JOINT STOCK COMPANY
"STORENT HOLDING"
(UNIFIED REGISTRATION NUMBER 40203174397)

SEPARATE ANNUAL REPORT FOR YEAR 2023

(The 5th financial year)

PREPARED IN ACCORDANCE WITH THE
IFRS ACCOUNTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION
AND INDEPENDENT AUDITORS' REPORT

Riga, 2024

CONTENTS

General information

Name of the company	“STORENT HOLDING” (until 05.03.2024 "Storent Holdings”)
Legal status	Joint Stock Company (until 05.03.2024 Limited Liability Company)
Number, place and date of registration	40203174397 Riga, 11 October 2018
Registered and business address	Matrožu iela 15a Riga, Latvia, LV-1048
Shareholders	“EEKI” SIA 50%, Erī Esta, (from 28.12.2022) “SUPREMO” SIA 50%, Andris Pavlovs, (from 28.12.2022)
Board of the Company	Andris Pavlovs, Chairperson of the Board Eri Esta, Member of the Board
Supervisory Board	Baiba Onkele, Chairman of the Supervisory Board (from 05.03.2024) Deniss Mironcevs, Deputy Chairman of the Supervisory Board (from 05.03.2024) Anzela Serkevica, Member of the Supervisory Board (from 05.03.2024)
Annual report prepared by	Marina Grigore Chief accountant of Storent Holding AS
Type of activity	Supervision and management of subsidiaries; performance of functions of strategic and organizational planning and decision-making.
NACE code	70.22 Business and other management consultancy activities (NACE rev. 2.0)
Reporting year	1 January 2023 – 31 December 2023
Previous reporting year	1 January 2022 – 31 December 2022
Name and address of the independent auditor and the responsible sworn auditor	KPMG Baltics SIA License Nr. 55 Roberta Hirša street 1, Rīga, LV-1045, Latvia Armine Movsisjana Latvian sworn auditor Certificate No. 178

Management report

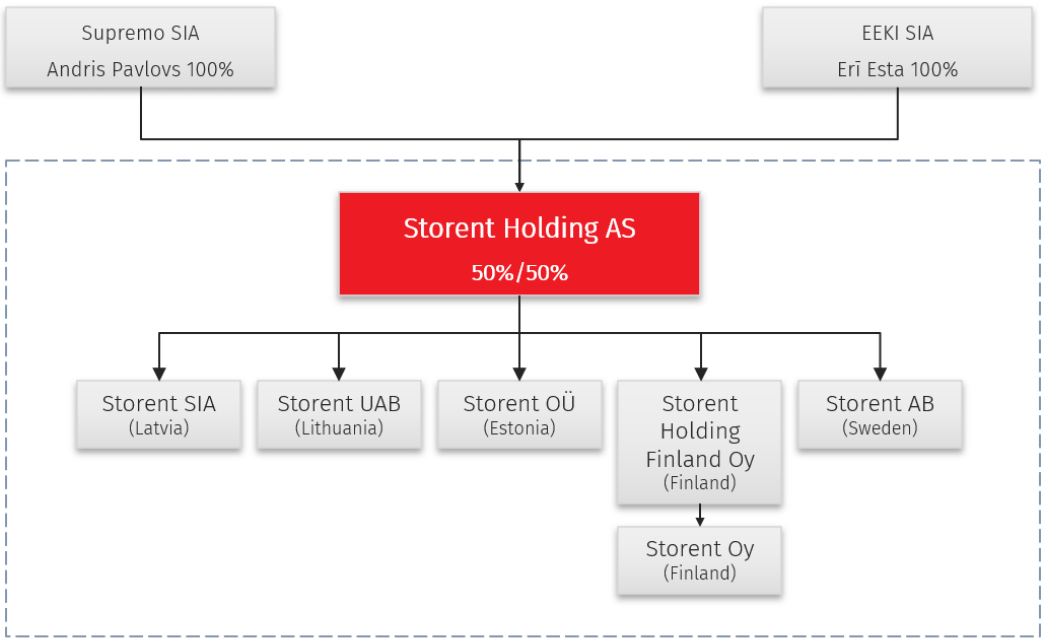
Type of activity of the Company

Storent Holding AS (hereinafter referred to as the "Company") was established on 11 October 2018 and this is the fifth reporting year of the Company. The Company from 28 December 2022 is the parent company of the Storent Group (hereinafter referred to as the "Group"). The main type of activity of the Company is to provide management and consultancy services, which accounts for the most part of the Company's turnover, and attract external funding and provide financial resources to its subsidiaries.

Development of the Company and results of financial operations in the reporting year

The main type of activity of the Company is related to provision of all the companies of the Storent group with financial resources, as well as provision of management services to related companies. The reporting year closed with a profit of EUR 2 814 300, which was mostly the result of received dividends from subsidiaries. Storent Holding AS balance sheet has a very strong and steady financing structure consisting of 55% shareholder's equity, 44% long term liabilities and 1% short term liabilities. Non-current assets constitute 96% of the total assets.

On 28 December 2022, Storent Holding acquired all shares of "Storent Investments" AS and "SEL Investments" SIA (hereinafter – the Group). In 2023, Storent Holdings completed two internal reorganizations within the Storent Group. SIA "SEL Investments" was merged into SIA "Storent Investments", and indirect subsidiaries SIA "SELECTIA" and SIA "SELECTIA PLUS" were merged into SIA "Storent". In March of 2024, Storent group's legal structure was simplified even further. The shares of SIA "Storent" (Latvia), Storent OÜ (Estonia), UAB "Storent" (Lithuania), Storent Holding Finland Oy (Finland), and Storent AB (Sweden) from Storent Investments were invested to Storent Holdings as contributions in kind and all other assets, including intangible assets, and liabilities of Storent Investments, except for its investment in subsidiary registered in Kaliningrad, were merged with Storent Holding AS. The remaining Storent Investments AS legal entity containing only the investment in Storent OOO, a company registered in the Kaliningrad region, Russia, was sold to third parties and excluded from the Storent Holding Group. As a result of this reorganization, the share capital of Storent Holdings was increased to 33.5 million euros. Additionally, the corporate name of Storent Holdings was changed to Storent Holding, and its corporate form was altered from a limited liability company (sabiedrība ar ierobežotu atbildību or SIA) to a joint-stock company (akciju sabiedrība or AS). The new structure of the Storent Group is illustrated below.



In 2023, Storent Holding successfully completed its bond issue program, raising 15 million euros. The funds from both tranches of this bond issue were utilized to fully settle liabilities with the previous owner, Levina Investments S.a.r.l., refinance the preceding bond program, and invest in expanding and renewing the rental fleet of indirect subsidiaries. This equipment was selected through close collaboration among country managers, taking into account each market's unique characteristics, customer needs, and future strategies. We renewed a diverse range of lifts and earthmoving equipment, and made significant investments in the telescopic handler segment.

The future development of the Group

The management of the Storent Group predicts that in 2024 the turnover will continue to grow, as a result of IT system improvements ensuring increased automation and efficiency of sales processes, internal structure changes and investments in the fleet planned to exceed 20 million euros. As the development of the construction market has a big impact on the Company and the Group, the management is closely monitoring the situation and adjusting strategies in each country, where its subsidiaries operate. In addition to that, the Group is using other market opportunities to ensure optimal business returns, such as the military sector, events and farming. The focus of the Storent Group in 2024 is increasing the market share and improving the Company's and the Group's profitability. After careful evaluation of the market trends and its strategies, the Company launched its next bond issue in March of 2024 in total amount of 10 million euros. The goal of this issue is to accelerate the Company's and the Group's expansion, continue enlarging the equipment park, and open new rental depots.

Please see Note 20 for the management consideration of the Company's ability to continue as a going concern.

Financial risk management

The Company's key principles of financial risk management are laid out in Note 17.

Conditions and events after the end of the reporting year

In March 2024, Storent Holding AS announced a new bond issue of EUR 7 million, that was the second bond issue in a row to be oversubscribed. As a result of the big investor interest, through issuance of bonds the Company raised a total amount of 10 million EUR in March 2024. The Company will use the proceeds for new investments, further mergers and acquisition and to refinance its liabilities. Storent Holding is looking for further growth in all countries using investments in fleet and continuing to look for Merger and Acquisition deals. Holdings owners are looking for capital increase and considering IPO to be one of the options.

In the beginning of March 2024, the Storent Holding Group underwent a legal reorganization process, which has resulted in the transfer of the shares of five subsidiaries from Storent Investments to Storent Holding, the increase of share capital of Storent Holding to EUR 33 500 000, the change in the corporate form to a joint stock company, the change in the corporate name of Storent Holdings SIA to Storent Holding AS and disposal of the indirect equity interest in Storent OOO.

During the period between the last day of the reporting year and the date of signing of these separate financial statements, there have been no other events requiring adjustment of or disclosure in these separate financial statements or notes thereto.

The management report was signed on 30 April 2024 on the Company's behalf by:

Andris Pavlovs
Member of the Board

The annual report was approved at the general shareholders' meeting on 30 April 2024

Statement of management's responsibility

The management of Storent Holding AS confirms that the separate financial statements have been prepared in accordance with the applicable legislation requirements and present a true and fair view of the Storent Holding AS financial position as at 31 December 2023 and as at 31 December 2022 and its financial performance and cash flows for the years then ended. The management report contains a clear summary of Storent Holding AS and its subsidiaries business development and financial performance. The separate financial statements have been prepared according to the IFRS Accounting Standards as adopted by the European Union. During the preparation of the Storent Holding AS separate financial statements the management:

- used and consequently applied appropriate accounting policies;
- provided reasonable and prudent judgments and estimates;
- applied a going concern principle unless the application of the principle wouldn't be justifiable.

Storent Holding AS management is responsible for maintaining appropriate accounting records that would provide a true and fair presentation of the Storent Holding AS financial position at a particular date and financial performance and cash flows and enable the management to prepare the separate financial statements according to the IFRS Accounting Standards as adopted by the European Union.

This statement of management's responsibility was signed on 30 April 2024 on the Company's behalf by:

Andris Pavlovs
Chairman of the Board

Separate statement of comprehensive income

	Note	2023 EUR	2022 EUR
Net revenue	3	163 396	29 582
Personnel costs	8	(321)	(1 183)
Other operating expenses	4	(130 220)	(6 462)
Depreciation and amortization	5	(19 855)	(19 855)
Impairement gain / (loss) on trade receivables from related parties	15(b)	(61 839)	-
Interest and similar income	6	3 617 411	3 293
Interest payments and similar expenses	7	(816 111)	(1 170)
Profit (loss) before income tax		**2 752 461**	**4 205**
Corporate income tax		-	(10)
Profit (loss) after calculation of the corporate income tax		**2 752 461**	**(1 170)**

The notes on pages 12 to 29 are an integral part of these separate financial statements.

These separate financial statements were signed on 30 April 2024 on the Company's behalf by:

Andris Pavlovs
Chairman of the Board

Marina Grigore
Chief Accountant

Separate statement of financial position

ASSETS	Note	2023	2022	2021
NON-CURRENT ASSETS		**EUR**	**EUR**	**EUR**
Property, plant and equipment				
Other fixed assets		3 309	23 164	43 019
TOTAL	9	**3 309**	**23 164**	**43 019**
Other non-current assets				
Investments in subsidiaries	10	18 000 000	18 000 000	-
Loans and other long-term receivables	15(b)	14 177 300	-	143 063
TOTAL		**32 177 300**	**18 000 000**	**143 063**
TOTAL NON-CURRENT ASSETS		**32 180 609**	**18 023 164**	**186 082**
CURRENT ASSETS				
Trade and other receivables				
Trade receivables from related parties	15(b)	923 472	-	-
Other receivables		-	140	172
Deferred expenses		49 545	985	1 149
Prepayments for services		3 990	-	-
TOTAL		**977 007**	**1 125**	**1 321**
Cash and cash equivalents	11	409 019	149 538	4 738
TOTAL CURRENT ASSETS		**1 386 026**	**150 663**	**6 059**
TOTAL ASSETS		**33 566 635**	**18 173 827**	**192 141**

The notes on pages 12 to 29 are an integral part of these separate financial statements.

These separate financial statements were signed on 30 April 2024 on the Company’s behalf by:

Andris Pavlovs
Chairman of the Board

Marina Grigore
Chief Accountant

Separate statement of financial position

EQUITY AND LIABILITIES	**Note**	**2023**	**2022**	**2021**
EQUITY		**EUR**	**EUR**	**EUR**
Share capital	12	18 150 000	18 150 000	150 000
Accumulated profit/(losses):				
Previous reporting periods retained earnings / (uncovered losses)		2 629	(1 566)	(8 218)
Profit (loss) of the reporting year		353 991	4 195	6 652
TOTAL EQUITY		**18 506 620**	**18 152 629**	**148 434**
LIABILITIES				
Non-current liabilities				
Issued bonds	13	14 609 965	-	-
Lease liabilities	14	-	-	21 168
TOTAL		**14 609 965**	**-**	**21 168**
Current liabilities				
Issued bonds	13	41 250	-	-
Lease liabilities	14	-	21 198	22 439
Borrowings from related parties	15(c)	359 400	-	-
Trade payables		1 522	-	-
Taxes and mandatory state social insurance contribution		4 675	-	-
Other liabilities		10 370	-	-
Accrued liabilities		32 833	-	-
TOTAL		**450 050**	**21 198**	**22 439**
TOTAL LIABILITIES		**15 060 015**	**21 198**	**43 607**
TOTAL EQUITY AND LIABILITIES		**33 566 635**	**18 173 827**	**192 041**

The notes on pages 12 to 29 are an integral part of these separate financial statements.

These separate financial statements were signed on 30 April 2024 on the Company’s behalf by:

Andris Pavlovs
Chairman of the Board

Marina Grigore
Chief Accountant

Separate statement of cash flows

	Note	2023	2022
Cash flows from operating activities		**EUR**	**EUR**
Profit / (loss) before Income tax of the reporting period		2 752 461	4 195
Adjustments:			
Depreciation of fixed assets	5	19 855	19 855
Interest payments and similar expenses	7	816 111	1 170
Interest and similar income		(783 487)	-
Cash flows from operating activities before changes in working capital		***2 804 940***	***25 220***
Decrease / (increase) in receivables		(498 993)	96
(Decrease)/ increase in payables		(397 558)	-
Gross cash flows from operations		***1 908 389***	***25 316***
Interest expenses		(766 340)	(1 170)
Net cash flows from operating activities		**1 142 049**	**24 146**
Cash flows from investing activities			
Loan repayment		-	143 063
Loans issued	15(b)	(14 177 300)	-
Net cash flows from investing activities		**(14 177 300)**	**143 063**
Cash flows from financing activities			
Issued bonds	13	15 000 000	-
Loans received	15(c)	714 400	-
Lease payments	14	(21 198)	(22 409)
Dividends paid		(2 398 470)	
Net cash flows from financing activities		**13 294 732**	**(22 409)**
Net (Decrease) / increase in cash		259 481	144 800
Cash at the beginning of the reporting year		149 538	4 738
Cash at the end of the reporting year		**409 019**	**149 538**

The notes on pages 12 to 29 are an integral part of these separate financial statements.

These separate financial statements were signed on 30 April 2024 on the Company’s behalf by:

Andris Pavlovs
Chairman of the Board

Marina Grigore
Chief Accountant

Separate statement of changes in equity

	Share capital	Previous years retained earnings/ (uncovered losses)	Profit/(loss) of the reporting year	Total
	EUR	**EUR**	**EUR**	**EUR**
31 December 2021	**150 000**	**(8 218)**	**6 652**	**148 434**
Shares issued	18 000 000	-	-	18 000 000
Carrying over of profit of the previous year	-	6 652	(6 652)	-
Profit for the reporting year	-	-	4 195	4 195
31 December 2022	**18 150 000**	**(1 566)**	**4 195**	**18 152 629**
Carrying over of profit of the previous year	-	4 195	(4 195)	-
Profit for the reporting year	-	-	2 752 461	2 752 461
Transactions with the owners of Company				
Distributed dividends	-	-	(2 398 470)	(2 398 470)
31 December 2023	**18 150 000**	**2 629**	**353 991**	**18 506 620**

The notes on pages 12 to 29 are an integral part of these separate financial statements.

These separate financial statements were signed on 30 April 2024 on the Company's behalf by:

Andris Pavlovs
Chairman of the Board

Marina Grigore
Chief Accountant

Notes to the separate financial statements

1. General information about the Company

Storent Holding AS (hereinafter – the Company) (until 05.03.2024 Storent Holdings SIA) was registered in the Company Register of the Republic of Latvia on 11 October 2018. The legal status of the Company is joint stock company (until 05.03.2024 - limited liability company). Registered address of the Company is 15A Matrozu street, Riga, Latvia. Starting from 28 December 2022, the shareholders of the Company are Supremo LTD and EEKI LTD (Latvia), none of which has been identified as an ultimate controlling party. The name of reporting entity has changed from 'Storent Holdings' at the end of preceding reporting period to 'Storent Holding' after the end of current reporting period as at the date of these separate financial statements.
The Company's main operations relate to providing management and consultancy services and financial resources to its subsidiaries.
The separate financial statements of the Company for 2023 were approved by the decision of the Board on _____ 2024 and have to be approved by the shareholders. Shareholders have the right to reject the financial statements prepared and issued by the Board and to request that new financial statements are prepared.

2. Summary of significant accounting policies

(a) The framework for the preparation of financial statements

The Company's separate financial statements have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union (EU) and the interpretations issued by the International Financial Reporting Issues Committee as adopted by the EU.
These are the first separate financial statements of the Company that are prepared in accordance with the IFRS Accounting Standards. For the period up to 31 December 2022, the Company's separate financial statements were prepared in accordance with the Law On the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia. International Financial Reporting Standard 1 (IFRS 1) — First-time Adoption of International Financial Reporting Standards has been applied in the preparation of these separate financial statements.

As a result of the first-time adoption of IFRS Accounting Standards there were no adjustments in the equity or statement of financial position of the Company as of 1 January 2022 and 31 December 2022.

The amounts shown in these financial statements are derived from the Company accounting records, appropriately reclassified for recognition, measurement and presentation in accordance with the IFRS Accounting Standards as adopted by the EU.

The financial statements have been prepared according to the historical cost basis. The monetary unit used in the financial statements is the official currency of the Republic of Latvia – the Euro. The financial statements cover the period from 1 January 2023 until 31 December 2023. The financial statements have been prepared in accordance with below mentioned measurement and recognition principles. The consolidated financial statements of STORENT HOLDING AS are prepared separately.

The material accounting policies applied in the preparation of these separate financial statements are set out below.

(b) Use of estimates and judgements

Requirements of IFRS Accounting Standards as adopted by EU set out that the preparation of financial statements requires the management of Company to make assumptions that affect the amounts of assets, liabilities reported in the statements and off-balance at the day of preparation of financial statements, as well as shown income and expenses of the reporting period. Actual results could differ from these estimates.

The following are the critical judgments and key estimates concerning the future, and other key sources of estimation uncertainty, which exist at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities during the next reporting period. The most critical areas related to estimates of the recoverable amount of investment in subsidiary and the recoverable amount of loans granted.

Recoverable value of investment in subsidiary
The Company management evaluates the carrying amount of investment in subsidiary and assesses whenever indications exist that asset's recoverable amount is lower than its carrying amount. The Company management calculates and records an impairment loss on investment in subsidiary based on the estimate related to the future return on it. Taking into consideration the 5-year business plan for the subsidiary the Company's management considers that no significant adjustments to the carrying amount of investment in subsidiary are necessary as of 31 December 2023. Please see Note 10 for more information.

2. Summary of significant accounting policies (cont.)

(b) Use of estimates and judgements (cont.)

Impairment losses and recoverable amount of loans granted to and guarantees issued on behalf of related parties

The Company's management assesses the carrying amount of loans and guarantees issued with accrued interest, establishing expected credit losses. Expected credit losses from loans and guarantees issued with accrued interest are calculated based on assumptions about default risk and expected loss level. In making these assumptions and selecting data for the calculation of expected credit losses, the Company takes into account its experience, current market conditions, as well as future estimates at the end of each reporting period. Expected credit losses on loans issued to related parties and guarantees issued on behalf of related parties are assessed by determining and applying by the management the probability of default of each receivable and the expected loss in the event of default. The Company's management has assessed loans issued to related parties and guarantees issued on behalf of related parties and believes that no significant additional expected credit losses are required as at 31 December 2023. See Note 15(b) for more information.

(c) Foreign currency conversion

The monetary unit used in the financial statements is the official currency of the European Union (hereinafter – "EUR"), which is the Company's functional and presentation currency.

All transactions in foreign currency are converted to EUR based on the European Central Bank published reference exchange rate on trade date. On the balance sheet date, foreign currency monetary assets and liabilities are translated at the European Central Bank published reference exchange rate as at 31 December.

European Central Bank published reference exchange rates:

	31.12.2023	**31.12.2022**
	EUR	**EUR**
1 USD	0.90498	0.93755
1 GBP	1.15068	1.12748
1 SEK	0.08716	0.08991

Profit or losses from these transactions, as well as from the foreign currency monetary assets and liabilities denominated in EUR, are recognized in the income statement.

(d) Property, plant and equipment

Property, plant and equipment are carried in their historic cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated using the straight-line method to allocate the cost of the assets over their estimated useful lives:

Other fixed assets	2 - 5 years.

Depreciation is charged in the month when an item of property, plant or equipment was put into operation or used for business purposes. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total costs of the item shall be depreciated separately. If the company depreciates some parts of a fixed asset individually, the remaining parts of this fixed asset are also depreciated individually. The balance consists of those parts of the fixed asset, which are not important by themselves. Depreciation methods, useful lives and residual values are reviewed at each reporting date and, if appropriate, amended.

If events or changes in circumstances indicate that the carrying amount of an item of property, plant and equipment may not be recoverable, the carrying amount of the item is tested for impairment. See Note 2. (f) for more details.

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss (calculated as a difference between net disposal proceeds and the carrying amount of the item of item of fixed asset) arising from the derecognition of an item of property, plant and equipment is recognized in profit or loss in the period when the item is derecognized.

(e) Investments in subsidiaries

Investments in subsidiaries (i.e., where the Company holds more than 50% of interest in the share capital or otherwise controls the investee company) are measured initially at cost. Control is achieved where the Company has the power to govern the financial and operating policies of the investee company, and if Company has opportunity to reap the return of investments from the exercise of such powers.

Subsequent to initial recognition, all investments are stated at historical cost less any accumulated impairment losses. The carrying amounts of investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognized in the statement of profit and loss. Please also refer to note 2.(f).

2. Summary of significant accounting policies (cont.)

(f) Impairment of non-financial assets

At the end of each reporting period, the Company reviews whether there is any indication that an investment in subsidiary, may be impaired. The Company identifies its investment in subsidiary as a single CGU, which is the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets. If any such indication exists or if the CGU annual impairment test needs to be done, the Company estimates the recoverable amount of the CGU. The recoverable amount of a CGU is its fair value less costs to sell or value in use, whichever is greater.

If the carrying amount of a CGU exceeds its recoverable amount, the CGU is impaired and the carrying amount of the CGU is written down to its recoverable amount. For determining the value in use, the planned load of the equipment used by the CGU (i.e. the Company's indirect subsidiaries) and the average rental price are taken into account, as a result, the planned revenue and the payback period of the initial investment are calculated. Impairment losses are recognized in the comprehensive income statement. Please also see Note 10.

At each balance sheet date, the Company reviews whether there is any indication that impairment loss recognized for an asset in prior periods could have reduced or no longer exist. If such indications exist the Company estimates the recoverable amount of the respective asset. Previously recognized impairment loss is reversed when and only when the estimates on the basis of which the recoverable amount of the asset was determined have changed since the last time the impairment loss was recognized. In such a case the carrying amount of an asset is increased to its recoverable amount. Where the value of an asset has increased, the carrying amount of the asset may not exceed as a result of the increase in the carrying value which would have resulted less depreciation were impairment loss not recognized in respect of the asset in prior years. Such increase in value is recognized in income statement.

(g) Financial assets and financial liabilities

Financial assets

Recognition, classification and subsequent measurement

A financial asset is recognised in the statement of financial position when the Company becomes party to a contract that is a financial instrument.

On initial recognition, the Company classifies and measures a financial asset at amortised cost if it meets both of the following conditions and is not designated as at FVTPL with recognition in the income statement:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Company classifies its financial assets as financial assets at amortised cost in line with its business model to hold the financial assets and collect the contractual cash flows, which consist only of payments of principal and interest on the outstanding principal amount. The assets in the statement of financial position that belong to this category are Loans to related parties, Trade receivables, Trade receivables from related parties and Other receivables.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in consolidated statement of comprehensive income. Any gain or loss on derecognition is recognised in consolidated statement of comprehensive income.

A financial asset is derecognized if:

- The contractual rights to the cash flows from the financial asset expire;
- The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay cash flows without material delay to a third party based on and earlier arrangement without any profit arising,
- The Company transfers the contractual rights to receive the cash flows of the and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset to a third party, or (b) it neither transfers no retains substantially all the risks and rewards of ownership of these assets but has transferred control over the item of financial asset.

Impairment of financial assets

- Loans to related parties, trade receivables from related parties and guarantees issued on behalf of related parties

The Company recognizes expected credit losses on issued loans, which are measured at amortized cost, and issued guarantees even if no credit loss has occurred. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the date of initial recognition of the financial asset or the previous reporting date. Expected credit losses on loans to related parties, receivables from related parties and issued guarantees are estimated using the EAD x PD x LGD approach, with management individually determining the default exposure (EAD) of each obligor and applying the probability of default (PD) and expected loss for each obligor (LGD).

Taking into account that the cash flows of the Storent Group are centrally controlled, at the end of reporting period the Company knows what the amount of cash flows from related parties will be, the Company's management has determined that the credit risk of the direct and indirect subsidiaries as well as its shareholders has not increased significantly since the date of initial recognition of the financial asset or the previous reporting date.

2. Summary of significant accounting policies (cont.)

(g) Financial assets and financial liabilities (cont.)

Taking into account the above, the Company's management believes that as at 31 December 2023 (as at 31 December 2022 – none), additional provisions for possible credit losses from debts of related companies, loans to related companies and guarantees issued on behalf of related parties are not required.

- Trade receivables and Other receivables

The Company applies the simplified approach under IFRS 9. The Company always recognises expected lifetime credit losses over the life cycle for trade receivables and other receivables. Lifetime credit losses represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience over a two-year period, adjusted for factors that are specific to the debtors.

The Company considers a financial asset to be in default when the borrower is in significant financial difficulty and is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or the financial asset is more than 90 days past due. Such financial assets in default are considered to be credit-impaired.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Debts are written off when their recovery is considered impossible.

Financial liabilities

Recognition, classification and subsequent measurement

A financial liability is recognised in the statement of financial position when the Company becomes party to a contract that is a financial instrument.

All of the Company’s financial liabilities are classified as measured at amortised cost.

Financial liabilities are subsequently measured in fair value of the borrowing less costs associated with obtaining the borrowing. These costs are an integral part of the effective interest rate of the borrowings and are accounted for as an adjustment to the effective interest rate.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in consolidated statement of comprehensive income. Any gain or loss on derecognition is also recognised in consolidated statement of comprehensive income.

A financial liability is derecognized, if the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in comprehensive income.

Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the respective carrying amounts is recognized in consolidated statement of comprehensive income.

Change in the terms of a financial liability

When changes in the contractual terms of a financial liability, such as expected cash flow dates, an assessment is made as to whether the change is material and, accordingly, it is necessary to derecognise the liability. To determine whether the change is significant, the Company evaluates qualitative factors and whether the difference between the carrying amount and the discounted value of the changed expected future cash flows, applying the original effective interest rate of the financial liability, is equal to or greater than 10 percent. If a change in such contractual terms is recognized as material, it results in derecognition of the financial liability, the estimated fair value of the liability is treated as a settlement of the existing financial liability, and the new liability is recognized at fair value plus transaction costs. If the contractual condition is not recognized as material, the liability is not derecognised, the Company recalculates the gross carrying amount of the financial liability and recognizes the gain or loss in the income statement.

Financial guarantees

The Company has issued a number of guarantees in favor of third parties for the liabilities of its subsidiaries. The Company has elected to apply IFRS 9 to all of its financial guarantees. In assessing guarantees, the Company applies the method described above to determine the expected credit losses on loans to related parties and receivables from related parties, where EAD corresponds to the guaranteed amount at the end of the relevant period.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2. Summary of significant accounting policies (cont.)

(h) Cash and cash equivalents

Cash and cash equivalents include cash in bank and in hand, deposits held at call with banks with original maturities of three months or less.

(i) Provisions

Provisions are recognised, when the Company has present obligation (legal or constructive) due to any past event and there is a probability that an outflow of resources from the Company including economic benefits will be required to settle this obligation, and the amount of the obligation can be measured reliably.

(j) Accrued liabilities for unused vacations

The amount of accrued liabilities is determined by multiplying average daily earnings of employees in the last 6 months by the number of unused vacation days accumulated at the end of the reporting year, in additional calculating employer's mandatory state social insurance contributions.

(k) Contingent liabilities and assets

No contingent liabilities are recognised in these financial statements. Contingent liabilities are recognised only if it the probability that an outflow of resources will be required is reasonably certain. Contingent assets in these financial statements are not recognised, yet they are reflected solely where the possibility that economic benefits related to operations will reach the Company is sufficiently substantiated.

(l) Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). The term of contract is assessed on the following criteria: the contract is concluded for a specified period; the end of the lease term is stipulated in the agreement and the further extension of the agreement must be agreed with the cooperation partner by concluding additional agreements. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over period of lease term.

2. Summary of significant accounting policies (cont.)

(m) Revenue recognition

The Company has applied and recognises income, using a 5-step model. The model consists of:

- Determination of contractual relations;
- Determination of contract performance obligation;
- Determination of transaction price;
- Attribution of transaction price to the performance obligation;
- Recognition of income, when the Company has fulfilled the performance obligation.

The following criteria are used for determination of contractual relations:

- The contractual parties have approved a contract and are committed to fulfil their liabilities;
- The Company may identify the rights of each party in relation to deliverable goods or services;
- The Company may identify settlement procedures for the goods or services;
- The contract has commercial nature;
- There is high possibility, that the Company will charge remuneration due to it in exchange for goods or services that will be transferred to the customer.

Management and consulting services

Fees for the provision of management and consultancy services are treated as variable remuneration because their amount is determined on the basis of the actual costs of the services provided. Revenue from variable remuneration is recognized by the Company only when it is probable that the uncertainty surrounding the variable remuneration will be resolved and the amount of cumulative revenue recognized will not be significantly reduced.

Management and consulting fees are calculated and recognized and invoiced on a monthly basis when the actual costs are recorded and the uncertainty surrounding the variable remuneration is resolved. The Company is not required to make significant judgments in determining the transaction price or the fulfillment of these performance obligations.

A performance obligation exists when there is a good or service that is severable or when there is a series of separate goods or services that are substantially the same. The Company's performance obligations are set out in its agreements with service recipients.

Determination of the transaction price and attribution to the performance obligation - the Company determines the transaction price in contracts with service recipients for each performance obligation separately, which directly depends on the Company's actual costs for the performance of the respective performance obligation, therefore attribution is not necessary.

The Company uses the relief for the financing component and does not adjust the transaction price, as the time between the customer's payment and the performance obligation does not exceed one year.

(n) Corporate income tax and deferred corporate income tax

Corporate income tax expenses are included in financial statements based on management calculations according to laws of Republic of Latvia.

Based on the Corporate Income tax law of the Republic of Latvia, corporate income tax is applicable to distributed profits and several expenses that would be treated as profit distribution. In case of undistributed profit, corporate income tax shall not be applied. The applicable corporate income tax rate is 20% from the taxable base.

Distributed dividends by the Company in 2023 were eligible to exemption from corporate income tax as these were based on profits, which had already been subject to application of corporate income tax in the Company’s subsidiaries.

In accordance with International Accounting Standard No 12 “Income Taxes” requirements, income tax includes only taxes, which are calculated based on taxable profit, thus corporate income tax calculated from the taxable base, which consists of conditionally distributed profit, is presented in Other operating expenses.

In accordance with International Accounting Standard No 12 “Income Taxes” requirements, in cases where income tax is payable at a higher or lower rate, depending on whether the profit is distributed, the current and deferred tax assets and liabilities are measured at the tax rate applicable to undistributed profits. In Latvia the applicable rate for undistributed profits is 0%. Therefore, no deferred tax assets and liabilities arise.

2. Summary of significant accounting policies (cont.)

(o) Transactions with related parties

Related parties represent both legal entities and private individuals related to the Group in accordance with the following rules:

a) person or a close member of that person's family is related to a reporting entity if that person:
   i. Has control or joint control over the reporting entity;
   ii. Has significant influence over the reporting entity; or
   iii. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:
   i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
   ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
   iii. Both entities are joint ventures of the same third party;
   iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
   vi. The entity is controlled, or jointly controlled by a person identified in a);
   vii. A person identified in a) i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
   viii. The entity, or any member of the group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

(p) Post balance sheet events

Only such post balance sheet events are presented in the financial statements which provide additional information on the Company's financial position at balance sheet date (adjusting events). If post balance sheet events are not adjusting, they are disclosed in the financial statements only if they are material.

(q) IFRS Accounting Standards changes

New standards and amendments to standards, including any consequential amendments to other standards, effective for annual periods beginning on or after 1 January 2023, have not had a material impact on these separate financial statements.

(r) Standards and amendments to existing standards issued by IASB but that are not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these separate financial statements.

The following standards and interpretations effective for annual periods beginning after 1 January 2023 are not expected to have a material impact on the Company's separate financial statements:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lack of Exchangeability (Amendments to IAS 21)
- IFRS 18 Presentation and Disclosure in Financial Statements

IFRS Accounting Standards currently adopted by the EU do not differ materially from those issued by the International Accounting Standards Board (IASB), except for some of the above-mentioned standards, amendments to existing standards and interpretations not yet endorsed by the EU on 31 December 2023 (effective dates refer to IFRS Accounting Standards, as issued by the IASB).

The Company decided not to introduce new standards, amendments to existing standards and interpretations before their effective date. The Company anticipates that the adoption of these standards and amendments to existing standards will not have a material impact on the Company's financial statements in the period of initial application.

3. Net revenue

By type of services	2023 EUR	2022 EUR
Management and consultancy services to related parties	163 396	-
Rental revenue from related parties	-	29 582

TOTAL:	**163 396**	**29 582**

The Company has no contract liabilities or contract assets from contracts with customers. All of the Company's revenues are earned in Latvia.

4. Other operating expenses

	2023 EUR	2022 EUR
Administration transport costs	11 691	6 343
Consultancy services	14 569	-
Marketing expenses	4 886	-
Services of statutory auditors*	97 455	-
Other administration expenses	1 619	119
TOTAL:	**130 220**	**6 462**

* Including payments for audit services to the company of independent auditors KPMG Baltics SIA:

	2023 EUR	2022 EUR
Financial statements auditing services	97 455	-
TOTAL:	**97 455**	**-**

5. Depreciation

	2023 EUR	2022 EUR
Depreciation of fixed assets (see Note 9)	19 855	19 855
TOTAL:	**19 855**	**19 855**

6. Interest and similar income

	2023 EUR	2022 EUR
Income from dividends*	2 803 546	-
Interest income from related parties	808 336	-
Interest income from non-related parties	5 529	3 293
TOTAL:	**3 617 411**	**3 293**

*In 2023, the Company has received dividends income of EUR 2 803 546 from subsidiaries.

7. Interest payments and similar expenses

	2023 EUR	2022 EUR

Interest on bonds		796 863	-
Interest on borrowings from related parties		18 629	-
Interest on financial lease		619	1 105
Other similar expenses		-	65
	TOTAL:	**816 111**	**1 170**

8. Personnel costs and number of employees

		2023 EUR	2022 EUR
Salaries		-	1 000
National social security mandatory contributions		-	183
Other personnel costs		321	-
	TOTAL:	**321**	**1 183**

Personnel costs by function:		**2023 EUR**	**2022 EUR**
Administration and finance staff		321	1 183
	TOTAL:	**321**	**1 183**

Incl. executive management remuneration:		**2023 EUR**	**2022 EUR**
Members of the Board			
Salaries		-	1 000
National social security mandatory contributions		-	183
	TOTAL:	**-**	**1 183**

In 2023, Members of the Board performed their functions without compensation.

		2023	**2022**
Average number of employees during the reporting year		2	2
	TOTAL:	**2**	**2**

9. Property, plant and equipment

	Other fixed assets	TOTAL
	EUR	EUR
At 31 December 2021		
Historical cost	99 275	99 275
Accumulated amortisation and depreciation	(56 256)	(56 256)
Net carrying value	**43 019**	**43 019**
FY 2022		
Net carrying value, opening	43 019	43 019
Amortisation	(19 855)	(19 855)
Net carrying value	**23 164**	**23 164**
At 31 December 2022		
Historical cost	99 275	99 275
Accumulated amortisation and depreciation	(76 111)	(76 111)
Net carrying value	**23 164**	**23 164**
FY 2023		
Net carrying value, opening	23 164	23 164
Amortisation	(19 855)	(19 855)
Net carrying value	**3 309**	**3 309**
At 31 December 2023		
Historical cost	99 275	99 275
Accumulated amortisation and depreciation	(95 966)	(95 966)
Net carrying value	**3 309**	**3 309**

10. Investments in subsidiaries

The Company had the following investments in its subsidiaries as at 31 December 2023:

	31.12.2023 EUR	31.12.2022 EUR	Changes EUR
Investments in subsidiaries	18 000 000	18 000 000	-
TOTAL:	**18 000 000**	**18 000 000**	**-**

On December 28, 2022, the share capital of Storent Holding AS was increased, which its shareholders made with property investment - shares of Storent Investments AS and SEL Investments SIA, as a result of which the Company gained control over the following companies:

Name	Country	Business	Date of incorporation / acquisition	Share of interest
Storent Investments AS	Latvia	Renting of construction machinery and equipment	28 December 2022	100%
SEL Investments SIA	Latvia	Renting of construction machinery and equipment	28 December 2022	100%

In 30 of November 2023, SEL Investments SIA was reorganized and merged with Storent Investments AS as the surviving entity. As a result, as at 31 December 2023, the Company has investment only in Storent Investments AS.

In March 2024, Storent Investments AS was reorganized, as a result of which the Storent Investments AS' shares in five indirect operating subsidiaries were transferred from Storent Investments to Storent Holding and all other assets, including intangible assets, and liabilities of Storent Investments, except for its investment in subsidiary registered in Kaliningrad, were merged with Storent Holding AS. The remaining Storent Investments AS legal entity containing only the investment in subsidiary registered in Kaliningrad was sold to third parties and excluded from the Storent Holding Group.

10. Investments in subsidiaries (cont.)

Stand alone data	Audited		Profit reporting year		Equity	
	2023	2022	2023	2022	31.12.2023	31.12.2022
Name			EUR	EUR	EUR	EUR
Storent Investments AS	Yes	Yes	88 659	(438 447)	33 410 937	33 721 353

Consolidated data	Audited		Profit reporting year		Equity	
	2023	2022	2023	2022	31.12.2023	31.12.2022
Name			EUR	EUR	EUR	EUR
Storent Investments AS	No	Yes	1 411 973	(2 495 955)	22 243 748	9 634 229

In 30 of November 2023 SEL Investments SIA was reorganized and merged with Storent Investments AS. Storent Investments AS financial results for 2023 include SEL Investments SIA financial results.

The Company management has evaluated the recoverable amount of the investment in Storent Investments AS. It has been evaluated whether ownership interest in subsidiary has been impaired. When performing an impairment test for ownership interest in the subsidiary, the recoverable amount – value in use – is determined by discounting future cash flows of the subsidiary, which includes the consolidated cash flows of the Storent Investments AS, the sub-group parent company, and its subsidiaries. The future cash flows forecast is based on the Storent Holding Group's 5-year business plan. Cash flows beyond that five-year period have been extrapolated using a steady 2 per cent (2022: 2 per cent) per annum growth rate. A post-tax discount rate of 8,96% (9,43% in 2022) was applied to determine the recoverable value of the investment. Discount rate forecast is based on the actual cost of capital of the Company and the Group.

The recoverable amount of the long-term investment largely depends on the assumptions used in the assessment relating to the Storent Holdings Group's operating entities' consolidated net turnover growth, EBITDA margin (as a result of internal cost optimization) and timing and magnitude of EBITDA growth, discount rate used, as well as the ability of the Company's management to implement these assumptions and the development of the Baltic and Nordic construction equipment rental market in general. Any unfavorable changes in these assumptions that may be caused by volatility of the market, in which the Company or its direct and indirect subsidiaries operate, may have a negative influence on the carrying amount of the Company's investment in subsidiary reflected in the balance sheet as at 31 December 2023.

Storent Investments AS – consolidated date	31.12.2023	31.12.2022
EBITDA margin	31%-35% in years 2024-2027, 31% in terminal year (2023 actual: 32%)	31%-32% in years 2023-2027, 31% in terminal year (2022 actual: 31%)
EBITDA growth rate*	18%	6%
Period of cash flows forecast	5 years + terminal year	5 years + terminal year
WACC	8,96%	9,43%
Terminal growth rate	2%	2%

* The increase in the nominal EBITDA growth rate is due to the additional financing raised by the Company which enables increased investments in rental fleet expansion and renewal by its subsidiaries.

Sensitivity analysis

The Company has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the CGUs. Analysis of the sensitivity is based on same assumptions as impairment test and as described above. Main key assumptions, that can affect recoverable amount and impairment change is EBITDA budget execution and WACC rate.

Management estimated that its subsidiary Storent Investments including its subsidiaries in all Baltic countries, Finland and Sweden will reach a similar EBITDA margin level by increasing sales and significantly improving efficiency.

Based on the calculations, a reasonable decrease in EBITDA or increase in discount rate would not lead to the carrying amount of the investment exceeding the expected recoverable amount as of 31 December 2023.

11. Cash and cash equivalents

	31.12.2023 EUR	31.12.2022 EUR	31.12.2021 EUR
Cash in bank, EUR	409 019	149 538	4 738
TOTAL:	**409 019**	**149 538**	**4 738**

12. Share capital

Registered share capital of the Company on 31.12.2023 and 31.12.2022 is EUR 18 150 000, consisting of 18 150 000 shares. The nominal value of a share is EUR 1. All shares have equal voting right and dividend entitlement. Registered share capital of the Company on 31.12.2021 is EUR 150 000, consisting of 150 000 shares. The nominal value of a share is EUR 1.

13. Issued bonds

In 2023, Storent Holding AS issued its first emission of bonds with maturity date 21.12.2025, coupon interest rate 11%, bond nominal value 100 EUR and total nominal value 15 000 000 EUR. Bonds are listed on the official bond list of AS “Nasdaq Riga.”

Issued bonds	Emission date	Maturity date	Amount	Actual interest rate (%)	31.12.2023 EUR	31.12.2022 EUR
ISIN code LV0000850089	26.06.2023	21.12.2025	15 000 000	11	15 000 000	-
Accrued interest for bonds coupon payment (LV0000850089)					41 250	-
Incremental cost allocation emission LV0000850089*					(390 035)	-
				TOTAL:	**14 651 215**	**-**
				Total Non-current liabilities:	14 609 965	-
				Total Current liabilities:	41 250	

Borrowings against issued bonds are unsecured. Full amount of borrowings is repayable upon maturity date. Coupon payment is payable on a quarter basis.

*Total borrowing origination fees and costs amounted to 481 794 EUR. The Company treated these fees and costs as incremental costs related to attract the financing. These fees and costs are an integral part of the effective interest rate of the loans and are treated as an adjustment to the effective interest rate.

Reconciliation of movements of issued bond liabilities to cash flows arising from financing activities:

	31.12.2023 EUR
Balance at the beginning of the year	**-**
Proceeds from bonds	15 000 000
Total changes from financing cash flows	**15 000 000**
Incremental cost allocation	(481 794)
Incremental cost allocation amortization	91 759
Interest expense	705 104
Interest paid	(663 854)
Total liability-related other changes	**(348 785)**
Balance at the end of the year	**14 651 215**

13. Issued bonds (cont.)

<u>According to Terms and Conditions for 2023 emission, the following financial covenants have to be met from the Issue date 26.06.2023 and as long as any bonds are outstanding:</u>

- Shareholders Equity to Assets Ratio may not be lower than 25 (twenty-five) per cent at the end of each Quarter.
  "Shareholders Equity to Assets Ratio" means the Issuer's total shareholders' equity expressed as a per cent of the Issuer's consolidated amount of assets as at the end of each Quarter determined on the basis of the Issuer's consolidated quarterly financial statements.
- Net Debt/EBITDA Ratio for the for the previous 12 (twelve) months may not be higher than 4.5: (a) as at the end of each Quarter determined on the basis of the Issuer's consolidated monthly financial statements for the previous 12 (twelve) months; and (b) as at 31 December each year, as determined on the consolidated basis on the basis of each of the Issuer's annual financial reports.
  "Net Debt/EBITDA Ratio" means the ratio of interest-bearing liabilities – (minus) cash to EBITDA of the respective measurement period.
  "EBITDA" means the net income of the measurement period before: (a) any provision on account of taxation; (b) any interest, commission, discounts or other fees incurred or payable, received or receivable in respect of financial indebtedness; (c) any items treated as exceptional or extraordinary; (d) any depreciation and amortisation of tangible and intangible assets; and (e) any re-valuation, disposal or writing off of assets.

During 2023 and as at 31 December 2023, the Company has complied with the above financial covenants.

14. Lease liabilities

Agreement	End date	Interest rate, (%)	31.12.2023 EUR	31.12.2022 EUR	31.12.2021 EUR
201822981	01.12.2023	3%	-	11 700	23 140
201822985	01.12.2023	3%	-	9 498	20 467
		KOPĀ:	**-**	**21 198**	**43 607**
		Long-term liabilities:	-	-	21 168
		Short-term liabilities:	-	21 198	22 439

15. Transactions with related parties

15.(a) Transactions with related parties:

Related party	Year	Goods and services provided EUR	Interest income EUR	Goods purchased and services received EUR	Payables related parties EUR	Interest expenses	Receivables from related parties EUR
STORENT Investments AS	2023	197 709	577 158	-	359 400	5 944	768 746
STORENT SIA	2023	-	17 382	-	-	-	14 741
Selectia SIA	2023	-	11 972	-	-	5 683	-
Selectia Plus SIA	2023	-	-	-	-	6 824	-
SEL Investments SIA	2023	-	-	-	-	178	-
Supremo SIA	2023	-	100 912	-	-	-	100 912
EEKI SIA	2023	-	100 912	-	-	-	100 912
TOTAL 2023:		**197 709**	**808 336**	**-**	**359 400**	**18 629**	**985 311**

Due to the change in the Company's related parties as of 28 December 2022, there were no transactions with related parties during 2022.

15. Transactions with related parties (cont.)

15.(b) Loans issued to and receivables from related parties

	Maturity date	Loan amount	Actual interest rate (%)	31.12.2023 EUR	31.12.2022 EUR	31.12.2021 EUR
Selectia SIA	31.12.2025	90 000	3%	-	-	95 408
Selectia Plus SIA	31.12.2025	45 000	3%	-	-	47 655
Storent Investment AS	31.12.2025	10 872 300	13%	10 872 300	-	-
Storent SIA	31.12.2025	305 000	13%	305 000	-	-
EEKI SIA	31.12.2025	1 500 000	13%	1 500 000	-	-
Supremo SIA	31.12.2025	1 500 000	13%	1 500 000	-	-
Accrued interest	-	-	-	808 336	-	-
Receivables	-	-	-	176 975	-	-
Accruals for receivables				(61 839)		
			Long term receivables:	**14 177 300**	**-**	**143 063**
			Short term receivables:	**923 472**	**-**	**-**

Loans to related parties issued without security and their recoverability is assessed individually.

No events of insolvency or delays of payments have been identified during the reporting year, and no other specific increase in credit risk triggers have been identified. As at 31 December 2023, all loans to related parties are assessed as Stage 1 in line with IFRS 9 requirements. Impairment allowance for expected credit loss is considered as immaterial, thus, not disclosed separately. There has been no movement of loans to related parties between the Stages during 2023.

There has been no change in the contractual terms for loans issued to related parties during 2023.

There have been no write-offs of loans issued to related parties during 2023.

The carrying amount of loans issued to related parties, accrued interest and receivables represent the Company's maximum exposure to related credit risk.

15.(c) Borrowings from related parties

	Maturity date	Loan amount	Actual interest rate (%)	31.12.2022 EUR	31.12.2022 EUR
Storent Investments AS	2024	359 400	13%	359 400	-
			Long term liabilities:	**-**	**-**
			Short term liabilities:	**359 400**	**-**

Borrowings from related parties are received without security.

Reconciliation of movements from borrowings from related parties to cash flows arising from financing activities:

	31.12.2023 EUR
Balance at the beginning of the year	**-**
Proceeds from borrowings from related parties	714 400
Total changes from financing cash flows	**714 400**
Interest expense	18 629
Interest paid	(18 629)
Other changes (mutual offset of amounts due)	(355 000)
Total liability-related other changes	**(355 000)**
Balance at the end of the year	**359 400**

15. Transactions with related parties (cont.)

15.(d) Terms and conditions applicable to transactions with related parties

Unsettled liabilities have not been secured in any way at the end of the year, and settlements are made in cash. No guarantees have been provided or received for any receivables from related parties.

15.(e) Interest on loans to related parties and borrowings from related parties

	Loan interest income		Borrowing interest expenses	
	31.12.2023 EUR	31.12.2022 EUR	31.12.2023 EUR	31.12.2022 EUR
Shareholders of the Company	201 824	-	-	-
Subsidiaries of the Company	606 512	-	18 629	-
TOTAL:	**808 336**	**-**	**18 629**	**-**

16. Financial instruments

The company's main financial instruments are short-term and long-term loans issued, receivables, cash and received long-term and short-term borrowings, issued bonds and financial lease. The main purpose of these financial instruments is to ensure the financing of the Company's economic activities. The Company also faces a number of other financial instruments, such as trade and other receivables, trade payables and other creditors arising directly from its business.

In accordance with IFRS 13, the levels of the fair value hierarchy are:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table shows the carrying amounts and fair values of financial assets and financial liabilities. Fair value is determined at initial recognition and for disclosure purposes at the end of each reporting period. None of the Company's financial assets or financial liabilities are measured at fair value.

Fair value of Trade receivables and Other receivables with no stated interest rate and cash and cash equivalents is deemed to approximate their face value on initial recognition and carrying value on any subsequent date as the effect of discounting is immaterial and therefore not disclosed in these financial statements.

Fair value of loans to related parties with outstanding maturities longer than six months and issued with a stated interest rate, is estimated based on the present value of future principal and interest cash flows, discounted using the effective interest rate of the corresponding agreement which, in the management’s view, represents the market rate of interest at the measurement date for companies similar to the Company

Fair value of financial liabilities with outstanding maturities shorter than six months, other than issued bonds, is deemed to approximate their face value on initial recognition and carrying value on any subsequent date as the effect of discounting is immaterial and therefore not disclosed in these financial statements.

Fair value of financial liabilities with outstanding maturities longer than six months, other than issued bonds, is estimated based on the present value of future principal and interest cash flows, discounted using the effective interest rate of the corresponding agreement which, in the management’s view, represents the market rate of interest at the measurement date for companies similar to the Company.

The Company’s issued bonds are classified as Level 3 in the fair value hierarchy. The market for these bonds is not assessed as an active market. The significant non-observable key input to determining the fair value of the issued bonds is that no adjustment to the observable quotes is required.

All of the Company’s financial assets and financial liabilities are determined to be Level 3 in the fair value hierarchy. There were no transfers between fair value hierarchy levels in 2023 and in 2022.

Categories of financial assets and liabilities as at 31.12.2023 and as at 31.12.2022:

Financial assets	31.12.2023		31.12.2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	EUR	EUR	EUR	EUR
Loans and receivables held at amortised cost				
- Loans issued to and receivables from related companies	15 100 772	14 937 848	-	-
- Other receivables	-	-	140	140
- Cash and cash equivalents	409 019	409 019	149 538	149 538
TOTAL financial assets:	**15 509 791**	**15 346 867**	**149 678**	**149 678**

Financial liabilities	31.12.2023		31.12.2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	EUR	EUR	EUR	EUR
Financial liabilities held at amortized cost				
- Issued bonds	14 651 215	15 030 925	-	-
- Lease liabilities	-	-	21 198	21 198
- Loans from related parties	359 400	359 400	-	-
- Trade payables	1 522	1 522	-	-
- Other payables	10 370	10 370	-	-
TOTAL financial liabilities:	**15 022 507**	**15 402 217**	**21 198**	**21 198**

17. Financial risk management

The Company's operations are subject to the following financial risks: currency risk, credit risk and liquidity risk.

Foreign currency risk

Foreign currency risk is the risk of financial losses incurred by the Company due to adverse fluctuations in foreign currency exchange rates. This risk arises when financial assets denominated in a foreign currency do not match financial liabilities in that currency which results in open currency positions for the Company. The Company does not have any material financial assets and liabilities denominated in currencies other than the Euro. Therefore, during the reporting year the Company's exposure to foreign currency risk was not significant.

Credit risk

Credit risk is the risk that the Company incurred a financial loss if counterparties fail to fulfil their obligations to the Company. The Company has credit risk exposure related to cash, trade receivables and issued loans.

Cash

Credit risk in relation to cash in bank is managed by evaluating the banks to cooperate with, this reducing the probability of losing financial resources.

Trade receivables

The Company monitors outstanding trade receivables on a regular basis.

Loans issued

The Company controls the credit risk by evaluating financial performance indicators of loan recipients.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to timely and in full to ensure fulfilling its own commitments. Liquidity risk arises when terms of payments of financial assets and liabilities are not correlating. The Company's liquidity risk management is to maintain adequate cash and cash equivalent amount and provide sufficient financing in order to be able to fulfil its obligations in time. The Company management considers that the Company will have sufficient cash resources and its liquidity will not be compromised.

At 31 December 2023 and 31 December 2022, the maturity of the financial liabilities of the Company, based on undiscounted payments provided for in the agreements can be disclosed as follows:

31.12.2023	< 3 month	3-6 month	6-12 month	1-5 years	TOTAL	Expected interest payments TOTAL	Carrying amount TOTAL
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Issued bonds	(412 500)	(412 500)	(825 000)	(16 650 000)	**(18 300 000)**	(3 648 785)	14 651 215
Loans from related parties	-	-	(406 122)	-	**(406 122)**	(46 722)	359 400
Trade payables	(1 522)	-	-	-	**(1 522)**	-	1 522
Other financial liabilities	(10 370)	-	-	-	**(10 370)**	-	10 370
TOTAL:	**(424 392)**	**(412 500)**	**(1 231 122)**	**(16 650 000)**	**(18 718 014)**	**(3 695 507)**	**15 022 507**

31.12.2022	< 3 month	3-6 month	6-12 month	1-5 years	TOTAL	Expected interest payments TOTAL	Carrying amount TOTAL
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Lease liabilities	(5 933)	(18 558)	-	-	**(24 491)**	(3 293)	21 198
TOTAL:	**(5 933)**	**(18 558)**	**-**	**-**	**(24 491)**	**(3 293)**	**21 198**

18. Capital management

The purpose of the Company's capital management is to provide a high credit rating and a balanced structure of capital to ensure successful activity of the Company and to maximize the Company's share value. The Company is not subject to any externally imposed capital requirements. The Company is controlling the structure of capital and adjusts this structure according to economic conditions. To control and adjust the capital structure, the Company can change conditions of payment of dividends to shareholders, to return them part of shares or to issue new shares. In 2023 and 2022, there were no changes introduced to purposes, policy or processes related to capital management.

	31.12.2023
	EUR
Interest bearing loans and borrowings	15 010 615
Trade and other payables	16 567
Less cash and cash equivalents	(409 019)
Net debt	**14 618 163**
Equity	18 506 620
Net debt to equity ratio:	**0,79**

19. Issued guarantees

The Company has issued a number of guarantees in favor of third parties for the liabilities of its indirect subsidiaries. In assessing the expected credit losses on these guarantees, the management individually determines and applies the probability of default of each indirect subsidiary and the expected loss in the event of default, using the method described in Note 2 (g). Evaluating the ability of the indirect subsidiaries to meet their obligations as at 31 December 2023, the Company management believes that no significant additional accruals for credit losses are required.

In 2023 Storent Holding AS issued a guarantee to Luminor Līzings SIA due to concluded lease contracts between Storent SIA and Luminor Līzings SIA. The amount of the guarantee is 6 168 157 EUR and guarantee is valid till 31 December 2028. At the time of preparation of the financial statements the Company management has not identified circumstances that would indicate that an outflow of economic benefits from the Company will be required to settle the obligation.

In 2023 Storent Holding AS issued a guarantee to Luminor Liising AS due to concluded lease contracts between Storent OU and Luminor Liising AS. The amount of the guarantee is 143 685 EUR and guarantee is valid till 31 December 2028. At the time of preparation of the financial statements the Company management has not identified circumstances that would indicate that an outflow of economic benefits from the Company will be required to settle the obligation.

In 2023 Storent Holding AS issued a guarantee to Luminor Lizingas UAB due to concluded lease contracts between Storent OU and Luminor Lizingas UAB. The amount of the guarantee is 690 184 EUR and guarantee is valid till 31 December 2028. At the time of preparation of the financial statements the Company management has not identified circumstances that would indicate that an outflow of economic benefits from the Company will be required to settle the obligation.

20. Going concern of the Company

The Company's financial performance in the reporting year was a profit of EUR 2 814 300 (2022: profit of EUR 4 195). At the end of the year, the Company's current assets exceeded its current liabilities by EUR 997 815 (31.12.2022: current assets exceeded current liabilities by EUR 129 465). The Company management has not identified any events or conditions that may cast significant doubts on the Company's ability to continue as a going concern.

21. Post balance sheet events

Non-adjusting events

In March 2024, Storent Holding AS announced a new bond issue of EUR 7 million, that was the second bond issue in a row to be oversubscribed. As a result of the big investor interest, through issuance of bonds the Company raised a total amount of 10 million EUR in March 2024. The Company will use the proceeds for new investments, further mergers and acquisition and to refinance its liabilities. Storent Holding is looking for further growth in all countries using investments in fleet and continuing to look for Merger and Acquisition deals. Holdings owners are looking for capital increase and considering IPO to be one of the options.

In the beginning of March 2024, the Storent Holding Group underwent a legal reorganization process, which has resulted in the transfer of the shares of five subsidiaries from Storent Investments to Storent Holding, the increase of share capital of Storent Holding to EUR 33 500 000, the change of the corporate form of Storent Holding to a joint stock company, the change of the corporate name of Storent Holdings SIA to Storent Holding AS and disposal of the indirect equity interest in Storent OOO.

During the period between the last day of the reporting year and the date of signing of these separate financial statements, there have been no other events requiring adjustment of or disclosure in these separate financial statements or notes thereto.

These separate financial statements were signed on April 30, 2024 on the Company's behalf by:

Andris Pavlovs
Member of the Board

Marina Grigore
Chief Accountant

* * *

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Independent Auditors' Report

To the shareholders of Storent Holding AS

Report on the Audit of the Separate Financial Statements

Our Opinion on the Separate Financial Statements

We have audited the accompanying separate financial statements of Storent Holding AS ("the Company") set out on pages 7 to 29 of the accompanying separate Annual Report, which comprise:

- the separate statement of financial position as at 31 December 2023,
- the separate statement of comprehensive income for the year then ended,
- the separate statement of changes in equity for the year then ended,
- the separate statement of cash flows for the year then ended, and
- the notes to the separate financial statements, which include a summary of material accounting policies and other explanatory notes.

In our opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of Storent Holding AS as at 31 December 2023, and of its separate financial performance and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

In accordance with the 'Law on Audit Services' of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibility for the Audit of the Separate Financial Statements* section of our report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) developed by the International Ethics Standards Board for Accountants (IESBA Code) and the independence requirements included in the 'Law on Audit Services' of the Republic of Latvia that are relevant to our audit of the separate financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code and the 'Law on Audit Services' of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Impairment assessment of Investment in subsidiary

The Company's investment in subsidiary as at 31 December 2023 amounted to EUR 18 000 000 (31 December 2022: EUR 18 000 000).

Reference to the separate financial statements: Note 2 (b) "Use of estimates and judgements", Note 2 (e) "Investments in subsidiaries" (accounting policies); Note 10 "Investments in subsidiaries" (Note to the separate financial statements).

Key audit matter	***Our response***
As discussed in Note 10, the Company estimated the recoverable amount of its investment in subsidiary as at 31 December 2023 to assess, whether there is any impairment loss to be recognized at the above date. The assessment of the recoverable amount and impairment loss, if any, of the Company's investment in subsidiary balance incorporated significant management judgement in respect of assumptions regarding the Storent Holdings Group's forecast financial performance, such as net turnover growth, EBITDA margin, timing and magnitude of EBITDA growth (among other things as a result of internal cost optimization), as well as discount rate used. Small changes in the above assumptions can result in materially different outcomes. This, therefore, gives rise to inherent estimation uncertainty related to the recoverable value of this asset recorded in the separate financial statements. Due to the above factors, we considered impairment assessment of investment in subsidiary to be a key audit matter.	Our audit procedures included, among others: • evaluating against the requirements of the relevant financial reporting standards the Company's accounting policy for identification of impairment, measurement of recoverable value and recognition of any impairment losses in respect of investment in subsidiary; • understanding the Company's and its direct and indirect subsidiaries' business planning process, including the preparation and validation of financial and cash flows forecasts and testing the design and implementation of selected key internal controls over the Company's business planning process; • assisted by our own valuation specialists, challenging the reasonableness of the key assumptions used in the determination of the prospective financial information, such as the forecast amounts of sales and timing of cash collections, forecast amounts of expenses and capital expenditure, and timing of cash disbursements, discount rate and terminal growth rate based on our understanding of the Company's and its direct and indirect subsidiaries' activities and by reference to publicly available industry/market reports; • considering the reasonableness of the Company's performed sensitivity analysis showing the impact of a reasonable change in the impairment testing assumptions, to determine

whether an impairment charge was required;

- performing independent sensitivity analysis, including assessing the effect of a reasonably possible change in the key assumptions;
- considering whether the Company's disclosures regarding the key assumptions used in the estimate of recoverable value used in the impairment assessment are complete and accurate and are in line with the applicable requirements of the relevant financial reporting standards.

Reporting on Other Information

The Company's management is responsible for the other information. The other information comprises:

- General Information, as set out on page 3 of the accompanying separate Annual Report,
- the Management Report, as set out on pages 4 to 5 of the accompanying separate Annual Report,
- the Statement on Management Responsibility, as set out on page 6 of the accompanying separate Annual Report,
- the Statement of Corporate Governance for 2023, as set out in a separate statement provided by Storent Holding AS management and available on the Nasdaq Baltic exchange website https://nasdaqbaltic.com, Storent Holding AS, section Reports.

Our opinion on the separate financial statements does not cover the other information included in the separate Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia Related to Other Information* section of our report.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia Related to Other Information

In addition, in accordance with the 'Law on Audit Services' of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Based solely on the work required to be undertaken in the course of our audit, in our opinion, in all material respects:

- the information given in the Management Report for the financial year for which the separate financial statements are prepared is consistent with the separate financial statements; and
- the Management Report has been prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

In accordance with the 'Law on Audit Services' of the Republic of Latvia with respect to the Statement of Corporate Governance, our responsibility is to consider whether the Statement of Corporate Governance includes the information required in section 56.1, first paragraph, clause 3, 4, 6, 8 and 9, as well as section 56.2, second paragraph, clause 5, and third paragraph of the 'Financial Instruments Market Law' of the Republic of Latvia and if it includes the information stipulated in section 56.2 second paragraph, clause 1, 2, 3, 4, 7 and 8 of the 'Financial Instruments Market Law' of the Republic of Latvia.

In our opinion, the Statement of Corporate Governance includes the information required in section 56.1, first paragraph, clause 3, 4, 6, 8 and 9, as well as section 56.2, second paragraph, clause 5, and third paragraph of the 'Financial Instruments Market Law' of the Republic of Latvia and it includes the information stipulated in section 56.2 second paragraph, clause 1, 2, 3, 4, 7 and 8 of the 'Financial Instruments Market Law' of the Republic of Latvia.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation of the separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Other Reporting Responsibilities and Confirmations Required by the Legislation of the Republic of Latvia and the European Union when Providing Audit Services to Public Interest Entities

We were appointed by the Company's shareholders' meeting on 4 October 2023 to audit the separate financial statements of Storent Holding AS for the year ended 31 December 2023. Our total uninterrupted period of engagement is 2 years, covering the periods ending 31 December 2022 to 31 December 2023.

We confirm that:

- our audit opinion is consistent with the additional report presented to the Audit Committee of the Company;

- as referred to in the paragraph 37.6 of the 'Law on Audit Services' of the Republic of Latvia we have not provided to the Company the prohibited non-audit services (NASs) referred to of EU Regulation (EU) No 537/2014. We also remained independent of the audited entity in conducting the audit.

For the period to which our statutory audit relates, we have not provided any services to the Company in addition to the audit, which have not been disclosed in the Management Report or in the separate financial statements of the Company.

KPMG Baltics SIA
Licence No. 55

Armine Movsisjana
Chairperson of the Board
Latvian Sworn Auditor
Certificate No. 178
Riga, Latvia
30 April 2024

THIS DOCUMENT HAS BEEN SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND IT HAS A TIME-STAMP