojagamine OÜ and Elmo Rent Eesti OÜ.

In the consolidated statements, the financial indicators of the parent company and subsidiaries are added up on a line-by-line basis, eliminating entirely all mutual claims, obligations and transactions, and the unrealised gains and losses arising thereby. The investments in subsidiaries recognised in the balance sheet of the parent company are eliminated against the holdings of the parent company in the equity of the subsidiaries. In subsidiaries where the holding of the parent company is below 100%, the minority share is separated from the net assets and profit/loss for the reporting period of the relevant subsidiary.

The separate unconsolidated main statements of the parent company are disclosed in the notes to the consolidated financial statements for the first half-year. The main statements of the parent company were prepared according to the same accounting policies that are applied to the preparation of the consolidated financial statements for the first half-year, except for investments in subsidiaries, which have been recognised in the unconsolidated statements at acquisition cost. According to the acquisition cost method, an investment is initially recognised at the acquisition cost, i.e. at the fair value of the consideration paid upon acquisition. The acquisition cost is later adjusted with the write-downs arising from the impairment of the investment as and when necessary.

## Financial assets

Financial assets are assets that are:

- (a) cash;
- (b) contractual right to receive cash or other financial assets (e.g. trade receivables) from another party.

Financial assets are initially recognised at their acquisition cost, which is the fair value of the consideration payable or receivable for particular financial assets. The initial acquisition cost includes all transaction costs directly attributable to the acquisition of the financial assets. A regular purchase or sale of financial assets is recognised using trade date accounting. Subsequent accounting of financial assets takes place depending on their type either pursuant to the fair value, acquisition cost or adjusted acquisition cost method. Financial assets or groups of financial assets recognised using the acquisition cost or adjusted acquisition cost method are checked for signs of impairment on every balance sheet date. If these signs are present, the financial asset is written down. The write-downs arising from the impairment are recognised as expenses in the income statement. Financial assets are derecognised when the company loses the right to the cash flow generated by the financial asset or transfers the cash flow generated by the financial asset and most of the risks and benefits attributable to the financial asset to a third party.

## Cash

Bank account balances and cash in hand are recognised under cash in the balance sheet.

Cash flow from operating activities is recognised using the indirect method. Cash flow from investment and financing activities is recognised using the direct method, i.e. presented as the gross earnings and payments in the reporting period.

## Shares of subsidiaries and associates

Subsidiaries are companies controlled by 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. The operations of subsidiaries are recognised in the financial statements for the first half-year from the moment control is gained until it is lost. Investments in subsidiaries are recognised in the balance sheet using the equity method.

In accordance with § 29 of the Accounting Act, when investments are accounted for using the equity method, the parent company's financial statements for the first half-year are not consolidated.

An associate is a company over which the group has significant influence, but which is not controlled by the group. The existence of significant influence is generally assumed if the group holds 20 to 50% of all voting shares in the company. Investments in associates are recognised in the balance sheet using the equity method.

## Receivables and prepayments

Trade receivables are recognised at adjusted acquisition cost, i.e. at their present value less any amounts the collection of which is doubtful. The adjusted acquisition cost of short-term receivables is generally equal to their nominal value (less any possible write-downs) and therefore short-term receivables are recognised on the balance sheet in the amounts that are likely to be collected. If the collection of accounts receivable is deemed doubtful, the write-down is recognised in the income statement on the 'Miscellaneous operating expenses' account. Trade receivables the collection of which has become impossible or impractical are considered irrecoverable and written off the balance sheet. If an earlier estimate about the sum of uncollectible receivables changes, it is recognised as in the income statement for the period in which the estimate changed. The receipt of a doubtful or uncollectible receivable is indicated as a decrease in costs in the period when the receipt took place.

## Inventories

Inventories are initially recognised at their acquisition cost, which consists of purchase costs, production costs and other costs incurred in bringing the inventories to their present location and condition. The purchase costs of inventories contain, in addition to the purchase price, customs duties related to the purchase, other non-refundable taxes and transportation costs directly attributable to the acquisition of the inventories, which are debited with discounts and subsidies. If individual inventory objects can be clearly distinguished from one another, the costs made to purchase each object shall be proceeded from upon writing off their acquisition cost (individual cost method).

## Property, plant and equipment, and intangible assets

### *Property, plant and equipment*

Property, plant and equipment mean assets with a useful life of more than one year whose cost starts from €650 and that are used in economic activities.

Property, plant and equipment are initially registered at their acquisition cost which consists of the purchase price and costs directly attributable to acquisition.

In the balance sheet, property, plant and equipment are recognised at their acquisition cost less accumulated depreciation and write-downs resulting from any decrease in value. Depreciation is calculated using the straight-line method. Property, plant and equipment are written off the balance sheet if their further use or sale is not likely to result in economic gain. Any gains/losses arising from sale or write-off means the difference between the value received and the residual value of the main value. The straight-line method is used to calculate depreciation. Depreciation rates are established separately for each item of fixed assets on the basis of their useful lives. The following ranges of useful lives have been established for groups of property, plant and equipment:

#### Machinery and equipment

- Means of production 6 years

- Means of transport 6 years

#### Other property, plant and equipment

- Fixtures and fittings 3–5 years

- Furniture 3–5 years

- Office equipment 3–5 years

Land is not depreciated.

Changes are made in the depreciation of assets on a prospective basis if there are signs that the life or residual value of an item of assets has changed significantly.

Upon determining the recoverable amount of property, plant and equipment, the principles described in the section on impairment of assets are followed.

#### *Intangible assets*

Intangible assets are initially recorded at their acquisition cost, which consists of a purchase price and costs directly attributable to acquisition. Intangible assets are recognised in the balance sheet at their acquisition cost, less accumulated depreciation and possible write-downs resulting from impairment. The straight-line method is used to calculate depreciation. Depreciation rates are established separately for each item of intangible assets on the basis of its useful life. If the useful life of intangible assets cannot be reliably assessed, it is presumed to be 10 years. The following ranges of useful lives have been established for groups of intangible assets:

Goodwill 5 years

Computer software 5 years

Trademarks 5 years

Changes are made in the depreciation of assets on a prospective basis if there are signs that the life or residual value of an item of assets has changed significantly. Upon determining the recoverable amount of intangible assets, the principles described in the section on impairment are followed.

#### *Development costs*

Development costs are costs incurred in the application of research results to develop, design or test new products, services, processes or systems. Development costs are capitalised if there are technical and financial resources and a positive intention to implement the project, the group is able to use or sell the assets created, and the amount of development costs and the future economic benefit from intangible assets can be reliably measured. Development costs are recognised as an expense during the period when they are accrued.

#### **Useful life, additional information**

The presence of circumstances indicating the possible impairment of assets is assessed on every balance sheet date in the case of property, plant and equipment, and intangible assets, investment properties recognised by the acquisition cost method, biological assets recognised by the acquisition cost method and investments made in associates. The recoverable amount of the assets is assessed if such circumstances emerge and it is compared to the carrying amount.

An impairment loss is recognised in the amount by which the carrying amount of the asset item exceeds its recoverable amount. The recoverable amount of an asset item is its fair value less the higher of the costs to sell or the asset's value in use. To assess the extent of impairment, the recoverable amount is assessed either for an individual asset or for assets grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit). Write-downs of assets are recognised as expenses of the reporting period. Once an asset item has been written down, it is assessed on every subsequent balance sheet date whether it may be likely that the recoverable

amount of the asset item has increased in the meantime (excluding goodwill, whose write-downs are not reversed). If the impairment test shows that the recoverable amount of an asset item or a group of assets (cash-generating unit) exceeds its carrying amount, the earlier write-down is reversed and the carrying amount of the asset is increased to the amount that would have emerged, considering normal depreciation during the years in-between. The cancellation of the write-down is recognised in the income statement of the financial year as a reduction of the loss from the write-down of fixed assets.

## **Leases**

Finance leases are indicated in the balance sheet under assets and liabilities in the amount of the fair value of leased assets or at the present value of the minimum amount of lease payments, if the latter is lower. Lease payments are divided into financial expenses (interest expenses) and reduction of the residual value of the liability.

Financial expenses are allocated over the lease term so as to produce a constant periodic interest rate on the remaining balance of the liability at all times. Assets acquired under finance lease are depreciated similarly to purchased fixed assets. If it is not certain enough whether the lessee shall obtain the ownership of the property by the end of the lease period, the presumable useful life of the assets or the period of the lease relationship shall be the depreciation period, depending on whichever is shorter.

## **Provisions and contingent liabilities**

Tax authorities are entitled to inspect the public limited company's accounting for taxation purposes within five (5) years as of the date for filing a tax return and, upon ascertaining errors, determine an additional amount of tax, interest and penalty. The public limited company's management is of the opinion that there are no circumstances that could result in tax authorities imposing any significant additional tax amounts on the company.

## **Targeted financing**

Targeted financing is recognised as revenue after targeted financing falls due and potential conditions related to targeted financing are fulfilled. Received targeted financing whereby the conditions for recognition as income have not been met is recognised on the balance sheet as a liability. Targeted financing is registered at the fair value of the assets received or to be received. Revenue from targeted financing is recognised in the income statement under other operating revenue.

## **Revenue**

Revenue from the sale of services is recognised in the period in which the service is provided if the revenue gained from providing the service can be reliably measured, the proceeds arising from the transaction are likely to be collected, and the expenses related to the transaction can be reliably assessed.

## Expenses

Expenses are recognised in the same period as the revenue associated with them. Expenses that are likely to participate in generating economic benefits in future periods are recognised in the balance sheet as assets at the moment of their emergence and as expenses in the period(s) when the expenses associated with them emerge. Expenses of services and goods purchased directly for the purpose of the principal activity are recognised in the income statement under goods, raw materials and services. Miscellaneous operating expenses comprise expenses that are not regarded directly as costs of provision of services. Other operating revenue comprises irregular expenses not related to the principal activity. Interest expenses are recognised as financial expenses of the reporting period on the accrual basis.

## Taxation

Pursuant to the Income Tax Act in force in Estonia, the profit of a company earned in a financial year is not taxed in Estonia. Income tax is paid on dividends, fringe benefits, gifts, donations, reception costs and disbursements not attributable to business. The tax rate applied to profit distributed as dividends is 20/80 of the net amount to be disbursed. The corporate income tax associated with the distribution of dividends is recognised as a liability and an income tax expense in the income statement at the time the dividends are declared, regardless of the period for which the dividends are declared or the time of their actual payment. The contingent income tax liability which would arise on the distribution of retained earnings as dividends is not recognised in the balance sheet.

## Related parties

The following were deemed related parties when the consolidated financial statements of ELMO Rent AS were prepared:

- (a) companies who have control or significant influence over the company;
- (b) the company's subsidiaries and associates;
- (c) management of the company or of its parent company and private owners of the company who have control or significant influence over the company, close family members of the foregoing persons and companies under the control or significant influence of all the foregoing persons;
- (d) other related parties.

**Note 2 Cash**  
(EUR)

	<b>30.06.2022</b>	<b>30.06.2021</b>
Bank accounts	98,061	749,283
Cash in hand	7,865	7,865
<b>Total cash</b>	<b>105,926</b>	<b>757,148</b>

**Note 3 Receivables and Prepayments**  
(EUR)

	<b>30.06.2022</b>	<b>30.06.2021</b>
Trade receivables	400,062	69,130
Accounts receivable	400,062	69,130
Receivables from related parties	1,419	81,710
Prepaid and deferred taxes	77,450	55,847
Other receivables	52,142	78,673
Loans receivable	81,710	0
Receivable from Enterprise Estonia	374,094	0
Prepayments	0	15,486
Receivables	0	18,293
<b>Total receivables and prepayments</b>	<b>986,877</b>	<b>319,139</b>



**Note 4 Shares of Subsidiaries**

(EUR)

**Shares of subsidiaries, general information**

Registry code of subsidiary	Name of subsidiary	Country of location	Principal activity	Shareholding (%)	
				30.06.2022	30.06.2021
14847929	ELMO Rent Autojagamine OÜ	Estonia	Rental and leasing of cars and light motor vehicles with a maximum mass of under 3.5 tonnes	100%	100%
14980864	ELMO Rent Eesti OÜ	Estonia	Rental and leasing of cars and light motor vehicles with a maximum mass of under 3.5 tonnes	100%	100%

**Shares of subsidiaries, detailed information (EUR)**

Name of subsidiary	30.06.2021	30.06.2022
ELMO Rent Autojagamine OÜ	2500	2500
Elmo Rent Eesti OÜ	2500	2500
<b>Total shares of subsidiaries, at the end of the period</b>	<b>5000</b>	<b>5000</b>

**Note 5 Loans Payable**

(EUR)

	30.06.2021	30.06.2022
Short-term loans	463,472	266,033
Long-term loans	1,451,134	1,520,653
<b>Total loans payable</b>	<b>1,914,606</b>	<b>1,786,686</b>

**Note 6 Payables and Prepayments**

(EUR)

	<b>30.06.2022</b>	<b>30.06.2021</b>
Trade creditors	222,884	283,097
Payables to employees	32,478	6,230
Taxes payable	54,711	2,668
Other payables	28,622	3,613
Prepayments received	3,403	3,668
<b>Total payables and prepayments</b>	<b>342,098</b>	<b>299,276</b>

**Note 7 Share Capital**

(EUR)

	<b>30.06.2022</b>	<b>30.06.2021</b>
Share capital	245,636	220,000
Number of shares (pcs.)	2,456,363	2,200,000

## Note 8 Sales Revenue (EUR)

	01.01.2022- 30.06.2022	01.01.2021- 30.06.2021
Sales revenue by geographical area		
Sales to EU countries		
Estonia	713,332	230,672
<b>Total sales to EU countries</b>	<b>713,332</b>	<b>230,672</b>
<b>Total sales revenue</b>	<b>713,332</b>	<b>230,672</b>
Sales revenue by field of activity		
Short-term rental	347,660	142,671
Car sales	322,833	0
Invoice management	7,578	82,556
Other sales	35,261	5,445
<b>Total sales revenue</b>	<b>713,332</b>	<b>230,672</b>

## Note 9 Staff Costs (EUR)

	01.01.2022- 30.06.2022	01.01.2021- 30.06.2021
Wages and salaries	226,297	26,635
Social tax	76,080	9,073
<b>Total staff costs</b>	<b>302,377</b>	<b>35,708</b>
Average number of employees reduced to full-time	28	6

**Note 10 Related Parties**

(EUR)

Balances with related parties by  
groups

	<b>30.06.2022</b>		<b>30.06.2021</b>	
	<b>Receivables</b>	<b>Liabilities</b>	<b>Receivables</b>	<b>Liabilities</b>
Owners with majority holding who are legal entities and undertakings under their control or significant influence	54,798	4,289	77,016	109,270

	<b>30.06.2022</b>		<b>30.06.2021</b>	
	<b>Purchased</b>	<b>Sold</b>	<b>Purchased</b>	<b>Sold</b>
Owners with majority holding who are legal entities and undertakings under their control or significant influence	73100	324684	187281	526
Subsidiaries	17	0	42,730	0

## Note 12 Unconsolidated Balance Sheet (EUR)

Description	30.06.2022	30.06.2021
<b>Assets</b>		
Current assets		
Cash	105,795	757,110
Receivables and prepayments	1,012,419	316,829
Inventories	500	0
<b>Total current assets</b>	<b>1,118,714</b>	<b>1,073,939</b>
Fixed assets		
Investments in subsidiaries and associates		
Shares of subsidiaries	5,000	2,500
Property, plant and equipment	2,464,531	1,972,658
Total property, plant and equipment	2,469,531	1,975,158
<b>Total fixed assets</b>	<b>2,469,531</b>	<b>1,975,158</b>
<b>Total assets</b>	<b>3,588,245</b>	<b>3,049,097</b>
<b>Liabilities and equity</b>		
Liabilities		
Current liabilities		
Loans payable	508,783	327,219
Payables and prepayments	269,179	301,443
<b>Total current liabilities</b>	<b>777,962</b>	<b>628,662</b>
Long-term liabilities		
Loans payable	1,445,646	1,520,649
<b>Total long-term liabilities</b>	<b>1,445,646</b>	<b>1,520,649</b>
<b>Total liabilities</b>	<b>2,223,608</b>	<b>2,149,311</b>
Equity		
Share capital at nominal value	245,636	220,000
Share premium	2,286,645	934,334
Other reserves	10,000	10,000
Retained earnings (loss)	-360,314	-72,198
Profit (loss) for financial year	-817,330	-192,350
<b>Total equity</b>	<b>1,364,637</b>	<b>899,786</b>
<b>Total liabilities and equity</b>	<b>3,588,245</b>	<b>3,049,097</b>

## Note 13 Unconsolidated Income Statement (EUR)

	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>First half- year</b>	<b>First half-year</b>
Sales revenue	713,332	224,555
Other operating revenue	25,272	72,102
Goods, raw materials and services	-629,016	-184,390
Miscellaneous operating expenses	-341,162	-75,229
Staff costs	-302,377	-35,708
Depreciation and impairment of fixed assets	-226,678	-119,995
Other operating charges	-1,788	-14,222
Total operating profit (loss)	<b>-762,417</b>	<b>-132,887</b>
Profit (loss) from subsidiaries	0	<b>0</b>
Interest expenses	-54,940	-59,467
Other financial income and expenses	27	4
<b>Profit (loss) before income tax</b>	<b>-817,330</b>	<b>-192,350</b>
<b>Profit (loss) for financial year</b>	<b>-817,330</b>	<b>-192,350</b>

**Note 14 Unconsolidated Cash Flow Statement**

(EUR)

	<b>2022</b>	<b>2021</b>
	<b>First half-</b>	<b>First half-year</b>
	<b>year</b>	
Cash flow from operating activities		
Operating profit (loss)	-762,417	-132,887
Adjustments		
Depreciation and impairment of fixed assets	226,678	119,995
Profit (loss) on sales of fixed assets	195,257	-13,883
Other adjustments	-26,624	-3,816
<b>Total adjustments</b>	<b>395,311</b>	<b>102,296</b>
Change in receivables and prepayments related to operating activities	-338,695	-31,226
Change in inventories	0	-15,984
Change in liabilities and prepayments related to operating activities	12,101	134,450
<b>Total cash flow from operating activities</b>	<b>-693,700</b>	<b>56,649</b>
Cash flow from investment activities		
Paid upon acquisition of property, plant and equipment, and intangible assets	-283,636	-279,080
Received from sales of property, plant and equipment, and intangible assets	15,000	18,917
Paid upon acquisition of subsidiaries	0	-300
Received from sales of subsidiaries	0	0
Loans granted	-2	-62,927
<b>Total cash flow from investment activities</b>	<b>-268,618</b>	<b>-323,390</b>
Cash flow from financing activities		
Loans raised	0	459,625
Repayments of loans raised	-110,105	-188,646
Financial lease principal repayment	-160,157	-215,961
Interest paid	-52,661	-59,463
Received from issue of shares	1,367,733	985,689
Other proceeds from financing activities	0	0
<b>Total cash flow from financing activities</b>	<b>1,044,810</b>	<b>981,244</b>
<b>Total cash flow</b>	<b>82,492</b>	<b>714,503</b>
Cash and cash equivalents at the beginning of period	23,303	42,304
<b>Change in cash and cash equivalents</b>	<b>82,492</b>	<b>714,503</b>
Cash and cash equivalents at the end of period	105,795	756,807

**Note 15 Unconsolidated Statement of Changes in Equity**

(EUR)

	<b>Share capital at nominal value</b>	<b>Share premium</b>	<b>Other reserves</b>	<b>Retained earnings (loss)</b>	<b>Minority interest</b>	<b>Total</b>
<b>30.06.2021</b>	2,500		10,000	-72,198	0	-59,698
Profit (loss) for reporting period				-192,350		-192,350
Share capital issued	217,500	934,334				
Dividends declared						
Changes in reserves		-14,489				-14,489
<b>31.12.2021</b>	220,000	918,913	10,000	-360,314	0	788,599
Profit (loss) for reporting period				-817,330		-817,330
Share capital issued	25,636	1,367,732				1,393,368
Dividends declared						
Changes in reserves						
<b>30.06.2022</b>	245,636	2,286,645	10,000	-1,177,644	0	1,364,637



## **Digital Signatures to Report**

The accuracy of the data disclosed in the interim report of Elmo Rent AS (registry code: 12994939) for the period from 1 January 2022 to 30 June 2022 has been confirmed electronically by:

Allan Leppikson

Member of management board

Enn Laansoo

Member of management board