LIMITED LIABILITY COMPANY

STORENT HOLDINGS

(REGISTRATION NUMBER 40203174397)

CONSOLIDATED INTERIM REPORT FOR THE 6 MONTHS OF 2023

NOT AUDITED

RIGA, 2023

CONTENT

General information

Name of the Group's Parent company	Storent Holdings (previously – Alfasport)
Legal status of the Group's Parent company	Limited liability company (*Latvian - sabiedrība ar ierobežotu atbildību*)
The Group Parent company's registration number, place and date	40203174397 Riga, 11 October 2018
Registered address of the Group's Parent company	15a Matrozu Street, Riga, LV-1048, Latvia
Shareholders of the Group's Parent company	Supremo SIA (Latvia) 50%, Andris Pavlovs, since 28.12.2022 EEKI SIA (Latvia) 50%, Eri Esta, since 28.12.2022 Supremo SIA (Latvia) 33,33%%, Andris Pavlovs, till 28.12.2022 EEKI SIA (Latvia) 33,33%%, Eri Esta, till 28.12.2022 Bomaria SIA (Latvia) 33,33%, Andris Bisnieks till 28.12.2022
Members of the Board	Andris Pavlovs, Chairman of the Board Eri Esta, Member of the Board Andris Bisnieks, Member of the Board till 30.12.2022
Group's type of operations	Renting and leasing of construction machinery and equipment
Group's NACE code	77.32 (2.0 rev) Rental and leasing of construction and civil engineering machinery and equipment

Management report

The Group's type of operations

Storent Holdings SIA (hereinafter – the Group's Parent company or Storent Holdings) was established on 11 October 2018. On 28 December 2022, Storent Holdings acquired all shares of Storent Investments AS and SEL Investments SIA (hereinafter – the Group). The first company of the Group - Storent SIA - was established in 2008 by Andris Bisnieks and Andris Pavlovs with the objective of becoming one of the leading equipment rental companies in the Baltics and nearest European countries. The objective is to provide customers with rental equipment solutions utilizing modern digital tools, team expertise and providing excellent service. Online sales channel with advanced IT solutions ensures fast, convenient and contactless rental process with competitive pricing. Currently, the Storent group has 26 rental depos in 5 countries. In 2022, the turnover of the Group reached 45 million euros.

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

The first half of 2023 was successful for the Storent group. Despite high inflation and measures to slow it down, Storent group managed to increase its level of profitability, with EBITDA reaching a rate of 29% compared to 26% the same period last year. The net profit in the first half year of 2023 exceeded half a million, in contrast to the losses made in the same period last year, and the EBITDA increased by 13%, reaching 5.8 million euros, which is in line with the Group's annual plan. Under the influence of seasonality, the main profit-generating periods is the Q3, as well as the subsequent Q4, which contribute significantly to the company's profit indicators. In the first half of 2023, the Storent Group increased its total income by 2%, compared to the same period last year. The latest activities in the equipment rental market, as well as the active efforts of Storent, indicate that the rental income will gradually increase in the following periods.

The Storent group is working with great capacity on the renovation of the fleet. Older machines are being sold and replaced by modern equipment that meets the current requirements of customers. The company has doubled the amount of investments in the fleet, supplementing the initially planned 6 million euros with another 6 million euros for the purchase of new equipment in the next six months. The machines to be purchased have been selected with the close cooperation of the management of all Storent countries, taking into account the specific demands of each country's market and the needs of customers. The new equipment is gradually being ordered, and part of it is already at the disposal of Storent customers. Storent's partners also see potential in the company developments and have invested 5 million euros in new equipment, which will be transferred to Storent's management through the splitrent business model.

In June, Storent Holdings issued new bonds worth 10.5 million euros. Of these, bonds worth 3.3 million euros were exchanged for previous bonds. On July 19, 2023, Storent Investments cancelled the previous bond program and repaid the previous bonds three months ahead of the deadline. In September 2023, Storent Holdings plans to come up with an additional issue of Storent Holdings bonds in the amount of up to 4.5 million euros, reaching the initially planned total amount of 15 million. Currently, there are ongoing negotiations of M&A with several companies in Storent's countries. Storent aims to expand both geographically and by increasing its market share in existing markets.

The Storent group is proud of its online platform, which has become a stable order channel, and more than 90% of all Baltic customers prefer to sign digitally. Also, in the Nordic countries, Storent continues to actively introduce the digital signing of orders and the online platform. By simplifying the process of ordering equipment, Storent has not only improved its efficiency but has also created a significant competitive advantage for customers. Storent is also constantly developing its tools and processes to provide the highest possible quality and smoothest services to its customers. A new ERP system with a CRM module is currently being implemented in the companies of the Baltic States, and a significant part of the orders goes through it. By the end of the year, the group's management plans to complete the implementation of the new system in all companies of the Group.

In the Baltics, the total turnover in the first 6 months increased by 7%, and rental income increased by 6%, compared to the same period last year. In Latvia and Lithuania, the construction market showed growth of 15% and 19% in Q2 2023, compared to the same period in 2022. Even though the housing market activity is still insufficient, construction of infrastructure buildings continues to develop very rapidly. Estonian construction market volumes fell by 11% according to calendar-adjusted data at comparable prices in Q1 2023. To balance the result, Storent is intensifying its activities in projects related to the construction of civil engineering structures since no negative trends were observed in this segment. Storent's cooperation with military infrastructure projects and specialized construction works in all Baltic countries is equally promising.

The construction market in Finland and Sweden fell by 4% in Q1 2023, and housing construction volumes fell by 14%. This circumstance directly affected the level of Storent's revenue, as a significant part of Storent's customers work in this segment. Moreover, several large construction projects were completed in Q1 of 2023, after which the new construction season started with a delay. Thus, Storent's rental income in the Nordic countries decreased by 5% in the first half of 2023 compared to the first half of 2022. It is predicted that the total construction volumes in Finland and Sweden will decrease slightly during 2023, so Storent is looking for new niches in the market, adapting its equipment fleet and focusing on industrial projects while reducing the housing construction segment in its customer portfolio. Highter activity is observed in the Northern part of Finland, where Storent is represented by a rental point in Oulu. Overall, Storent has started Q3 of 2023 promisingly, and revenues are gradually returning to the previously planned volume.

The future development of the Group

The Group management plans further development of subsidiaries in five countries as a part of Storent Holdings group.

In second half of 2023, Storent group will continue to focus on an improvement of sales process efficiency, additions to and renewal of rental fleet, as well as develop online sales and digitalization. The goal of Storent group is to keep the volume of online orders close to 60% of the total rental income and 90% digitally signed transactions. The Group will continue to transform its IT strategy to comply with the scalability needs and it is planned to complete the implementation of the new cloud-based ERP system by the end of 2023. Storent group aims to expand both geographically and by increasing market share in existing markets, management's latest estimation of annual EBITDA is still EUR 15 million reaching 5% increase in rental revenue.

Statement of management's responsibility

On the basis of information held by the management board of the groups parent company the financial and other additional information published in the Interim report January– June 2023 is true and complete. Consolidated financial statement gives a true and fair view of the actual financial position and results of operations. The interim management report contains true information.

Consolidated financial statements in the report for the period January – June 2023 is not yet audited.

Andris Pavlovs

Member of the Management Board

Erī Esta

Member of the Management Board

Consolidated statement of comprehensive income

	Notes	01.01.2023-30.06.2023 EUR	01.01.2022-30.06.2022 * EUR
Net revenue	3	19 447 907	18 769 924
Other operating income	4	418 554	616 988
Cost of materials and services	5	(7 149 572)	(7 109 287)
Personnel costs	11	(4 197 845)	(4 226 245)
Other operating expenses	6	(3 003 265)	(2 879 901)
Depreciation and amotrization	7	(4 423 292)	(4 463 878)
Impairement gain / (loss) on trade receivables and contract asset		281 488	(60 503)
Finance income	8	421	83 127
Finance expenses	9	(986 416)	(1 178 360)
Profit / (loss) before income tax		**387 980**	**(448 135)**
Income tax income / (expenses)	10	1 687	911
Profit/(loss) from continuing operations		**389 667**	**(447 224)**
Profit/(loss) from discontinuing operation, net of tax		149 830	141 401
Profit / (loss) for the year		**539 497**	**(305 823)**
Items that may be reclasified subsequently to profit or loss			
Exchange differences on foreign currency operations		(26 478)	
Other comprehensive income/(loss) for the year		**(26 478)**	**-**
Total comprehensive income/(loss) for the year		**513 019**	**(305 823)**

*Presented numbers for Y2022 are the adjusted results for the Group as if it existed from the 1 January 2022, which combine Storent Holdings SIA, Storent Investments AS (consolidated) and SEL Investments SIA and its subsidiaries SELECTIA SIA and SELECTIA PLUS SIA statements of comprehensive income for 2022. The Group management considers these numbers to provide a reference point for comparison of the results of the Group in future periods. For detailed information please see SIA Storent Holdings consolidated annual report for Y2022 note 35.

The notes on pages 12 to 44 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

ASSETS

	Note	30.06.2023	31.12.2022
NON-CURRENT ASSETS		**EUR**	**EUR**
Intangible assets			
Licences and similar rights		50 689	57 708
Computer software		1 908 452	2 018 611
Goodwill		10 987 122	10 987 122
TOTAL Intangible assets	12	**12 946 263**	**13 063 441**
Property, plat and equipment			
Lands and buildings		181 486	189 014
Machinery and equipment		20 047 901	17 921 810
Other fixed assets		393 508	352 439
TOTAL Property, plat and equipment	13	**20 622 895**	**18 463 263**
Right of use assets			
Right of use assets	14	**7 522 118**	**9 927 276**
TOTAL NON-CURRENT ASSETS		**41 091 276**	**41 453 980**
CURRENT ASSETS			
Inventories	15	3 757 164	1 155 604
Receivables			
Trade receivables	16	6 031 359	7 417 358
Loans to Company's shareholders		484 100	-
Contract assets	17	1 905	2 667
Other receivables	18	242 788	280 352
Prepaid expenses		265 539	227 830
TOTAL Receivables		**7 025 691**	**7 928 207**
Cash and cash equivalents	19	7 757 127	675 051
Non-current assets held for sale		214 110	217 933
TOTAL CURRENT ASSETS		**18 754 092**	**9 976 795**
TOTAL ASSETS		**59 845 368**	**51 430 775**

The notes on pages 12 to 44 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

EQUITY AND LIABILITIES

	Note	30.06.2023 EUR	31.12.2022 EUR
EQUITY			
Share capital	20	18 150 000	18 150 000
Reserves:			
Foreign currency translation reserve		(26 478)	(31 801)
Other reserves		26 774	26 774
Accumulated losses:			
Retained earnings/ (accumulated losses)		5 451 877	4 912 380
TOTAL EQUITY		**23 602 173**	**23 057 353**
CREDITORS			
Long-term liabilities			
Issued bonds	22	10 243 915	-
Lease liabilities	23	3 732 810	3 488 376
Other borrowing	24	4 239 313	5 685 286
TOTAL Long-term liabilities		**18 216 038**	**9 173 662**
Short-term liabilities			
Issued bonds	22	1 659 613	4 898 735
Borrowings from related parties	29(c)	902 300	1 339 536
Lease liabilities	23	3 342 954	3 561 067
Other borrowing	24	1 794 823	1 372 568
Contract liabilities	17	217 304	337 402
Trade payables		5 993 341	5 162 359
Corporate income tax		-	531
Taxes and mandatory state social insurance contributions	25	592 120	680 110
Deferred income	26	34 588	49 540
Other provisions	21	165 295	128 956
Other liabilities	27	370 881	356 645
Accured liabilities	28	2 839 828	1 194 378
Liabilities directly associated with the assets held for sale		114 110	117 933
TOTAL Short-term liabilities		**18 027 157**	**19 199 760**
TOTAL LIABILITIES		**36 243 195**	**28 373 422**
TOTAL EQUITY ND LIABILITIES		**59 845 368**	**51 430 775**

The notes on pages 12 to 44 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

	Notes	01.01.2023-30.06.2023 EUR	01.01.2022-30.06.2022 EUR
Cash flows from operating activities			
Loss for the year		539 497	(305 823)
Adjustments:			
Amortisation of intagible assets and depreciation of fixed assets, plant and equipment	12,13,14	4 423 292	4 463 878
Net result on diposal of property, plant and equipment		294 257	(207 897)
Interest expenses	9	843 092	1 142 738
Provision decrease		36 338	186 513
Cash flows from operating activities before changes in working capital		***6 136 476***	***5 279 409***
Receivables (increase)/ decrease		1 388 118	(2 733 020)
Inventories decrease / (increase)		(2 597 737)	154 912
Payables (decrease) / increase		2 267 626	2 393 729
Gross cash flows from operating activities		***7 194 483***	***5 095 030***
Interest paid		(1 080 595)	(927 978)
Corporate income tax paid		(531)	(17 472)
Net cash flows from operating activities		**6 113 357**	**4 149 580**
Cash flows from investing activities			
Purchase of intangible assets and property, plant and equipment		(4 720 170)	(1 617 391)
Proceeds from sale of property, plant and equipment		365 325	384 976
Net cash flows from investing activities		**(4 354 845)**	**(1 232 415)**
Cash flows from financing activities			
Proceeds from bonds		7 297 700	-
Proceeds from financial lease liabilities		1 729 787	-
Loans issued		(484 100)	(143 063)
Repayment of other borrowings		(1 516 357)	(1 419 948)
Repayment of lease liabilities		(1 703 466)	(2 183 404)
Net cash flows from financing activities		**5 323 564**	**(3 746 415)**
Foreign currency exchange			
Net cash flows for the years		**7 082 076**	**(829 250)**
Cash and cash equivalents at the beginning of the reporting year		675 051	920 267
Cash at the end of the reporting year	19	**7 757 127**	**91 017**

*Presented numbers for Y2022 are the adjusted results for the Group as if it existed from the 1 January 2022, which combine Storent Holdings SIA, Storent Investments AS (consolidated) and SEL Investments SIA and its subsidiaries SELECTIA SIA and SELECTIA PLUS SIA statements of comprehensive income for 2022. The Group management considers these numbers to provide a reference point for comparison of the results of the Group in future periods. For detailed information please see SIA Storent Holdings consolidated annual report for Y2022 note 35.

The notes on pages 12 to 44 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	Share capital* EUR	Foreign currency translation reserve EUR	Other reserves** EUR	Retained earnings / (accumulated losses) EUR	Total EUR
Balance at 31 December 2020	**150 000**	**(25 103)**	**26 774**	**15 388 061**	**15 539 732**
Loss of the year	-	-	-	(3 402 850)	(3 402 850)
Other comrehensive expenses	-	(23 033)	-	-	(23 033)
Balance at 31 December 2021	**150 000**	**(48 136)**	**26 774**	**11 985 211**	**12 113 849**
Profit fot the year	-	-	-	4 774 540	4 774 540
Other comrehensive expenses	-	16 335	-	-	16 335
Transactions with owners:					-
Recapitalization 28 December 2022	12 000 000	-	-	(11 847 371)	152 629
Share capital increase	6 000 000	-	-	-	6 000 000
Balance at 31 December 2022	**18 150 000**	**(31 801)**	**26 774**	**4 912 380**	**23 057 353**
Profit fot the year	-	-	-	539 497	539 497
Other comrehensive expenses	-	5 323	-	-	5 323
Balance at 30 June 2023	**18 150 000**	**(26 478)**	**26 774**	**5 451 877**	**23 602 173**

* While these consolidated financial statements have been prepared following a reverse acquisition as a continuation of the amounts from the consolidated financial statements of Storent Investments AS, the share capital reflects that of the legal acquirer, Storent Holdings SIA.

** One of the Group's subsidiaries has an obligation to allocate certain percentage from financial year's profit to reserves.

The notes on pages 12 to 44 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. General information

Storent Holdings SIA (hereinafter – the Group's Parent company or Storent Holdings SIA or Company) was registered in the Company Register of the Republic of Latvia on 11 October 2018. The legal status the Group's Parent company is limited liability company. Registered address of the Group's Parent company is 15A Matrozu street, Riga, Latvia. Starting from 28 December 2022, the shareholders of the Group's Parent 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 'Alfasport' at the end of preceding reporting period to 'Storent Holdings' at the end of current reporting period.
The Group's Parent company's and its subsidiaries's (hereinafter – the Group) main operations relate to the rental of industrial equipment.

2. Summary of significant accounting policies

(a) Basis of preparation

These unaudited condensed consolidated interim financial statements of Group for 6 months 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31.12.2022. They do not include all of the information required for the complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the end of last annual financial statements.

The consolidated financial statements have been prepared on the historical cost basis except positions which are stated at their fair values. Income statement classified by expense type. Cash flow statement is prepared using the indirect method.

The accompanying consolidated financial statements are presented in the currency of the Latvian Republic, the euro (hereinafter – EUR).

(b) Consolidation

As at 30 June 2023, the Group's Parent company had direct and indirect control over the following subsidiaries (hereinafter – Subsidiaries):

Name	Country	Type of business	Date of incorporation / acquisition	Share of interest
Storent Investments AS	Latvia	Holding entity	28 December 2022	100%
and its subsidiaries:				
Storent SIA	Latvia	Rental of industrial equipment	17 April 2008	100%
Storent UAB	Lithuania	Rental of industrial equipment	27 November 2008	100%
Storent OU	Estonia	Rental of industrial equipment	7 July 2009	100%
Storent Holding Finland Oy	Finland	Rental of industrial equipment	4 September 2012	100%
Storent AB	Sweden	Rental of industrial equipment	15 January 2013	100%
Storent AS	Norway	Rental of industrial equipment	27 June 2013	100%
Storent Oy*	Finland	Rental of industrial equipment	21 December 2016	100%
Storent OOO**	Russia	Rental of industrial equipment	01 August 2017	100%
SEL Investments SIA	Latvia	Holding entity	28 December 2022	100%
and its subsidiaries:				
SELECTIA SIA	Latvia	Rental of industrial equipment	28 December 2022	100%
SELECTIA PLUS SIA	Latvia	Rental of industrial equipment	28 December 2022	100%

* indirect shareholding
**subsidiary is in sales process

2. Summary of significant accounting policies (cont.)

(b) Consolidation (cont.)

The separate financial statements of the subsidiaries have been consolidated into the Group's consolidated financial statements, consolidating the respective assets, liabilities, revenue and expense items. The subsidiaries controlled by the Group's Parent company are included in the consolidation. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income and other comprehensive income from the date the Group Parent company gains control until the date when the Group Parent company ceases to control the subsidiary. The Group Parent company's and its subsidiaries' financial years are equal and represent the calendar year. For the purposes of preparing the consolidated financial statements uniform accounting policies have been applied.

The consolidated financial statements include all assets, liabilities, revenue, expenses, gains, losses and cash flows of Storent Holdings SIA and its subsidiaries Storent Investments AS, Storent SIA, Storent UAB, Storent OÜ, Storent Holding Finland Oy, Storent AB, Storent AS, Storent OOO, Storent Oy, SEL Investments SIA, SELECTIA SIA and SELECTIA PLUS SIA in the manner as if Storent Holdings SIA and its subsidiaries were a single entity.

Upon consolidation inter-company unrealized profit, inter-company transactions, balances, inter-company interest in entities and other transactions between group companies are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(c) Foreign currency transactions

The monetary unit used in the consolidated financial statements is the official currency of the European Union – euro (EUR), which is Group's Parent company's and some of the subsidiaries functional and presentation currency. The functional currency of Storent AS is Norwegian krone and of Storent AB is Swedish.

All transactions in foreign currency are converted to EUR based on the European Central Bank reference exchange rate on trade date. On the balance sheet date, foreign currency monetary assets and liabilities are translated at the European Central Bank reference exchange rate as at 30 June.

European Central Bank reference exchange rates:

	30.06.2023	**31.12.2022**
	EUR	**EUR**
1 USD	0.92030	0.93755
1 GBP	1.16512	1.12748
1 NOK	0.08544	0.09511
1 SEK	0.08470	0.08991

Profit or loss from exchange rate differences, as well as from the foreign currency monetary assets and liabilities denominated in euro, are recognized in the consolidated statement of comprehensive income.

(d) Consolidation of foreign subsidiaries

Consolidating foreign subsidiaries into the consolidated financial statement, the Group's Parent company translated the monetary and non-monetary assets and liabilities at the European Central Bank reference exchange rate ruling at the closing balance sheet date, and revenue and expense items of the foreign subsidiaries at the reference exchange rates at the dates of the transactions. Exchange differences arising on recognizing asset and liability items, translating at exchange rates, are recognized in other comprehensive income and accumulated in equity.

(e) Use of judgements, estimates and assumptions

Preparation of the consolidated financial statements according to the IFRS requires the Group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. The determination of estimates is based on comprehensive information, current and expected economic conditions available to the management. Actual results could differ from those estimates.

The following are the critical judgments and key estimates concerning the future, and other key sources of estimation uncertainty, which exist at the reporting date of the financial statements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities during the next reporting period:

2. Summary of significant accounting policies (cont.)

(e) Use of judgements, estimates and assumptions (cont.)

Identification of the acquirer and Assessment whether business was acquired

On 28 December 2022, Storent Holdings SIA, the legal acquirer, acquired Storent Investments AS, the legal acquiree, by way of issuing its equity instruments to the shareholders of Storent Investments AS as the full amount of consideration transferred. On identification of the acquirer in the business combination, the management considered the following factors:

- Storent Investments AS is a business as per IFRS 3 requirements;
- Storent Holdings SIA before the acquisition had limited operations, and Storent Investments AS (consolidated) was significantly larger than Storent Holdings SIA in terms of assets and revenues;
- Based on the amount of equity instruments issued to effect the acquisition, Storent Investments AS previous shareholders obtained the majority of voting interest in Storent Holdings SIA post-acquisition.

Based on the above, the management assessed that this business combination has to be accounted for as a reverse acquisition, and Storent Holdings SIA consolidated financial statements to be prepared as a continuation of Storent Investments AS consolidated financial statements.

SEL Investments SIA and its subsidiaries SELECTIA SIA and SELECTIA PLUS SIA own around 50% of the construction equipment fleet that Storent Investments AS group operates and have limited other clients. SEL Investments subgroup has been determined to have an integrated set of activities and assets, including relevant inputs and processes that are applied to those inputs, to be considered a business as per IFRS 3 requirements.

Note 33 - The Group's ability to continue as a going concern

The Group's management evaluates the actual and potential impact of geopolitical situation on the economic activities and financial results of the Group. Group management has prepared the projected financial results and cash flows for 2023 and has already begun to take steps to ensure the Group's ability to continue as a going concern (including the intended restructuring within Storent Holdings group). For more information, see Note 33.

(f) Fair value

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. For fair value calculation the Group determines the following:

- the particular asset or liability that is the subject of the measurement (consistently with its unit of account);
- for a non-financial asset, the valuation premise that is appropriate for the measurement (consistently with its highest and best use);
- the principal (or most advantageous) market for the asset or liability;
- market approach is the valuation technique(s) the Group uses for the measurement – it uses prices and other relevant information generated by market transactions involving identical or comparable (similar) assets, liabilities, or a group of assets and liabilities (e.g., a business).
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(g) Business combinations

According to IFRS 3 Business ir an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. A business combination is defined as a transaction or other event in which an acquirer (an investor entity) obtains control of one or more businesses. Identifying a business combination transaction requires the determination of whether what is acquired constitutes a 'business' as defined in IFRS 3, and control has been obtained. On business combinations:

- identifiable assets and liabilities acquired are measured at fair value;
- goodwill recognized as an asset and gain on bargain purchase as an income;
- transactions costs are expensed when incurred;
- deferred tax on initial temporary differences recognized as assets and liabilities;
- contingent consideration recognized at fair value at acquisition date, subsequent changes to the profit or loss if not initially classified as equity.

(h) Segment information

Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), is a component of the Group whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Segment information is presented for Group's operating segments, which are determined by geographical split. Operating segments are managed separately and they are separately reported in internal management reporting to the Council and the Board.

2. Summary of significant accounting policies (cont.)

(i) Revenue recognition

The Group recognises revenues according to IFRS 15 "Revenues from contracts with customers", using the 5-step model. The model consists of:

1. Determination of contractual relations;
2. Determination of contract performance obligation;
3. Determination of transaction price;
4. Attribution of transaction price to the performance obligation;
5. Recognition of income, when the Group 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 Group may identify the rights of each party in relation to deliverable goods or services;
- The Group may identify settlement procedures for the goods or services;
- The contract has commercial nature;
  There is high possibility, that the Group will charge remuneration due to it in exchange for goods or services that will be transferred to the customer.

Determination of contract performance obligation.

The performance obligation exists, if there are distinct goods or services transferred to the customer or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer. Group has considerate following factors as to whether a promise to transfer goods or services to the customer is not separately identifiable:

- Group does provide a significant service of integrating the goods or services with other goods or services promised in the contract;
- the goods or services are highly interrelated or highly interdependent.

Determination of transaction price

The transaction price is the amount to which Group expects to be entitled in exchange for the transfer of goods and services. When making this determination, Group will consider past customary business practices. Where a contract contains elements of variable consideration, the entity will estimate the amount of variable consideration to which it will be entitled under the contract. Variable consideration can arise, for example, as a result of discounts, rebates, performance bonuses.

Attribution of the transaction price to the performance obligation

Generally, the contract with the customer includes a specified transaction price for each performance obligation. If applicable, the Group uses the adjusted market assessment method for determination of the market price. A discount is applied proportionally for each performance obligation, based on the relative goods or services sales prices. Any overall discount compared to the aggregate of standalone selling prices is allocated between performance obligations on a relative standalone selling price basis. In certain circumstances, it may be appropriate to allocate such a discount to some but not all of the performance obligations.

Customers can earn loyalty points that are redeemable against any future transactions of the Group's products. The points accumulate and expire after one year. The Group recognizes this as a separate performance obligation and allocates a part of the transactions price applying the same principles as described above. The amount allocated to the loyalty points is initially deferred and recognised as revenue when loyalty points are redeemed or on expiry.

Recognition of revenue, when the Group has fulfilled the performance obligation

<u>Transport and related services revenue</u>

Revenue is recognised over time as the services are provided, that is based on criteria that the customer simultaneously receives and consumes all of the benefits provided by the Group and, generally, invoiced on a monthly basis.

Fulfillment of performance obligations for transport and related services is measured based on the output method – performance to date, and there is no significant judgement applied to determine the fulfilment of the performance obligations. <u>Revenue from sale of inventories and property, plant and equipment used for renting</u>

Revenue is recognised at a point in time when the corresponding asset is delivered to and accepted by the customer, thus, transferring the control and fulfilling the performance obligation, and, generally, invoiced at that point in time.

Contract assets and liabilities

Contracts with customers are presented in the Group's statement of financial position as a receivable. Invoices according the contract are generated at least once per month. Invoices are usually payable within 15-45 days. A contract liability is presented in the statement of financial position where a customer has paid an amount of consideration prior to the Group performing by transferring the related good or service to the customer.

2. Summary of significant accounting policies (cont.)

(j) Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(k) Government grants

The Group recognises a government grant when it has reasonable assurance that it will comply with the relevant conditions and the grant will be received. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in profit or loss of the period in which it becomes receivable. Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

(l) Income tax

The corporate income tax consists of the income tax calculated for the reporting year and deferred income tax. It is recognised in comprehensive income.

Current tax

Corporate income tax for the reporting year (Lithuania)

The corporate income tax for the reporting year has been calculated, by applying the corporate income tax rate of 15% to the taxable income for the tax year.

Corporate income tax for the reporting year (Estonia and Latvia)

The net profit of Group entities located in Latvia and Estonia is not subject to corporate income tax; however, income tax is levied on all dividends paid by these companies. Corporate income tax in Latvia and Estonia is calculated at the profit distribution (20/80 from net amount to be paid to shareholders). Corporate income tax will be recognized as tax payable at the period when shareholders decide to distribute profit.

Corporate income tax for the reporting year (Finland)

The corporate income tax for the reporting year has been calculated, by applying the corporate income tax rate of 20% to the taxable income for the tax year.

Corporate income tax for the reporting year (Sweden)

The corporate income tax for the reporting year has been calculated, by applying the corporate income tax rate of 20.6% to the taxable income for the tax year.

Deferred tax

Deferred income tax arising due to temporary differences between the tax bases of assets and liabilities and their carrying amounts in these consolidated financial statements has been calculated, using the liability method for all countries the Group operates. Deferred income tax assets and liabilities are determined using the tax rates that are expected to apply when the related temporary differences reverse. The key temporary differences result from different depreciation tax rates applied under tax and accounting legislation and tax losses carried forward.

A deferred tax asset shall be recognized for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. When considering whether a deferred tax asset can be recognized the management uses their judgment in estimating whether there will be sufficient taxable profits in the future and about their timing and the overall future tax planning strategy.

Deferred income tax and profit distribution in (Latvia and Estonia)

Specific accounting for deferred tax due to tax regimes have been applied in the respect of Latvia and Estonia. According to legislation requirements in these countries corporate income tax is applicable to distributed profits. In case of reinvestment of profit, corporate income tax shall not be applied.

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 and Estonia, the applicable rate for undistributed profits is 0%.

As a parent controls the dividend policy of its subsidiaries, it is able to control the timing of the reversal of temporary differences associated with these investments including the temporary differences arising from undistributed profits. Therefore, in the consolidated financial statements the Group could recognize deferred tax assets and liabilities in the respect of its investments in subsidiaries using tax rate applicable to distributed profits. In cases the parent has determined that subsidiary’s profits will not be distributed in the foreseeable future the parent does not recognize a deferred tax assets and liabilities.

2. Summary of significant accounting policies (cont.)

(m) Finance income and finance costs

The Group's finance income and finance costs include:

- Interest income;
- Interest expense;
- the foreign currency gain or loss on financial assets and financial liabilities;

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(n) Intangible assets

Other intangible assets

Other intangible assets primarily comprise capitalized costs of internally developed software. Other intangible assets are measured at historical cost amortized on a straight-line basis over the useful life of the assets. If some events or a change in conditions indicates that the carrying value of an intangible asset may not be recoverable, the value of the respective intangible asset is reviewed for impairment. Impairment loss is recognized if the carrying value of the intangible assets exceeds its recoverable amount.

Development costs of intangible assets

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, such expenditure is treated as research costs and recognised in comprehensive income as incurred. In the reporting period, the Group did not incur any research costs.

A project initiated by the Group met all the above criteria. The item "Intangible assets in process" included only those costs that the Group can reliably estimate. The development of intangible assets was started in 2020 and was completed at the end of 2022. This intangible asset is recognized as a corporate asset because it cannot generate independent cash flows but will be used in the operations of all Group companies. At the end of 2021 and 2022, this item was not assessed separately and was included in the impairment test of total assets, allocating this item by CGU equal to the current IT cost allocation in the Storent group. In December 2022, the roll-out process of the new IT system has started and the development costs were transferred to Computer software, and subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. The implementation of the new IT system is planned to be completed by the end of 2023.

Development costs are presented as Intangible assets in progress and are stated at historical cost. This includes the cost of development and other directly attributable expenses. Intangible assets in progress are not amortized as long as the respective assets are not completed and put into operation. Expenditure on research activities, if any, is recognised in comprehensive income as incurred.

Amortisation

Amortisation is calculated based on the cost of intangible assets less their estimated residual values, which, generally, are insignificant, using the straight-line method over their estimated useful lives, and is recognised in comprehensive income. Goodwill is not amortised. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate, to reflect the Group's management current view on their remaining useful lives in the light of changes in technology. The estimated useful lives of other intangible assets for current and comparative periods are as follows:

Trademarks and domains	5 years
Software licenses	3 years

2. Summary of significant accounting policies (cont.)

(o) Property, plant and equipment

Property plant and equipment is stated at historical cost less accumulated depreciation and impairment. The acquisition costs include all expenditures attributable to binging the asset to working condition. In addition to direct purchasing expenses, it also includes other expenses related to the acquisition, such as transportations and assembling costs. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.
Depreciation is calculated using the straight-line method. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Machinery and equipment	4 - 12 years
Other	2 - 5 years

Construction in progress represents property, plant and equipment under construction and is stated at historical cost. This includes the cost of construction and other directly attributable expenses. Construction in progress is not depreciated as long as the respective assets are not completed and put into operation.
Leasehold improvements are amortised over the shorter of the useful life of the improvement and the term of the lease agreement.
Depreciation is calculated based on the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in comprehensive income. 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 is depreciated separately. Any gain or loss on disposal of an item of property, plant and equipment is recognised in comprehensive income. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate, to reflect the Group's management current view on their remaining useful lives in the light of changes in technology, the remaining prospective economic utilization of the assets and their physical condition. Group has fixed assets that are fully amortized and still are in use.

(p) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred.
After initial measurement, borrowings are carried at amortized cost using the effective interest rate method. The amortized value is calculated including any acquisition related discount or premiums and payments that are an integral part of the effective interest rate and transaction costs. Amortized cost is calculated by taking into account any loan or borrowing issue costs, and any discount or premium related to loans or borrowings.

(q) Inventories

Inventories are stated at the lower of cost and net realizable value.
Costs incurred in bringing the inventories to their present location and condition is measured for as follows:
- Consumables and finished goods are measured at cost of purchase applying "first in first out" (FIFO) method;

Net realizable value is the estimated selling price in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale, as well as assesses the physical condition of inventories during the annual stock count. Net realizable value is stated as cost less allowances.

(r) Non-current assets and disposal groups classified as held for sale

Non-current assets and disposal groups that will be recovered through sale rather than through continuing use are classified as non-current assets and disposal groups classified as held for sale. An asset or a disposal group held for sale is measured at the lower of its previous carrying value and fair value less costs to sell.

The conditions that must be met before a non-current asset or a disposal group can be classified as held for sale or discounted operations are as follows:

- The non-current asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets or disposal groups; and
- Its sale must be highly probable, i.e.
- management must be committed to a plan to sell the non-current assets or disposal group;
- an active program to locate a buyer and complete the plan must be initiated;
- the non-current assets or disposal group must be actively marked for sale ar a reasonable price in relation to its current fair value;
- the sale should be expected to qualify for recognition as a completed sale within one year from date of classification;
- actions required to complete the plan should indicate that it is unlikely that the plan be changed significantly or be withdrawn.

At the end of the reporting year 2022, the Group management has committed plan to sell a subsidiary company. This subsidiary is presented as a disposal group held for sale. Expected fair value less costs to sell is lower than the net carrying amount of the disposal group's assets and liabilities. Remeasurement loss on a reclassification of disposal group as held for sale is allocated first to impairment loss on goodwill, and then to the remaining assets.

2. Summary of significant accounting policies (cont.)

(s) Cash and cash equivalents

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

(t) Contingent liabilities and assets

The Group does not recognize any contingent liabilities in these financial statements. Contingent liabilities are disclosed, unless the probability that an outflow of resources will be required is remote. No contingent assets are recognized by the Group, they are disclosed if it is probable, that the economic benefits related to the transaction will flow to the Group.

(u) Provisions

A provision is recognized if the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required from the Group to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the Group expects that the expenditure required to settle the provision will be reimbursed by another party partly or fully, e.g., under the terms of an insurance contract, the reimbursement is recognized as a separate asset when and only when it is virtually clear that the reimbursement will be received. In the consolidated statement of comprehensive income, the expense relating to a provision may be presented net of the amount recognized for a reimbursement. Where the effect of the time value of money is material, the provisions are calculated by discounting the future expected cash outflows, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the liability. If discounting is used, increase in provisions is gradually recognized as borrowing costs.

(v) 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 Group becomes party to a contract that is a financial instrument. On initial recognition, the Group classifies and measures a financial asset at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- 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 Group 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 Trade receivables and Other receicables. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. 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 Group 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 Group 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

The Group 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 Group in full, without recourse by the Group 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.

Factoring

The Group has entered into certain factoring contracts, by which it sells the receivables to a factor and receives a part of the amount due immediately and the remainder when the customer settles its liability towards the factor. When the Group sells the receivables to the factor, it derecognizes the corresponding financial assets and recognizes a new receivable due from the factor. The Group's factoring contracts are considered as factoring without rights of regress. The proceeds received from the factor are presented in the Statement of cash flows as cash flows from operating activities.

2. Summary of significant accounting policies (cont.)

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

Financial liabilities

Recognition, classification and subsequent measurement

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

All of the Group's financial liabilities are classified as measured at amortised cost. 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.
Please refer to relevant Notes.

Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group 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.

(w) Leases

The Group as lessor

Leases, for which the Group is a lessor, are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Group, as a lessor, has not classified any lease as a financial lease. When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. The Group as a lessor, generally, concludes short-term operating lease contracts with no non-cancellable period.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group 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). For these leases, the Group 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. Group lease payments are based on concluded financial lease agreements with fixed lease payment schedule.
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.

2. Summary of significant accounting policies (cont.)

(w) Leases (cont.)

The Group 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 the period of the lease term.

(x) Related party transaction

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.

(y) Post balance sheet events

Only such post balance sheet events adjust amounts recognized in the consolidated financial statement, which provides additional information on the conditions that existed at balance sheet date (adjusting events). If post balance sheet events are not adjusting, they are disclosed in the consolidated financial statements only if they are material.

2. Summary of significant accounting policies (cont.)

(z) International Financial Reporting Standards changes

New standards and amendments to standards, including any consequential amendments to other standards, effective for annual periods beginning on 1 January 2022, have not had a material impact on these consolidated financial statements.

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 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.
The following new and amended standards effective for annual periods beginning after 1 January 2022 are not expected to have a significant impact on the Group's consolidated financial statements:

- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- Definition of Accounting Estimate (Amendments to IAS 8)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes.

IFRSs currently adopted by the EU do not differ materially from those adopted 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 2022 (effective dates refer to IFRSs, issued by the IASB).

The Group anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the consolidated financial statements of the Group in the period of initial application.

3. Net revenue and operating segments

Net revenue by products and services	01.01.2023-30.06.2023 EUR	01.01.2022-30.06.2022 EUR
Rental revenue – own equipment	10 007 156	9 822 197
Rental revenue – sub-lease of right-of-use assets (see also Note 14)	2 073 244	2 082 068
Rental revenue – equipment under split rent arrangements (see also Note 14)	2 960 215	2 775 220
TOTAL Rental income:	**15 040 615**	**14 679 485**
Transport and related services revenue	3 538 060	3 708 947
Revenue from sale of inventories	892 642	405 311
Cash discounts to customers	(23 410)	(23 819)
TOTAL Revenue from contracts with customers:	**4 407 292**	**4 090 439**
TOTAL:	**19 447 907**	**18 769 924**

Operating segments

Segment information is presented for the Group's operating segments, which are determined by geographical split. The Group has disclosed the items and amounts by operating segment as reported in internal management reporting to the Council and the Board.

Net revenue per geographical location	01.01.2023-30.06.2023 EUR	01.01.2022-30.06.2022 EUR
Latvia	7 635 653	6 241 237
Lithuania	4 459 273	4 777 916
Estonia	1 876 336	1 957 212
TOTAL Baltic (Latvia, Estonia and Lithuania):	**13 971 262**	**12 976 365**
Finland	4 290 232	4 606 462
Sweden	1 186 413	1 187 097
TOTAL Nordic (Finland and Sweden):	**5 476 645**	**5 793 559**
TOTAL:	**19 447 907**	**18 769 924**

The Group defines operating result as net revenues and other operating income less cost of materials and services, personnel costs, other operating expenses, depreciation and amortization and impairment gain/(loss).

Operating result per geographical location	01.01.2023-30.06.2023 EUR	01.01.2022-30.06.2022 EUR
Baltic (Latvia, Estonia and Lithuania)	1 930 398	2 062 420
Nordic (Finland and Sweden)	(511 647)	(905 614)
Elimination of inter-segment operating result	(44 775)	(509 708)
Finance income	420	83127
Finance expenses	(986 416)	(1 178 360)
Consolidated profit/(loss) before tax from continuing operations:	**387 980**	**(448 135)**

3. Net revenue and operating segments (cont.)

Property, plant and equipment, right of use assets and intangible assets are disclosed both on individual geographical location level and on an aggregated basis, in line with internal management reporting to the Council and the Board.

Property, plant and equipment and right of use assets per geographical location, net book value	**30.06.2023 EUR**	**31.12.2022 EUR**
Finland	6 890 329	7 104 437
Sweden	895 088	1 027 997
TOTAL Nordic (Finland and Sweden):	**7 785 417**	**8 132 434**
Latvia	10 468 175	10 238 457
Lithuania	6 281 245	6 139 269
Estonia	3 610 177	3 880 379
TOTAL Baltic (Latvia, Estonia and Lithuania):	**20 359 597**	**20 258 105**
TOTAL:	**28 145 014**	**28 390 539**

Intangible assets (including goodwill) and right of use assets per geographical location, net book value	**30.06.2023 EUR**	**31.12.2022 EUR**
Finland	1 813 542	1 829 957
Sweden	196 351	198 128
TOTAL Nordic (Finland and Sweden):	**2 009 893**	**2 028 085**
Latvia	1 421 539	1 434 405
Lithuania	8 871 187	8 951 481
Estonia	643 644	649 470
TOTAL Baltic (Latvia, Estonia and Lithuania):	**10 936 370**	**11 035 356**
TOTAL:	**12 946 263**	**13 063 441**
TOTAL NON-CURRENT NON-FINANCIAL ASSETS:	**41 091 277**	**41 453 980**

4. Other operating income

By type	**01.01.2023-30.06.2023 EUR**	**01.01.2022-30.06.2022 EUR**
Insurance reimbursements received	104 256	112 215
Cost reimbursement	32 966	127 378
Recognized deferred income (see also Note 26)	14 952	14 952
Other income	7 700	19 110
Gains on sale of property, plant and equipment used for renting, net*	258 680	343 333
TOTAL:	**418 554**	**616 988**

*Storent SIA and Storent Oy, on an ongoing basis, performs optimization of the rental equipment fleet by selling equipment, which is no longer in demand in rental market. The increase in rental equipment sold in 2023 and 2022 is related to the management's-initiated change in the Group's operating model to increase the share of rental equipment provided by split-rent vendors.

5. Cost of materials and services

a) **Costs of raw materials and ancillary materials**

	01.01.2023-30.06.2023 EUR	01.01.2022-30.06.2022 EUR
Cost of materials	381 418	289 480
Renting equipment adjustments as a result of stock counts	63 970	93 955
TOTAL:	**445 388**	**383 435**

b) **Other external costs**

	01.01.2023-30.06.2023 EUR	01.01.2022-30.06.2022 EUR
Equipment rent related costs (see also Note 14)	2 373 085	2 187 548
Transport and assembly services	2 717 433	2 803 886
Repairs and maintenance services	1 613 666	1 734 418
TOTAL:	**6 704 184**	**6 725 852**
TOTAL:	**7 149 572**	**7 109 287**

6. Other operating expenses

	01.01.2023-30.06.2023 EUR	01.01.2022-30.06.2022 EUR
Rent of offices, areas and maintenance costs	1 233 001	1 199 716
IT expenses	396 714	409 084
Other administrative expenses	322 837	245 863
Administration transport costs	227 928	262 755
Marketing expenses	226 688	109 923
Insurance costs	166 434	135 025
Remuneration to contractors	154 093	152 577
Written-off doubtful debts	95 907	80 072
Consulting and other services	80 007	52 607
Legal services	55 169	175 029
Communication expenses	44 487	57 250
TOTAL:	**3 003 265**	**2 879 901**

7. Depreciation and amortization

	01.01.2023-30.06.2023 EUR	01.01.2022-30.06.2022 EUR
Depreciation of property, plant and equipment used for renting	2 759 084	2 841 774
Depreciation of property, plant and equipment used for own needs	120 403	189 490
Rights of use assets amortization	980 480	1 009 863
Amortization of intangible assets	563 325	422 751
TOTAL:	**4 423 292**	**4 463 878**

8. Finance income

	01.01.2023-30.06.2023 EUR	01.01.2022-30.06.2022 EUR
Foreign exchange income	-	81 763
Other income	421	1 364
TOTAL:	**421**	**83 127**

9. Finance expenses

	01.01.2023-30.06.2023 EUR	01.01.2022-30.06.2022 EUR
Interest on borrowings* calculated using the effective interest method	350 820	615 334
Interest on leases	254 564	280 708
Interest on bonds* calculated using the effective interest method	234 531	242 471
Interest on factoring**	3 076	3 288
Interest on overdraft	101	937
Foreign exchange losses	137 919	-
Other expenses	5 405	35 622
TOTAL:	**986 416**	**1 178 360**

*Interest expenses presented above are incurred by financial instruments presented in the Group's financial liabilities at amortized cost in accordance with IFRS 9.

**In 2014 Group has signed factoring contract with Nordea Bank AB, which improved liquidity of the Group. The management of the Group treats this contract as factoring without rights of regress. In 2022, the maturity of these contracts was been prolonged till 31.03.2024.

10. Income tax and deferred income tax assets / liabilities

	01.01.2023-30.06.2023 EUR	01.01.2022-30.06.2022 EUR
Corporate income tax calculated for the year	1 687	911
Deferred income tax changes due to temporary differences	-	-
Corporate income tax recognized in consolidated statement of comprehensive income:	**1 687**	**911**

11. Personnel costs and number of employees

	01.01.2023-30.06.2023 EUR	01.01.2022-30.06.2022 EUR
Salaries	3 215 812	3 285 331
State social security mandatory contributions	748 675	826 227
Other personnel costs	233 358	114 687
TOTAL:	**4 197 845**	**4 226 245**

Executive management remuneration:	01.01.2023-30.06.2023 EUR	01.01.2022-30.06.2022 EUR
Board members		
Salaries	55 273	263 306
State social security mandatory contributions	13 039	62 114
TOTAL:	**68 312**	**325 420**

	01.01.2023-30.06.2023	01.01.2022-30.06.2022
Average number of employees during the reporting year	238	245
TOTAL:	**238**	**245**

Personnel costs by function:	01.01.2023-30.06.2023 EUR	01.01.2022-30.06.2022 EUR
Sales	1 576 998	1 587 667
Customer services	1 708 557	1 720 116
Administration and finance staff	912 290	918 462
TOTAL:	**4 197 845**	**4 226 245**

12. Intangible assets

	Licences and similar rights	Other intagible assets	Intangible assets in progress	Goodwill	TOTAL
	EUR	EUR	EUR	EUR	EUR
At 31 December 2021					
Historical cost	506 276	5 053 794	985 288	11 316 707	17 862 065
Accumulated amortisation	(485 460)	(4 023 659)	-	-	(4 509 119)
Net carrying value	**20 816**	**1 030 135**	**985 288**	**11 316 707**	**13 352 946**
FY 2022					
Net carrying value, opening	20 816	1 030 135	985 288	11 316 707	13 352 946
Additions	55 406	179 728	656 321	-	891 455
Transfered from other position	-	1 641 609	(1 641 609)	-	-
Reclassification to assets held for sale	-	(4 977)	-	-	(4 977)
Write-off	-	-	-	(329 585)	(329 585)
Amortisation	(18 514)	(827 884)	-	-	(846 398)
Net carrying value	**57 708**	**2 018 611**	**-**	**10 987 122**	**13 063 441**
At 31 December 2022					
Historical cost	561 682	6 870 154	-	10 987 122	18 418 958
Accumulated amortisation and depreciation	(503 974)	(4 851 543)	-	-	(5 355 517)
Net carrying value	**57 708**	**2 018 611**	**-**	**10 987 122**	**13 063 441**
01.01.2023-30.06.2023					
Net carrying value, opening	57 708	2 018 611	-	10 987 122	13 063 441
Additions	-	446 147	-	-	446 147
Write-off	-	-	-	-	-
Amortisation	(7 019)	(556 306)	-	-	(563 325)
Net carrying value	**50 689**	**1 908 452**	**-**	**10 987 122**	**12 946 263**
At 30 June 2023					
Historical cost	561 682	7 316 301	-	10 987 122	18 865 105
Accumulated amortisation and depreciation	(510 993)	(5 407 849)	-	-	(5 918 842)
Net carrying value	**50 689**	**1 908 452**	**-**	**10 987 122**	**12 946 263**

All intangible assets are used by the Group.

Fully amortized intangible assets

On 30 June 2023, intangible assets of the Group included assets with acquisition value of EUR 5 428 316 (31.12.2022.: EUR 3 925 441), which were completely written down into amortization costs and are still actively used in economic activity. Most of these intangible assets consist of software, which continue to be used, and for which annual maintenance and improvement fees are paid.

Development of intangible assets

In 2020, the Group started to develop a new ERP system that meets the development trends of modern IT technologies in the business environment, especially as a result of Covid-19 impact, and will provide effective accounting of rental processes, control procedures of the Group companies and operational information for the Group's management to make decisions. The item "Intangible assets in progress" included only those costs that the Group could reliably estimate and that met IFRS capitalization criteria. In 2022 and 2021, there are only external intangible development costs capitalized. In December 2022, the development process of the new ERP system was completed and the implementation process and its use in the Group companies' everyday operations began; as a result, the development costs were transferred to the item "Other intangible investments". The roll-out of the new ERP system is planned to be completed by the end of 2023.

13. Property, plant and equipment

	Land and buildings	Machinery and equipment	Other fixed assets	TOTAL
	EUR	EUR	EUR	EUR
At 31 December 2021				
Historical cost	302 978	34 000 802	3 813 550	38 117 330
Accumulated amortisation	(98 908)	(24 618 639)	(3 443 964)	(28 161 511)
Net carrying value	**204 070**	**9 382 163**	**369 586**	**9 955 819**
FY 2022				
Net carrying value, opening	204 070	9 382 163	369 586	9 955 819
Additions	-	1 049 353	219 479	1 268 832
Acquisitions through business combinations*	-	12 135 279	181	12 135 460
Transfered from ROU at the end of the lease (Note 14)	-	1 189 121	84 320	1 273 441
Reclassification to assets and disposal groups held for sale*	-	(86 178)	(1 658)	(87 836)
Write-off	-	(4 546 304)	(82 152)	(4 628 456)
Amortisation	(15 056)	(1 201 624)	(237 317)	(1 453 997)
Net carrying value	**189 014**	**17 921 810**	**352 439**	**18 463 263**
At 31 December 2022				
Historical cost	302 978	43 742 073	4 033 720	48 078 771
Accumulated amortisation and depreciation	(113 964)	(25 820 263)	(3 681 281)	(29 615 508)
Net carrying value	**189 014**	**17 921 810**	**352 439**	**18 463 263**
01.01.2023-30.06.2023				
Net carrying value, opening	189 014	17 921 810	352 439	18 463 263
Additions	-	319 255	158 838	478 093
Transfered from ROU at the end of the lease (Note 14)	-	5 187 405	16 861	5 204 266
Write-off	-	(621 485)	(21 755)	(643 240)
Amortisation	(7 528)	(2 759 084)	(112 875)	(2 879 487)
Net carrying value	**181 486**	**20 047 901**	**393 508**	**20 622 895**
At 30 June 2023				
Historical cost	302 978	48 627 248	4 187 664	53 117 890
Accumulated amortisation and depreciation	(121 492)	(28 579 347)	(3 794 156)	(32 494 995)
Net carrying value	**181 486**	**20 047 901**	**393 508**	**20 622 895**

All property, plant and equipment classified as Machinery and equipment and Other fixed assets are leased out by the Group under operating lease terms. Other types of property, plant and equipment are used by the Group.

A number of fully depreciated property, plant and equipment are still used for the Group's business operations. The total historical cost of such property, plant and equipment as at 30 June 2023 amounted to EUR 5 887 611 (31.12.2022: EUR 6 546 256).

14. Rights of use assets

	Licences and similar rights	Land and buildings	Machinery and equipment	Other fixed assets	TOTAL
	EUR	EUR	EUR	EUR	EUR
At 1 January 2022					
Net carrying value, opening	23 805	407 950	12 447 925	548 614	13 428 294
Additions	-	151 904	-	511 897	663 801
Acquisitions througt business combinations*	-	-	12 907	23 164	36 071
Transfered to PP&E at the end of the lease on transfer of ownership (see Note 13)	-	-	(1 189 121)	(84 320)	(1 273 441)
Write-off	-	-	-	(40 449)	(40 449)
Amortisation	(23 805)	(289 370)	(2 305 217)	(268 608)	(2 887 000)
Net carrying value at 31 December 2022	**-**	**270 484**	**8 966 494**	**690 298**	**9 927 276**
At 1 January 2023					
Net carrying value, opening	-	270 484	8 966 494	690 298	9 927 276
Additions	-	-	3 624 430	171 500	3 795 930
Transfered to PP&E at the end of the lease on transfer of ownership (see Note 13)	-	-	(5 187 405)	(16 861)	(5 204 266)
Write-off	-	-	-	(16 342)	(16 342)
Amortisation		(114 714)	(734 082)	(131 684)	(980 480)
Net carrying value at 30 June 2023	**-**	**155 770**	**6 669 437**	**696 911**	**7 522 118**

All rights of use assets classified as Machinery and equipment and Other fixed assets are leased out by the Group under operating lease terms. Other types of rights of use assets are used by the Group for own purposes.
For information on incremental borrowing rates applied to lease liabilities, refer to Note 23.

Premises rent agreements that can be discontinued by sending letter to premises holder one to six months before termination, are not classified as rights of use assets since both parties have unilateral rights to terminate the contract and there is historical evidence of such right being exercised by both parties. Forklift rent agreements, without specified forklift serial number in agreement also are not classified as rights of use assets as those can be replaced by service provider and there is a history of such replacement at decision by service provider.

Amounts recognized in profit and loss:	**01.01.2023-30.06.2023 EUR**	**01.01.2022-30.06.2022 EUR**
Revenue from sub-lease of rights-of-use assets (see also Note 3)	2 073 244	2 082 068
Revenue from sub-lease of assets, for which lease liabilities are not recognized (see also Note 3)*	2 960 215	2 775 220
Expense related to variable lease payments not included in the measurement of the lease liability*	(2 373 085)	(2 187 548)
Depreciation expenses on right-of-use assets	(980 480)	(1 009 863)
Interest expense on lease liabilities	(254 564)	(280 708)
Expense relating to short-term leases	(823 731)	(795 072)
TOTAL:	**601 599**	**584 097**

*The Group does not recognize lease liabilities and right-of-use assets for machinery and equipment leased from split-rent vendors as the lease payments are entirely variable depending on sub-lease rental income.

15. Inventories

		30.06.2023 EUR	31.12.2022 EUR
Goods for resale (at cost)		3 158 934	520 680
Consumables (at cost)		598 230	634 924
	TOTAL:	**3 757 164**	**1 155 604**

16. Trade receivables

		30.06.2023 EUR	31.12.2022 EUR
Trade receivables		8 401 902	10 071 308
Allowance for doubtful debts		(2 370 543)	(2 653 950)
	TOTAL:	**6 031 359**	**7 417 358**

Interest is not charged on late payment of receivables. Generally, trade receivables are due within 15 - 45 days.

Allowance for doubtful debts is expressed as lifetime expected credit loss and is calculated on a collective basis using simplified approach under IFRS 9.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group's management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information and industry information. Sale limits are established for each customer and reviewed yearly. Any sales exceeding those limits require approval from the entity management or Group management. Monitoring customer credit risk is going on daily basis. Monitoring includes actual information from credit agency and review past due trade payables by each entity debt controllers.

Trade receivables are not secured or collaterized.

The gross carrying amount of a trade receivables is written off when the Group has no reasonable expectations of recovering a trade receivable in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amounts written off. However, trade receivables that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Changes in the allowance for doubtful debts		30.06.2023 EUR	31.12.2022 EUR
At the beginning of the year		**2 653 950**	**2 259 455**
Increase		(187 500)	952 914
Written-off		(95 907)	(558 419)
	TOTAL:	**2 370 543**	**2 653 950**

17. Contract assets and contract liabilities

The following tables provide information about receivables, contract assets and contract liabilities from contracts with customers.

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

Contracts balances	30.06.2023 EUR	31.12.2022 EUR
Receivables, which are included in 'Trade receivables'	6 031 359	7 417 358
Contract assets	1 905	2 667
TOTAL:	**6 033 264**	**7 420 025**

The contract liabilities primarily relate to the loyalty points earned by the customers as part of the Group's customer loyalty program, which was launched in 2020, and advances received from customers for performance obligations not yet performed.

Contracts balances	30.06.2023 EUR	31.12.2022 EUR
Contract liabilities – loyalty program	(140 544)	(149 381)
Contract liabilities – advances from customers	(76 760)	(188 021)
TOTAL:	**(217 304)**	**(337 402)**

Changes in contract liabilities:	30.06.2023 EUR	31.12.2022 EUR
At the beginning of the year	**(337 402)**	**(404 345)**
Revenue recognized from amounts included in contract liabilities at the beginning of the period	337 402	404 345
Revenue deferred during the period	(217 304)	(337 402)
TOTAL:	**(217 304)**	**(337 402)**

18. Other receivables

	30.06.2023 EUR	31.12.2022 EUR
Guarantee deposit	192 208	185 158
Advances to suppliers	21 612	31 540
Refundable value-added tax	27 283	61 962
Advances to employees	1 685	1 692
TOTAL:	**242 788**	**280 352**

19. Cash and cash equivalents

	30.06.2023 EUR	31.12.2022 EUR
Cash in bank and cash, EUR	7 703 560	665 313
Cash in bank and cash, SEK	53 567	9 738
TOTAL:	**7 757 127**	**675 051**

20. Share capital of the Parent company

In 2022, registered share capital of the Group's legal Parent company was increased by EUR 18 000 000 and the registered share capital of the Group's legal Parent company on 31.12.2022 is 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. Share capital was increased by new share issue with non-financial contribution.

Parent company's shareholders as of 31 December 2022:

Shareholder		**Numbers of shares**	**Amount EUR**	**Participating interest (%)**
"EEKI" SIA		9 075 000	9 075 000	50%
"Supremo" SIA		9 075 000	9 075 000	50%
	TOTAL:	**18 150 000**	**18 150 000**	**100%**

Parent company's shareholders as of 30 June 2023:

Shareholder		**Numbers of shares**	**Amount EUR**	**Participating interest (%)**
"EEKI" SIA		9 075 000	9 075 000	50%
"Supremo" SIA		9 075 000	9 075 000	50%
	TOTAL:	**18 150 000**	**18 150 000**	**100%**

21. Other provisions

	30.06.2023 EUR	**31.12.2022 EUR**
Provisions for employee bonuses	154 864	116 207
Provisions for expenses	10 431	12 749
Total:	**165 295**	**128 956**

Provisions for employee bonuses and provisions for expenses are expected to result in cash outflows within a year of the reporting date. The uncertainty arises from the fact that the information on specific cash outflow amounts is not available to the management as at the reporting date. The Group does not expect any reimbursements with respect to the above amounts.

Changes in the provisions:	**30.06.2023 EUR**	**31.12.2022 EUR**
At the beginning of the year	**128 956**	**138 903**
Provisions made	223 359	325 015
Provision used	(187 020)	(314 449)
Transferred to Disposal Group	-	(20 513)
TOTAL:	**165 295**	**128 956**

22. Issued bonds

In 2020, the Group's subsidiary Storent Investments AS issued bonds with maturity date 19.10.2023, coupon interest rate 8%, 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."

In 2023, SIA Storent Holdings issued bonds with maturity date 22.12.2025, coupon interest rate 11%, bond nominal value 100 EUR and total nominal value 10 500 000 EUR. Bonds are listed on the official bond list of AS "Nasdaq Riga."

Issued bonds	**Emission date**	**Maturity date**	**Amount**	**Actual interest rate (%)**	**30.06.2023 EUR**	**31.12.2022 EUR**
ISIN code LV0000850089	21.06.2023	20.12.2025	10 500 000	11	10 500 000	-
ISIN code LV0000802411	19.03.2020	19.10.2023	15 000 000	8	1 668 200	4 870 500
Accrued interest for bonds coupon payment (LV0000802411)					-	78 378
Incremental cost allocation emission LV0000850089 *					(256 085)	-
Incremental cost allocation emission LV0000802411 *					(8 587)	(50 143)
				TOTAL:	**11 903 528**	**4 898 735**
				Total Non-current liabilities:	10 243 915	-
				Total Current liabilities:	1 659 613	4 898 735

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 258 646 EUR. The Group 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:

	30.06.2023 EUR	**31.12.2022 EUR**
Balance at the beginning of the year	**4 898 735**	**4 838 565**
Proceeds from bonds	10 500 000	-
Bonds exchange	(3 202 300)	-
Total changes from financing cash flows	**7 297 700**	-
Incremental cost allocation amortization, net	(258 646)	-
Interest expense	234 532	465 376
Interest paid	(268 793)	(405 206)
Total liability-related other changes	**(292 907)**	**60 170**
Balance at the end of the year	**11 903 528**	**4 898 735**

22. Issued bonds (cont.)

According to Terms and Conditions for 2020 emission, the following financial covenants have to be met:

- 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.

In February 2022, Storent Investments AS announced an instigation of written procedure for receipt of consent of Noteholders holding the Notes to amend Terms and Condition of bonds with ISIN LV0000802411. In accordance with the proposed amendments to the Terms and Conditions, the Issuer proposes to modify Shareholders Equity to Assets Ratio covenant to include in the equity calculation also loans from the Issuer's shareholders and to modify Net Debt/EBITDA Ratio covenant to exclude loans from the Issuer's shareholders from the net indebtedness of the Issuer. This will allow the Issuer to safely comply with the financial covenants until maturity of the Notes. On 28 February 2022 voting has been closed and amendments have been approved.

Transactions with bonds in 2022

In 2022, there were no transactions with bonds.

Transactions with bonds in 2023

Emission with ISIN code LV0000802411
On 31 May 2023 Storent Investments AS offered to the noteholders who own the notes of Storent Investments AS maturing on 19 October 2023 (ISIN LV0000802411) an opportunity to exchange the Existing Notes owned by them with the New Notes of Storent Holdings (ISIN LV0000850089). The exchange ratio is one-to-one, and the noteholders may apply for the exchange with any number of the Existing Notes owned by them. On 19 June 2023 the first stage of subscription for Storent Holdings SIA new notes with ISIN code LV0000850089 ended, where the investors agreed to exchange the notes of Storent Investments AS maturing on 19 October 2023 (ISIN LV0000802411) with the New Notes in the total nominal amount of 3 202 300 EUR. Notes issued by Storent Investments AS (ISIN: LV0000802411) included in the Exchange trading system was decreased for EUR 3 202 300. The decrease is in the amount of exchanged bonds.

On 19 June 2023 in accordance with Clause 5 of the Terms and Conditions of Notes Storent Investments has made a decision to make early redemption of the notes (ISIN: LV0000802411 with maturity on 19 October 2023). On July 19 the Issuer made a payment in amount of 100,25 euro per Note plus all accrued interest.

On 19 July 2023 Storent Investments AS has redeemed the notes (ISIN LV0000802411) included in the Exchange trading system by transferring principal and interest payments to the bondholders.

23. Lease liabilities

By asset type	*Maturity*	*Interest rate, (%)**	30.06.2023 EUR	31.12.2022 EUR
Leasing companies (various asset types)	Various (2023 - 2024)	1.8-5.5% +3M EURIBOR	6 065 633	5 804 456
Supplier funding (various asset types)	28.07.2022	2%-8.67%	331 284	382 927
Premise's rent	31.12.2023	10.3%	176 758	470 964
Car rent	Various (2023-2024)	10.3%	209 405	67 367
Warehouse forklifts	2027	10,58%	292 684	323 729
		Total:	**7 075 764**	**7 049 443**
		Total Non-current liabilities:	3 732 810	3 488 376
		Total Current liabilities:	3 342 954	3 561 067

The maturity of lease liabilities disclosed in Note 31.

*Equals the incremental borrowing rate applied to measure the lease liabilities.

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

	30.06.2023 EUR	31.12.2022 EUR
Balance at the beginning of the year	**7 049 443**	**11 945 787**
Repayment of lease liabilities	(1 703 466)	(5 670 256)
Total changes from financing cash flows	**(1 703 466)**	**(5 670 256)**
New leases	1 729 787	707 252
Interest expenses accrued	257 741	529 300
Interest paid	(257 741)	(529 300)
Acquisitions through business combinations	-	66 660
Total liability-related other changes	**1 729 787**	**773 912**
Balance at the end of the year	**7 075 764**	**7 049 443**

Total cash outflow for leases for the reporting year amounts to:

	01.01.2023-30.06.2023 EUR	2022 EUR
Repayment of lease liabilities	1 703 466	5 670 256
Interest paid	257 741	529 300
Expenses relating to short-term leases	823 731	1 554 412
TOTAL:	**2 784 938**	**7 753 968**

24. Other borrowings

In 2015 – 2019, the Group received loans from Haulotte Group AB, Yanmar Construction Equipment Europe S.A.S. and SA Manitou BF. Total loans amounted to EUR 16 254 002 with interest rate 2,49% - 4% per annum. Loans repayment date are showed in table below.
As collateral for contracts with Haulotte Group AB, Yanmar Construction Equipment Europe S.A.S Group and SA Manitou BF promissory notes for each payment have been registered.

	Maturity	Amount EUR	Actual interest rate (%)	30.06.2023 EUR	31.12.2022 EUR
Haulotte Group SA	01.08.2024	2 009 115	2.8	502 276	706 524
Yanmar Construction Equipment Europe SAS	04.08.2024	803 768	2.8	200 942	282 697
SA Manitou BF	04.08.2024	1 403 000	2.8	447 206	603 417
Incremental cost allocation		(1 058 151)		(5 405)	(19 151)
Levina Investments S.A.R.L.	16.12.2024	x	7	4 834 175	5 430 175
CITP SIA	31.01.2025	50 000	3	54 942	54 192
			Total:	**6 034 136**	**7 057 854**
			Total Non-current liabilities:	**4 239 313**	**5 685 286**
			Total Current liabilities:	**1 794 823**	**1 372 568**

Total loans origination fees and costs amounted to EUR 1 058 151. The Group treated these fees and costs as incremental costs related to attracted finance. These fees and costs are on integral part of the effective interest rate of the loans and are treated as an adjustment to the effective interest rate.

In December 2022, amendments to the agreement on repayment of the loan from Levina Investments S.a.r.l. extending the term by one year, the last repayment term is December 2024, and changing the loan interest rate from 14% to 7%.

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

	30.06.2023 EUR	31.12.2022 EUR
Balance at the beginning of the year	**7 057 854**	**3 270 730**
Proceeds from other borrowings	-	650 000
Repayment of other borrowings	(1 101 357)	(1 745 101)
Total changes from financing cash flows	**(1 101 357)**	**(1 095 101)**
Incremental cost allocation amortization	13 746	57 108
Interest expense	279 842	65 091
Interest paid	(215 949)	(74 341)
Reclassified from Borrowings from related companies on change of shareholder	-	5 430 175
Settlement of pre-existing relationship on business combination	-	(650 000)
Acquisitions through business combinations	-	54 192
Total liability-related other changes	**77 639**	**4 882 225**
Balance at the end of the year	**6 034 136**	**7 057 854**

Changes in the incremental cost allocation:

		30.06.2023 EUR	31.12.2022 EUR
At the beginning of the year		**76 259**	**218 398**
Incremental cost increase		-	-
Written off as adjustment to effective interest rate		(70 854)	(142 139)
	TOTAL:	**5 405**	**76 259**

25. Taxes and national mandatory social insurance contributions

	30.06.2023 EUR	31.12.2022 EUR
Personal income tax	148 342	140 034
State social security mandatory contributions	172 177	168 659
Value added tax	268 103	368 333
Risk duty	3 498	3 084
TOTAL:	**592 120**	**680 110**

26. Deferred income

	30.06.2023 EUR	31.12.2022 EUR
Gain on sale-and-leaseback transactions	34 588	49 540
Total:	**34 588**	**49 540**
Total Non-current deferred income:	-	-
Total Current deferred income:	34 588	49 540

Sale-and-leaseback transactions

In 2016 to 2018, the Group entered into sale-and-leaseback transactions that resulted in sales proceeds exceeding the carrying amount of these assets, and the difference has been accounted as Deferred income. In line with IFRS 16 transition requirements, the Group continues to amortize the deferred gain on a strength-line method over the lease term for each of such assets.

In 2019, the Group entered into two sale-and-leaseback agreements, for which the Group assessed that the transactions did not result in a sale as the Group continued to control the underlying assets. The Group presents the received financing as lease liabilities and presents the excess of financing received over the carrying amount of the underlying assets as deferred liabilities.

Changes in the deferred income:	30.06.2023 EUR	31.12.2022 EUR
At the beginning of the year	**49 540**	**79 443**
Amortised and included in income of reporting year (See Note 4)	(14 952)	(29 903)
TOTAL:	**34 588**	**49 540**

27. Other liabilities

	30.06.2023 EUR	31.12.2022 EUR
Payroll	364 543	350 239
Other payables	6 338	6 406
TOTAL:	**370 881**	**356 645**

28. Accrued liabilities

	30.06.2023 EUR	31.12.2022 EUR
Accrues liabilities for unused employee vacations	829 579	783 053
Other accrued liabilities	1 946 299	353 674
Accrued liabilities for defined contribution pension insurance	63 950	57 651
TOTAL:	**2 839 828**	**1 194 378**

29. Related party transactions

29. (a) Related party transactions

Related party	Year	Goods and services received EUR	Payables to related companies EUR
Companies with significant influence over the Group's activities:			
Supremo SIA	2022	(18 000)	-
	2023	-	-
Bomaria SIA	2022	(18 000)	-
	2023	-	-
EEKI SIA	2022	-	-
	2023	-	-
The companies controlled by the Group's officers or their relatives: *			
Meistari ZS	2022	(6 584)	(406)
	2023	(2 012)	(406)
	Total 2022:	**42 584**	**406**
	Total 2023:		

* Payables to the companies controlled by the Group's management or their relatives are included in the balance sheet item Trade payables, in the amount of EUR 406 as at 30 June 2023 (2022: EUR 406).

29. (b) Terms and conditions of transactions with related parties

The due from and due to amounts outstanding at the end of the reporting year are unsecured and will be settled in cash. No guarantees have been issued or received for the related party due from amounts.

29. (c) Borrowings from related companies

	Maturity	Interest rate %	30.06.2023 EUR	31.12.2022 EUR
EEKI SIA	31.12.2023	6	902 300	1 000 700
Erī Esta	30.04.2023	18.75	-	338 836
		Total Non-current liabilities:	**-**	**-**
		Total current liabilities:	**902 300**	**1 339 536**

Full amount of loans is repayable upon maturity date.

Reconciliation of movements of borrowing from related companies to cash flows arising from financing activities:

	30.06.2023 EUR	31.12.2022 EUR
Balance at the beginning of the year	**1 339 536**	**6 123 340**
Repayment of the borrowings from related companies	(415 000)	(1 050 000)
Total changes from financing cash flows	**(415 000)**	**(1 050 000)**
Interest expense	57 231	856 835
Interest paid	(79 467)	(500 000)
Reclassified to Other borrowings due to change in shareholders	-	(5 430 175)
Acquisitions through business combinations	-	1 339 536
Total liability-related other changes	**(22 236)**	**(3 733 804)**
Balance at the end of the year	**902 300**	**1 339 536**

30. Financial instruments

Current and non-current loans and borrowings, trade receivables, cash and finance lease are the Group's key financial instruments. The financial instruments are held to finance the operating activities of the Group. The Group handles many other financial instruments, e.g., trade and other receivables, trade and other payables that arise. None of the Group's financial assets or financial liabilities are measured at fair value. Fair value is determined at initial recognition and, for disclosure purposes, at each reporting date.

Categories of financial assets and liabilities

	As at 30.06.2023		As at 31.12.2022	
Financial assets	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Loans and receivables held at amortised cost				
- Trade receivables	6 031 359	6 031 359	7 417 358	7 417 358
- Other receivables	242 788	242 788	280 352	280 352
- Cash and cash equivalents	7 757 127	7 757 127	675 051	675 051
TOTAL financial assets:	**14 031 274**	**14 031 274**	**8 372 761**	**8 372 761**

	As at 30.06.2023		As at 31.12.2022	
Financial liabilities	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial liabilities held at amortized cost				
- Issued bonds	11 903 528	11 903 528	4 898 735	4 898 735
- Loans from related companies	902 300	902 300	1 339 536	1 339 536
- Lease liabilities	7 075 764	7 075 764	7 049 443	7 049 443
- Other borrowings	6 034 136	6 034 136	7 057 854	7 057 854
- Trade payables	5 993 341	5 993 341	5 162 357	5 162 357
- Other payables	1 180 305	1 180 305	1 374 466	1 374 466
TOTAL financial liabilities:	**33 089 374**	**33 089 374**	**26 882 391**	**26 882 391**

31. Financial risk management

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

— 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).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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 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 Group.

The Group's subsidiary Storent Investments AS 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 determing the fair value of the issued bonds is that no adjustment to the observable quotes is required.

All of the Group'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.

The key risks associated with the Group's financial instruments are credit risk, liquidity risk, interest rate risk and currency risk. The management develops risk management policy in respect of each of the risks.

Credit risk

Credit risk is the risk that the Group incurred a financial loss if counterparty will fail to fulfil their obligations to the Group. The Group has credit risk exposure related to trade receivables, cash and cash equivalents. The Group controls its credit risk by closely monitoring the customer payment history and setting separate terms and conditions to individual customers. In addition, the Group closely monitors receivables balances to minimize the possibility of bad debts.

In terms of receivables as at 30 June 2023 and 31 December 2022 the Group did not have a significant credit risk concentration in respect of a single transaction partner or a group of partners of similar transactions.

The Group manages credit risk by independently assessing counterparty credit history and defining acceptable credit limit. The Group regularly monitors the overdue trade receivables. Trade receivables have a carrying amount which is reduced by loss allowances for bad and doubtful trade receivables (see Note 16).

The maximum credit risk exposure at 30 June 2023 was EUR 14 031 274 (31 December 2022 was EUR 8 372 761).

31. Financial risk management (cont.)

At 30 June 2023 and 31 December 2022, the exposure to credit risk for trade receivables by geographic region was as follows:

	Carrying amount	
EUR	**30.06.2023**	**2022**
Baltics	4 721 368	5 959 989
Nordics	1 309 991	1 457 368
	6 031 359	**7 417 358**

30.06.2023 EUR	**Weighted-average loss rate**	**Gross carrying amount**	**Loss allowance**	**Credit im-paired**
Current (not past due)	0.13%	5 090 107	(6 804)	No
1–30 days past due	41.98%	766 216	(321 690)	No
31–60 days past due	4.24%	251 740	(10 664)	No
61–90 days past due	8.20%	138 858	(11 381)	No
More than 90 days past due	93.74%	2 154 981	(2 020 003)	Yes
Total		**8 401 902**	**(2 370 543)**	**-**

31.12.2022 EUR	**Weighted-average loss rate**	**Gross carrying amount**	**Loss allowance**	**Credit im-paired**
Current (not past due)	0.2%	5 840 650	(7 089)	No
1–30 days past due	2.6%	1 039 757	(27 098)	No
31–60 days past due	16.6%	294 527	(48 819)	No
61–90 days past due	64.1%	116 245	(74 505)	No
More than 90 days past due	98.8%	2 780 129	(2 496 439)	Yes
Total		**10 071 308**	**(2 653 950)**	**-**

31. Financial risk management (cont.)

Liquidity risk

Liquidity risk is the risk that the Group 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 Group'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 Group manages its liquidity risk by maintaining adequate cash and cash equivalents, planning payments of trade payables as well as developing and analysing future cash flows. The budgeting system used by the Group is helpful in the management and control of liquidity risk management.

The Group's management considers that the Group will have sufficient cash resources and its liquidity will not be compromised. . As at 30 June 2023, the Group's liquidity ratio was 0,94. As at 31 December 2022, the Group's liquidity ratio was 0,37. Please refer to Note 33 for going concern considerations.

At 30 June 2023 and 31 December 2022, the maturity of the financial liabilities of the Group, based on undiscounted payments provided for in the agreements can be disclosed as follows:

30.06.2023	**Contractual cash flows**					**Expected interest payments**	**Carrying amount**
	< 3 months	**3-6 months**	**6-12 months**	**1-5 years**	**Total**	**Total**	**Total**
Issued bonds	(1 990 314)	(557 500)	(1 155 000)	(11 121 578)	**(14 824 392)**	(2 920 864)	11 903 528
Loans from related companies	-	(932 300)	-	-	**(932 300)**	(30 000)	902 300
Lease liabilities	(982 268)	(1 680 688)	(1 847 364)	(2 941 836)	**(7 452 156)**	(376 392)	7 075 764
Other borrowings	(557 100)	(2 080 799)	(3 941 888)	-	**(6 579 787)**	(545 651)	6 034 136
Trade payables	(5 993 341)	-	-	-	**(5 993 341)**	-	5 993 341
Tax and other payables	(1 180 305)	-	-	-	**(1 180 305)**	-	1 180 305
	(10 703 328)	**(5 251 287)**	**(6 944 252)**	**(14 063 414)**	**(36 962 281)**	**(3 872 907)**	**33 089 374**

31.12.2022.	**Contractual cash flows**					**Expected interest payments**	**Carrying amount**
	< 3 months	**3-6 months**	**6-12 months**	**1-5 years**	**Total**	**Total**	**Total**
Issued bonds	(97 410)	(97 410)	(5 065 320)	-	**(5 260 140)**	(361 405)	4 898 735
Loans from related companies	(29 297)	(58 594)	(1 368 833)	-	**(1 456 724)**	(117 188)	1 339 536
Lease liabilities	(706 943)	(1 253 113)	(1 957 213)	(3 714 225)	**(7 631 494)**	(582 051)	7 049 443
Other borrowings	(437 693)	(389 726)	(924 416)	(6 026 708)	**(7 778 543)**	(720 689)	7 057 854
Trade payables	(5 162 357)	-	-	-	**(5 162 357)**	-	5 162 357
Tax and other payables	(1 374 466)	-	-	-	**(1 374 466)**	-	1 374 466
	(7 808 166)	**(1 798 843)**	**(9 315 782)**	**(9 740 933)**	**(28 663 724)**	**(1 781 333)**	**26 882 391**

Interest rate risk

Interest rate risk is the risk of financial losses incurred by the Group due to adverse fluctuations in interest rates. The Group is exposed to interest rate risk mainly related to its current and non-current lease liabilities, while the interest rates on the Group’s other liabilities are fixed and, thus, not subject to interest rate risk. This exposes the Group to the risk that interest expenses will increase in a situation when interest rates go up. The average interest rate on the Group’s liabilities is disclosed in Notes 22, 23, 24 and 29 c. The Group doesn’t use derivative financial instruments to manage its exposure to interest rate risk.

32. Capital management

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

	30.06.2023	31.12.2022 EUR
Interest bearing loans and borrowings	25 915 728	20 345 568
Trade and other payables	7 173 646	6 536 823
Less cash and cash equivalents	(7 757 127)	(675 051)
Net debt	**25 332 247**	**26 207 340**
Equity	23 602 173	23 057 353
Net debt to equity ratio:	**1.07**	**1.14**

33. Going concern of the Group

The Group's financial performance in the reporting period was a profit of EUR 539 497 (2022: loss of EUR 305 823), and the profit in 2023 is a result of better sales performance and operations efficiency increase.

At the end of the year, the Group's current assets exceeded its current liabilities by EUR 242 836 (31.12.2022: current liabilities exceeded current assets by EUR 9 893 768).

The Group's management has evaluated the current and potential impact of the geopolitical situation in the Baltic and Nordic region as a result of the Russian Federation commencing war activity in Ukraine. Management has prepared forecasted financial results and cash flows for 2023 demonstrating the Group's and its subsidiaries' ability to continue as going concern and already started to take steps to address the expected liquidity and profitability shortages, such as:

- In 2023, the Group plans to increase rental income in all its countries of operation. Further revenue and profitability growth is expected from investing in new equipment in 2023 up to 11 million euros and from selling older equipment. Overall inflation allows to increase rental prices and gives positive impact on sales volumes. Management estimates that the construction industry will continue with the steady moderate growth in the Baltics. Nordic countries construction market values are estimated to slightly decrease in 2023. Construction market volume historical data and forecast doesn't always reflect the construction rental market potential. It depends on the construction project types and stages at the exact year. The Group's entities growth possibilities are higher in the markets, where Storent has smaller share of the market. It's expected that the lack of construction workforce and higher personal costs will increase prices and demand of rental construction equipment, as construction companies will look for ways how to replace manual work with increased use of tools and equipment. It is expected that Rail Baltica project will give a significant positive impact on the construction industry in the Baltics.
- The Group continues to work on operational efficiency by developing online sales and paper-less rental process. Equipment delivery organization via logistic online platform Cargopoint increase efficiency of transportation services.
- Based on above, the Group management plans further development of subsidiaries in five countries. The main focus in 2023 will be to continue online sales development, digital transformation and efficiency increase. The Group will continue to transform its IT strategy to comply with the scalability needs.

34. Post balance sheet events

Non-adjusting events

On 19 July 2023 Storent Investments AS has redeemed the notes (ISIN LV0000802411) included in the Exchange trading system by transferring principal and interest payments to the bondholders.

In 2023, in order to meet minimal capital requirements according to respective country laws, the Company invested into the share capital of the Estonian subsidiary in total an amount of EUR 1 600 000, into the share capital of the Finnish subsidiary in total an amount of EUR 200 000, into the share capital of the Lithuanian subsidiary in total an amount of EUR 600 000 and into the share capital of Swedish subsidiary in total an amount of EUR 280 000 and all investments are used, among others, to settle liabilities towards other Storent Group companies.

During the period between the last day of the financial year and the date of signing of these consolidated financial statements there have been no other events that would have required adjustments or disclosure in the consolidated financial statements.