JOINT-STOCK COMPANY

STORENT INVESTMENTS

(REGISTRATION NUMBER 40103834303)

CONSOLIDATED INTERIM REPORT FOR THE 6 MONTHS OF 2019

NOT AUDITED

PREPARED IN ACCORDANCE WITH THE
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION

Riga, 2019

CONTENT

General information

Name of the Group's Parent company	Storent Investments
Legal status of the Group's Parent company	Joint-stock company
The Group Parent company's registration number, place and date	40103834303 Riga, 7 October 2014
Registered address of the Group's Parent company	15a Matrozu Street, Riga, LV-1048, Latvia
Shareholders of the Group's Parent company	Levina Investments S.A.R.L. (Luxembourg) 73% (from 31.01.2017) Bomaria LTD (Latvia) 13.5% (from 01.09.2018) Supremo LTD (Latvia) 13.5% (from 01.09.2018) Levina Investments S.A.R.L. (Luxembourg) 73% (from 31.01.2017) Perle Cunsultancy LTD (Cyprus) 13.5% (from 31.01.2017) TORRINI LTD (Cyprus) 13.5% (from 31.01.2017) Levina Investments S.A.R.L. (Luxembourg) 56% (till 31.01.2017) Perle Cunsultancy LTD (Cyprus) 22% (till 31.01.2017) TORRINI LTD (Cyprus) 22% (till 31.01.2017)
Members of the Board	Andris Bisnieks, Member of the Board Andris Pavlovs, Member of the Board
Members of the Council	Nicholas Kabcenell, Chairman of the Council (from 11.12.2017) Onkele Baiba, Member of the Council Jozwiak Michal Lukasz, Member of the Council (till 04.04.2019) Burak Dalgin, Member of the Council (from 04.04.2019) Podziewski Arkadiusz Marek, Chairman of the Council (till 11.12.2017)
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

Storent was established in 2008 in Latvia with an objective to become the most efficient construction equipment rental company in Baltics and Nordic countries. Today Storent group operates 29 rental depots in 6 countries. Annual turnover for Storent group in 2018 was 45,5 million euros.
Total revenue for **Storent group** in six months has shown small growth compared to six months in 2018 with various changes by countries. The main driver for rent incomes growth was the strong market position in Latvian and Lithuanian markets, which are the key income generating entities in Storent group.

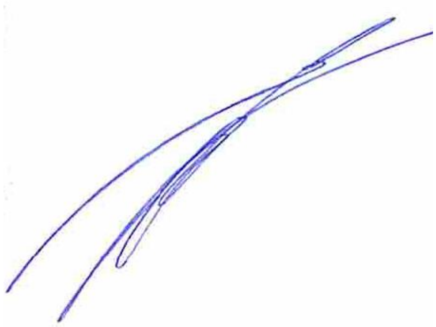
Baltic region operations increased incomes by 9% with highest growth rate in Latvia and Lithuania. Baltic region accounted almost 70% of group rent incomes.

Sustainable development in construction continued in **Latvia** through first half of 2019. Growth rate slowed down due to the completion of major private projects and reached peak of EU funded investments. Flat trend of construction market in **Estonia** affected Storent performance during first six months of 2019. For five months we operated only one depot in Tallinn and that influenced rental incomes as well, currently we serve customers from two depots, as in 2018. Strategic focus on large construction projects in **Lithuania** allowed us to reach breakthrough in modular space rentals. Positive trend was seen in all segments of construction market.
Nordic operations have decreased rent incomes mostly due to a weaker performance in Finland, in spite of very good growth rate in Sweden. Overall region accounted for 30% of group rent incomes.
Incomes in **Finland** declined during first half of 2019, this was mostly due to poorer sales in Q1 caused by few large accounts purchasing behaviours and tough winter conditions. Despite of that, we expect sales revenue growth during second half of 2019. **Swedish** construction market has been booming mostly due to high level of activities in infrastructure segment, residential segment decreased steadily due to oversupply. Storent business in Sweden has been increasing in first half of 2019 along with sales team enlargement and customer base growth. Overall 2019 looks very promising.
During five months of 2019 construction market in **Kaliningrad** decreased by 30%. This factor alone negatively impacted Storent revenues. We have been aligning our strategy in the region in order to diversify customer portfolio and maximize incomes in current conditions.
First half of 2019 has been strong for **Storent group** and further through the year management will to focus on regions that didn't show positive growth in that period. Outlook for Q3 looks positive in all countries, construction season has started and many large and mid-size projects have kicked off. In July 2019 Storent Baltics implemented innovative digital document signing solution based on Smart-ID application. This is the first-time equipment rental company in Baltics integrated such tool for easier and faster customer authorization in rental depots and on sites.

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 2019 is true and complete. Consolidated financial statement gives a true and fair view of the actual financial position and results of operations.

Consolidated financial statements in the report for the period January – June 2019 is not yet audited.



Andris Bisnieks

Member of the Management Board

Andris Pavlovs

Member of the Management Board

Consolidated statement of comprehensive income

	Notes	01.01.2019-30.06.2019 EUR	01.01.2018-30.06.2018 EUR
Net revenue	3	20 568 436	20 483 053
Other operating income	4	171 739	67 109
Cost of materials and services received	5	(7 589 215)	(7 118 081)
Personnel costs	10	(5 349 381)	(5 198 221)
Other operating expenses	6	(2 600 943)	(3 161 639)
Depreciation and amortization	7	(5 500 175)	(4 985 188)
Interest and similar income	8	4 026	3 005
Interest and similar expenses	9	(1 725 741)	(1 555 180)
(Loss) / profit before income tax		**(2 021 254)**	**(1 465 142)**
Income tax income / (expense)		(360)	56 246
(Loss) / profit for the year		**(2 021 614)**	**(1 408 896)**
Total comprehensive income for the year		**(2 021 614)**	**(1 408 896)**
Basic earnings per share		(0.202)	(0.141)

The notes on pages 11 to 39 are an integral part of these interim report.

Consolidated statement of financial position

ASSETS

NON-CURRENT ASSETS	Notes	30.06.2019 EUR	31.12.2018 EUR
Intangible assets			
Licences and similar rights		195 096	231 618
Other intangible investments		1 068 905	901 711
Customer relationships		3 472	24 306
Goodwill		15 346 352	15 346 352
TOTAL	11	**16 613 825**	**16 503 987**
Property, plant and equipment			
Lands and buildings		241 556	249 102
Leasehold improvements		92 919	106 929
Plant and equipment *		48 311 760	49 963 410
Other fixed assets *		1 256 585	1 817 452
Construction in progress		9 777	352 744
Rights to use assets		1 464 722	
TOTAL	12	**51 377 319**	**52 489 637**
Other non-current assets			
Deferred income tax assets		490 657	500 226
TOTAL		**490 657**	**500 226**
TOTAL NON-CURRENT ASSETS		**68 481 801**	**69 493 850**
CURRENT ASSETS			
Inventories	13	1 893 775	1 323 965
Trade and other receivables			
Trade receivables	14	6 438 372	4 582 502
Corporate income tax overpayment		-	45 757
Other receivables	15	573 224	319 158
Prepaid expenses	16	293 437	211 189
TOTAL		**7 305 033**	**5 158 606**
Cash and cash equivalents	17	583 010	4 230 394
TOTAL CURRENT ASSETS		**9 781 818**	**10 712 965**
TOTAL ASSETS		**78 263 619**	**80 206 815**

The notes on pages 11 to 39 are an integral part of these interim report.

Consolidated statement of financial position

EQUITY AND LIABILITIES

EQUITY	Notes	30.06.2019 EUR	31.12.2018 EUR
Share capital	18	33 316 278	33 316 278
Reserves:			
Foreign currency translation reserve		33 941	(37 907)
Other reserves		26 774	26 774
Accumulated loss:			
Previous' years accumulated deficit		(6 464 487)	(6 607 214)
period		(2 021 612)	142 727
TOTAL EQUITY		**24 890 894**	**26 840 658**
LIABILITIES			
Non-current liabilities			
Loans from credit institutions	20	10 500	14 000
Issued bonds	21	-	8 091 389
Loans from related companies	28 c	5 520 619	5 179 922
Finance lease liabilities	22	14 288 010	15 766 471
Other borrowings	23	2 820 554	3 892 770
Rights to use assets liabilities	29	1 161 056	-
Deferred income		-	132 412
Deffered income tax liabilities		459 457	461 470
TOTAL		**24 260 196**	**33 538 434**
Current liabilities			
Loans from credit institutions	20	14 000	14 000
Issued bonds	21	9 863 341	-
Finance lease liabilities	22	8 549 083	9 458 219
Other borrowings	23	3 137 338	3 203 165
Rights to use assets liabilities	29	319 747	-
Advances from customers		271 851	231 120
Trade payables		3 876 042	2 835 312
Corporate income tax liabilities		5 771	15 814
Taxes and national mandatory social insurance contributions	24	854 612	644 276
Provisions	19	331 185	1 059 597
Deferred income	25	404 226	728 186
Other liabilities	26	308 831	326 488
Accrued liabilities	27	1 176 502	1 311 546
TOTAL		**29 112 529**	**19 827 723**
TOTAL LIABILITIES		**53 372 725**	**53 366 157**
TOTAL EQUITY AND LIABILITIES		**78 263 619**	**80 206 815**

The notes on pages 11 to 39 are an integral part of these interim report.

Consolidated statement of cash flows

	Notes	01.01.2019-30.06.2019 EUR	01.01.2018-30.06.2018 EUR
Cash flows from operating activities			
Profit/ (loss) before income tax		(2 021 254)	(1 465 142)
Adjustments:			
Amortisation of intangible assets and depreciation of property, plant and equipment	11, 12	5 956 547	5 510 146
Net result on disposals of property, plant and equipment		480 750	(211 586)
Interest expense	9	1 650 346	1 476 198
Provision decrease		(728 412)	(631 953)
Operating results before changes in working capital		***5 337 977***	***4 677 663***
Receivables decrease / (increase)		(2 192 184)	(1 720 814)
Inventories (increase)		(569 810)	(119 659)
Payables increase/ (decrease)		1 137 942	932 511
Cash flows from operating activities		***3 713 925***	***3 769 701***
Interest paid		(1 272 669)	(1 016 490)
Corporate income tax paid		35 714	-
Net cash flow generated from operating activities		**2 476 970**	**2 753 211**
Cash flows from investing activites			
Purchases of property, plant and equipment		(2 555 784)	(839 079)
Net cash used in investing activities		**(2 555 784)**	**(839 079)**
Cash flows from financing			
Proceeds from borrowings		4 196 688	-
Proceeds from lease back transactions		-	(1 651 620)
Loan repayment		(2 114 103)	(1 503 549)
Repayment of finance leases		(5 723 005)	(4 309 843)
Net cash used in financing activities		**(3 640 420)**	**(7 465 012)**
Foreign curreny exchange		**71 850**	
Net cash flow for the period		**(3 647 384)**	**(5 550 880)**
Cash and cash equivalents at the beginning of the reporting period		4 230 394	6 239 954
Cash and cash equivalents at the end of the reporting period	**17**	**583 010**	**689 074**

The notes on pages 11 to 39 are an integral part of these interim report.

Consolidated statement of changes in equity

	Share Capital	Foreign currency translation reserve	Other reserves*	Previous' years accumulated deficit	Profit/ (loss) for the year	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Balance at 31 December 2017 Before adoption if IFRS 9	**33 316 278**	**(14 381)**	**26 774**	**(6 565 079)**	**59 974**	**26 823 566**
Adjustment due to adoption of IFRS 9	**-**	**-**	**-**	(102 109)	**-**	**(102 109)**
After at 31 December 2017 Before adoption if IFRS 9	**33 316 278**	**(14 381)**	**26 774**	**(6 667 188)**	**59 974**	**26 721 457**
Profit for the year	-	-	-	-	142 727	**142 727**
Other comprehensive income	-	(23 526)	-	-	-	**(23 526)**
Transfer of previous' year profit	-	-	-	59 974	(59 974)	**-**
Balance at 31 December 2018	**33 316 278**	**(37 907)**	**26 774**	**(6 607 214)**	**142 727**	**26 840 658**
Loss for the period	-	-	-	-	(2 021 612)	**(2 021 612)**
Other comprehensive income	-	71 848	-	-	-	**71 848**
Transfer of previous' year profit	-	-	-	142 727	(142 727)	**-**
Balance at 30 June 2019	**33 316 278**	**33 941**	**26 774**	**(6 464 487)**	**(2 021 612)**	**24 890 894**

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

The notes on pages 11 to 39 are an integral part of these interim report.

Notes to the consolidated financial statements

1. General information

Storent Investments AS (hereinafter – the Group's Parent company or Storent Investments AS) was registered in the Company Register of the Republic of Latvia on 7 October 2014. Registered address of the Group's Parent company is 15A Matrozu street, Riga. Starting from 20 November 2014 the major shareholder of the Group's Parent company is LEVINA INVESTMENTS S.A.R.L (Luxemburg).
The Group's Parent company and its subsidiaries Storent SIA, UAB Storent, Storent OÜ, Storent AB, Storent AS, Storent OOO, Storent OY and Leinolift Oy (hereinafter – the Group) main operations relate to the rental of industrial equipment.

2. Summary of significant accounting policies

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the interpretations issued by the International Financial Reporting Issues Committee as adopted by the EU.
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 2019 the Group's Parent company had control over the following subsidiaries:

Name	Country	Type of business	Date of incorporation / acquisition	Share of interest
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 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%
Leinolift Oy	Finland	Rental of industrial equipment	21 December 2016	100%
Storent OOO	Russia	Rental of industrial equipment	01 August 2017	100%

The subsidiaries Leinolift Oy and Storent OO was acquired by the Group by the way of acquisition.
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.

2. Summary of significant accounting policies (cont.)

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 profit or loss and other comprehensive income from the date the Company gains control until the date when the 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 Investments AS and its subsidiaries Storent SIA, Storent UAB, Storent OÜ, Storent Oy, Storent AB, Storent AS, Storent OOO and Leinolift Oy in the manner as if Storent Investments AS 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.

(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 Parents company and some of the subsidiaries functional and presentation currency. The functional currency of Storent AS is Norwegian krone, of Storent AB is Swedish krone and of Storent OOO is Russian ruble.

From the 1 January 2014 all transactions in foreign currency are converted to EUR based on the European Central Bank exchange rate on trade date. On the balance sheet date, foreign currency monetary assets and liabilities are translated at the European Central Bank exchange rate as at 31 December.

European Central Bank exchange rates:

	30.06.2019	**31.12.2018**
	EUR	**EUR**
1 USD	0.885183	0.87305
1 GBP	1.144946	1.10775
1 NOK	0.102776	0.10026
1 SEK	0.095096	0.09730
1 RUB	0.013567	0.01257

Profit or losses 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 profit and loss.

(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 exchange rate ruling at the closing balance sheet date, and revenue and expense items of the foreign subsidiaries – at the average exchange rate in the reporting period. Exchange differences arising on recognizing asset and liability items, translating at exchange rates, are recognized in other comprehensive income and accumulated in equity. Consolidation of foreign subsidiaries is performed according to the accepted consolidation procedures, for example, by eliminating inter-group company transactions.

(e) 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) Estimates and assumptions *(cont.)*

The carrying amounts of intangible assets and fixed assets

The Group's management reviews the carrying amounts of intangible assets and property, plant and equipment, and assesses whenever indications exist that the assets' (including goodwill) recoverable amounts are lower than their carrying amounts. The Group's management calculates and records an impairment loss on intangible assets and fixed assets based on the estimates related to the expected future use, planned liquidation or sale of the assets. Taking into consideration the Group's planned level of activities and the estimated market value of the assets, the Group's management considers that no significant adjustments to the carrying values of intangible assets fixed assets are necessary as of 30 June 2019.

Useful lives of fixed assets

Useful lives of fixed assets are assessed at each balance sheet date and changed, if necessary, 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.

Lease classification

Management of the Group applies definite assumptions in classifying signed lease contracts to finance or operative leases.

Financial leases, in which the Group has substantially all the risks and benefits incidental to ownership of the leased item, are capitalized in balance sheet as fixed assets at the amount measured as the lower of the fair value of the leased property and the present value of the minimum lease payments.

Leases, under which the lessor owns substantially all of the ownership of the risks and rewards, are classified as operating leases. The Group's obligations arising from operating lease contracts are recorded as off-balance sheet commitments.

Deferred tax asset on tax losses to be 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. A deferred tax asset is recognized on all tax losses to be carried forward as of 30 June 2019, except for tax losses related to Latvian and Estonian subsidiaries as management does not expect distribution of dividends in a foreseeable future. The Group's management assumes that it is probable that the Group will have sufficient taxable profits in the future against which the tax losses will be utilized.

Allowance for doubtful and bad trade receivables

The Group's management evaluates the carrying amounts of trade receivables and assesses their recoverability, making an allowance for doubtful and bad trade receivables, if necessary. The Group's management has evaluated the trade receivables and considers that it is not necessary to make any additional significant allowances as of 30 June 2019.

Net realizable value of inventories

The Group's management evaluates the net realizable value of inventories based upon the expected sales prices and selling costs and assesses the physical condition of inventories during the annual stock count. If the net realizable value of inventories is lower than the cost of inventories then an allowance is recorded. The Company's management has evaluated the net realizable value of inventories and considers that it is not necessary to make any additional significant allowance as of 30 June 2019.

2. Summary of significant accounting policies (cont.)

(f) Intangible assets

Goodwill

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is disclosed in intangible assets section.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Impairment test is performed annually or more frequently if events or changes in circumstances indicate that it might be impaired. Loss from goodwill impairment is recognized in consolidated statement of comprehensive income.

Other intangible assets

Other intangible assets primarily comprise trademarks, domain registration expenses and software licenses. Customer relationships are formed by purchasing company with customer database. 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. Depreciation is calculated using the straight-line method to allocate the cost of the assets over their estimated useful lives:

Trademarks and domains	5 years
Software licenses	3 years
Customer relationships	3 years

(g) Property, plant and equipment

Property plant and equipment is stated at historical cost less accumulated depreciation and impairment. Depreciation is calculated using the straight-line method to allocate the cost of the assets over their estimated useful lives:

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

Depreciation is charged in the month following the month when an item of property, plant or equipment was put into operation or used for business purposes. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total costs of the item is depreciated separately. The remainder consists of the parts of the item that are individually not significant. The depreciation of the remainder is calculated using the approximation methods to fairly represent their useful life.

(h) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cashgenerating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

2. Summary of significant accounting policies (cont.)

(h) Impairment of tangible and intangible assets other than goodwill *(cont.)*

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cashgenerating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Loans and receivables

Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other recievables, bank balances and cash) are initially recognised at fair value, net of transactions costs incurred. Subsequently loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Impairment lossess are recognized in profit and loss (other operating losses).

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

(j) 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.

(k) 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 less all estimated costs of completion and costs necessary to make the sale. Net realizable value is stated as cost less provisions.

(l) Cash and cash equivalents

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

2. Summary of significant accounting policies (cont.)

(m) 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.

(n) Derecognition of financial assets and financial liabilities

Financial assets

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.

If the Group transfers the contractual rights to receive cash flows from the respective financial assets but does not transfer nor retains the risks and rewards, nor transfers control over the respective financial asset, the asset continues to be recognized to the extent of the Group's continuing involvement. When the Group's continuing involvement takes the form of guaranteeing the transferred asset, the extent of the Group's continued involvement is the lower of the amount of the asset and the maximum amount of the consideration received that the Group may be required to repay.

Financial liabilities

A financial liability is derecognized, if the obligation specified in the contract is discharged or cancelled or expired.

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.

(o) Contingent liabilities and assets

The Group does not recognized 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.

2. Summary of significant accounting policies (cont.)

(p) Leases

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

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 lessee

Finance lease transactions under which substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the Group, are recognized in the balance sheet as fixed assets at an amount that at the inception of the lease is equal to the fair value of the lease asset or, if lower, the present value of the minimum lease payments. Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is included in the income statement as interest expense.

If there are reasonable grounds to expect that at the end of the lease term the ownership to the leased asset will not be transferred to the lessee, it is assumed that the useful life of the asset shall be lease term. In all other cases the depreciation of the capitalized leased asset will be calculated using a straight-line method over the estimated useful life of the asset.

A sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset. The lease payment and the sale price are usually interdependent because they are negotiated as a package. The accounting treatment of a sale and leaseback transaction depends upon the type of lease involved. If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount is not immediately recognised as income by a seller-lessee. Instead, it is deferred and amortised over the lease term.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Lease of assets under which substantially all risks and rewards incidental to ownership remains with the lessor is classified as an operating lease. Lease payments under an operating lease shall be recognized as an expense on a straight-line basis over the lease term. The Group’s liabilities arising on operating leases are disclosed as off balance sheet liabilities.

(q) Revenue recognition

Starting from 1 January 2018, the Company has applied and recognises income according to SFPS No. 15 “Income from contracts with customers”, using a 5-step model. The model consists of:

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

The following criteria are used for determination of contractual relations:

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

Determination of contract performance obligation

The performance obligation exists, if there is a good or service, which is separable and there is a range of separate goods and services, which are basically identical.

2. Summary of significant accounting policies (cont.)

(q) Revenue recognition

Determination of transaction price
For determination of transaction price, the Company uses the "expected value" method, which is based on the weighted average and actual variable value of remuneration under similar contracts.

The Company uses a relief in respect of the financing component and does not adjust the transaction price, because the period between the customer's payment and performance obligation does not exceed one year.

Attribution of the transaction price to the performance obligation
The Company 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.

Compared to the previous income recognition policy, no significant corrections arise as a result of application of SFPS No. 15.

(r) 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. The Group considers that it operates in one reportable segment (rent of construction equipment and provision of related support services: assembling, transport and operator services), no split by geographical segments is provided as the Group believes that all geographical segments can be aggregated as they exhibit similar long-term financial performance, nature of the products and services, type of customers, the methods to provide the services are similar, no specific regulatory requirements.

(s) 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.

(t) Related party transaction

Related parties are the subsidiaries and associated companies of the Group's Parent company, and the shareholders of the Group's Parent company that have significant influence or control over the activities of the Group's Parent company, members of the council and board, their close relatives and entities in which the above referred persons have significant influence or control.

(u) Corporate income tax

The corporate income tax consists of the income tax calculated for the reporting year and deferred income tax.

Current tax

Corporate income tax for the reporting year (Latvia for 2017 and Lithuania for 2017 and 2018)

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 for 2017 and 2018, Latvia for 2018)

The company's net profit is not subject to corporate income tax, however, income tax is levied on all dividends paid by the Company.

2. Summary of significant accounting policies (cont.)

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 22% to the taxable income for the tax year.

Corporate income tax for the reporting year (Russia)

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.

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, certain non-deductible expenses and tax losses carried forward.

Specific accounting for deferred tax due to tax regimes have been applied in the respect of Latvia and Estonia.

Deferred income tax (Latvia)

Based on the new Corporate Income tax law of the Republic of Latvia announced in 2017, starting from 1 January 2018 corporate income tax will be applicable to distributed profits and several expenses that would be treated as profit distribution. In case of reinvestment of profit, corporate income tax shall not be applied. The applicable corporate income tax rate has increased from the 15% to 20%.

In accordance with International Accounting Standard No 12 “Income Taxes“ requirements, in cases where income tax is payable at a higher or lower rate, depending on whether the profit is distributed, the current and deferred tax assets and liabilities are measured at the tax rate applicable to undistributed profits. In Latvia the applicable rate for undistributed profits is 0%. Therefore, in the consolidated financial statements the deferred tax assets and liabilities are released to comprehensive income statement for 2017.

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.

Deferred income tax (Estonia)

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 Estonia the applicable rate for undistributed profits is 0%. Therefore, in the consolidated financial statements no deferred tax assets and liabilities are recognised.

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.

(z) 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.)

(aa) International Financial Reporting Standards

These Consolidated Financial Statements of the Group have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and Interpretations issued by its International Financial Reporting Interpretations Committee (IFRIC) as endorsed by EU.

The amounts shown in these Consolidated Financial Statements are derived from the Group companies' accounting records, appropriately reclassified for recognition, measurement and presentation in accordance with the IFRS as adopted by the EU.

Consolidated Financial Statements have been prepared under the historical cost convention.

Initial application of new amendments to the existing standards effective for the current reporting period

The following new standards, amendments to the existing standards and new interpretation issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- **IFRS 9 "Financial Instruments"** - adopted by the EU on 22 November 2016 (effective for annual periods beginning on or after 1 January 2018),
- **IFRS 15 "Revenue from Contracts with Customers"** and amendments to IFRS 15 "Effective date of IFRS 15" - adopted by the EU on 22 September 2016 (effective for annual periods beginning on or after 1 January 2018),
- **Amendments to IFRS 15 "Revenue from Contracts with Customers"** - Clarifications to IFRS 15 Revenue from Contracts with Customers – adopted by the EU on 31 October 2017 (effective for annual periods beginning on or after 1 January 2018).
- **Amendments to IFRS 1 and IAS 28 due to "Improvements to IFRSs (cycle 2014 -2016)"** resulting from the annual improvement project of IFRS (IFRS 1, IFRS 12 and IAS 28) primarily with a view to removing inconsistencies and clarifying wording – adopted by the EU on 7 February 2018 (amendments to IFRS 1 and IAS 28 are to be applied for annual periods beginning on or after 1 January 2018),
- **IFRIC 22 "Foreign Currency Transactions and Advance Consideration"** – adopted by the EU on 28 March 2018 (effective for annual periods beginning on or after 1 January 2018).

The adoption of these new standards, amendments to the existing standards and interpretation has not led to any material changes in the Group's financial statements. The effect of the adoption of IFRS 9 was a release of a bad debt allowance in amount of 102 109 EUR (please refer to consolidated statement of changes in equity).

Standards and amendments to the existing standards issued by IASB and adopted by the EU

- **IFRS 16 "Leases"** – adopted by the EU on 31 October 2017 (effective for annual periods beginning on or after 1 January 2019),
- **Amendments to IFRS 9 "Financial Instruments"** - Prepayment Features with Negative Compensation – adopted by the EU on 22 March 2018 (effective for annual periods beginning on or after 1 January 2019),
- **Amendments to IAS 28 "Investments in Associates and Joint Ventures"** - Long-term Interests in Associates and Joint Ventures – adopted by the EU on 8 February 2019 (effective for annual periods beginning on or after 1 January 2019),
- **IFRIC 23 "Uncertainty over Income Tax Treatments"** – adopted by the EU on 23 October 2018 (effective for annual periods beginning on or after 1 January 2019).

2. Summary of significant accounting policies (cont.)

The Group has elected not to adopt new standard, amendments to existing standard and interpretation in advance of their effective dates. Except for IFRS 16, The Group anticipates that the adoption of these standards and amendments to existing standards will have no material impact on the financial statements of the Group in the period of initial application.
As at 31 December 2018, the Group has non cancellable operating lease commitments of EUR 1 775 257. A preliminary assessment indicates that EUR 1 775 257 of these arrangements relate to leases other than short term leases and leases of low value assets, and hence the Group will recognise a right of use asset of EUR 1 775 257 and a corresponding lease liability of EUR 1 775 257 in respect of all these leases. The impact on profit or loss is to decrease 0 EUR. Other expenses will decrease by EUR 436 591, with increase in depreciation by EUR 395 821 and interest expense by EUR 40 770. The preliminary assessment indicates that EUR 436 591 of these arangements relate to short term leases and leases of low value assets. According to IFRS 16 Group has agreements for promissory rent, that are the part of liabilities in 2019. Group management considers that promissories will be used for the next 5 years.

New standards and amendments to the existing standards issued by IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not endorsed for use in EU as at 30 June 2019 (the effective dates stated below is for IFRS as issued by IASB):

- **IFRS 14 "Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1 January 2016) - the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard,

- **IFRS 17 "Insurance Contracts"** (effective for annual periods beginning on or after 1 January 2021),

- **Amendments to IFRS 3 "Business Combinations" -** Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period).

- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" -** Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded),

- **Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" -** Definition of Material (effective for annual periods beginning on or after 1 January 2020),

- **Amendments to IAS 19 "Employee Benefits" -** Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019),

- **Amendments to various standards due to "Improvements to IFRSs (cycle 2015 -2017)"** resulting from the annual improvement project of IFRS (IFRS 3, IFRS 11, IAS 12 and IAS 23) primarily with a view to removing inconsistencies and clarifying wording (effective for annual periods beginning on or after 1 January 2019),

- **Amendments to References to the Conceptual Framework in IFRS Standards** (effective for annual periods beginning on or after 1 January 2020).

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

3. Net revenue

The Group considers that operates in one reportable segment (rent of construction equipment and provision of related support services such as assembling, transport and operator services) thus additional segment reporting disclosures except for geographical location of the non current assets are not presented.

Net revenue by products and services	01.01.2019-30.06.2019 EUR	01.01.2018-30.06.2018 EUR
Rental revenue	15 837 531	15 769 261
Transport and related services revenue	4 199 377	4 255 961
Revenue from sale of inventories	404 002	326 209
Revenue from sale of property, plant and equipment used for renting	161 018	153 327
Cash discounts to customers	(33 492)	(21 705)
TOTAL:	**20 568 436**	**20 483 053**

Net revenue per geographical location	01.01.2019-30.06.2019 EUR	01.01.2018-30.06.2018 EUR
Baltic	14 291 853	13 082 974
Nordic	6 063 733	7 099 792
Other	212 850	300 287
TOTAL:	**20 568 436**	**20 483 053**

4. Other operating income

By type	01.01.2019-30.06.2019 EUR	01.01.2018-30.06.2018 EUR
Insurance reimbursements received	125 273	45 161
Cost compensation	2 445	2 308
Other income	44 021	19 640
TOTAL:	**171 739**	**67 109**

5. Cost of services and goods sold

a) Cost of goods sold

	01.01.2019-30.06.2019 EUR	01.01.2018-30.06.2018 EUR
Cost of goods sold	272 127	207 318
Cost of sold property, plant and equipment used for renting	67 585	140 804
Renting equipment corrected due to stock count	(6 735)	(696)
TOTAL:	**332 977**	**347 426**

b) Other external costs

	01.01.2019-30.06.2019 EUR	01.01.2018-30.06.2018 EUR
Transport and assembly services	3 422 574	3 268 979
Equipment rent related costs	2 268 783	2 248 782
Repairs and maintenance services	1 564 881	1 252 894
TOTAL:	**7 256 238**	**6 770 655**

6. Other operating expenses

	01.01.2019-30.06.2019 EUR	01.01.2018-30.06.2018 EUR
Rent of offices and areas and maintenance costs	991 247	1 135 283
IT expenses	472 515	370 163
Other administrative expenses	232 526	185 149
Administration transport costs	214 654	235 051
Marketing expenses	206 671	273 281
Insurance costs	161 555	156 737
Written-off doubtful debts	142 007	299 458
Communication expenses	75 592	66 692
Consulting and other services *	21 729	65 288
Legal services	13 976	28 870
Allowance (recovery) for doubtful debts	68 471	345 667
TOTAL:	**2 600 943**	**3 161 639**

* including audit and non-audit fee to Deloitte network companies:

	01.01.2019-30.06.2019 EUR	01.01.2018-30.06.2018 EUR
Financial statements audit fee	32 942	28 869
Fees for permissible tax services	18 650	36 147
TOTAL:	**51 592**	**65 016**

7. Depreciation and amortization

	01.01.2019-30.06.2019 EUR	01.01.2018-30.06.2018 EUR
Property, plant and equipment depreciation	5 576 370	5 281 482
Amortization of intangible assets	380 176	229 814
Recognized deferred income (Note 26)	(456 371)	(526 108)
TOTAL:	**5 500 175**	**4 985 188**

Breakdown of the total property, plant and equipment depreciation charge:

	01.01.2019-30.06.2019 EUR	01.01.2018-30.06.2018 EUR
Depreciation of property, plant and equipment used for renting	5 097 357	4 908 427
Depreciation of property, plant and equipment used for own needs	479 013	373 055
TOTAL:	**5 576 370**	**5 281 482**

8. Interest and similar income

	01.01.2019-30.06.2019 EUR	01.01.2018-30.06.2018 EUR
Interest income	4 026	3 005
TOTAL:	**4 026**	**3 005**

9. Interest and similar expenses

	01.01.2019-30.06.2019 EUR	01.01.2018-30.06.2018 EUR
Interest related to finance lease	620 984	660 730
Interest on borrowings	462 803	465 497
Interest related to bonds	368 392	201 846
Amortization of incurred incremental costs	193 416	163 808
Interest on factoring	4 751	7 783
Net foreign exchange losses	61 893	50 540
Other expenses	13 502	4 976
TOTAL:	**1 725 741**	**1 555 180**

Interest expenses presented above are incurred by financial instruments presented in the group Financial liabilities at amortized cost in accordance with IFRS 9.

10. Personnel expenses and number of employees

	01.01.2019-30.06.2019 EUR	01.01.2018-30.06.2018 EUR
Salaries	4 971 611	4 641 496
State social security mandatory contributions	818 773	1 108 544
Other personnel costs	509 710	458 719
Remuneration to contractors	(950 713)	(1 010 538)
TOTAL:	**5 349 381**	**5 198 221**

11. Intangible assets

	Licenses and similar rights EUR	Other intangible assets EUR	Customer relationships EUR	Goodwill EUR	TOTAL EUR
At 31 December 2017					
Historical cost	501 222	1 843 031	125 000	15 346 352	17 815 605
Accumulated amortisation	(234 696)	(1 328 518)	(59 028)	-	(1 622 242)
Net carrying value	**266 526**	**514 513**	**65 972**	**15 346 352**	**16 193 363**
FY 2018					
Net carrying value, opening	266 526	514 513	65 972	15 346 352	16 193 363
Additions	53 119	780 926	-	-	834 045
Write-off	(1 711)	-	-	-	(1 711)
Amortisation	(86 316)	(393 728)	(41 666)	-	(521 710)
Net carrying value, closing	231 618	901 711	24 306	15 346 352	16 503 987
At 31 December 2018					
Historical cost	552 630	2 623 957	125 000	15 346 352	18 647 939
Accumulated amortisation	(321 012)	(1 722 246)	(100 694)	-	(2 143 952)
Net carrying value	**231 618**	**901 711**	**24 306**	**15 346 352**	**16 503 987**
FY 2019					
Net carrying value, opening	231 618	901 711	24 306	15 346 352	16 503 987
Additions	5 914	484 100	-	-	490 014
Write-off	-	-	-	-	-
Amortisation	(42 436)	(316 906)	(20 834)	-	(380 176)
Net carrying value, closing	195 096	1 068 905	3 472	15 346 352	16 613 825
At 30 June 2019					
Historical cost	558 544	3 108 057	125 000	15 346 352	19 137 953
Accumulated amortisation	(363 448)	(2 039 152)	(121 528)	-	(2 524 128)
Net carrying value	**195 096**	**1 068 905**	**3 472**	**15 346 352**	**16 613 825**

12. Property, plant and equipment

	Land and buildings	Leasehold improvements	Plant and equipment	Other fixed assets	Construction in progress	Rights to use assets	TOTAL
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
at 31 December 2017							
Historical cost	306 883	273 035	93 168 597	3 683 077	686 962	-	98 118 554
Accumulated depreciation	(42 688)	(147 189)	(39 940 361)	(1 795 654)	-	-	(41 925 892)
Net carrying value	**264 195**	**125 846**	**53 228 236**	**1 887 423**	**686 962**	**-**	**56 192 662**
FY 2018							
Net carrying value, opening	264 195	125 846	53 228 236	1 887 423	686 962	-	56 192 662
Additions	-	26 369	6 502 979	738 083	36 782	-	7 304 213
Transfered	-	-	371 000	-	(371 000)	-	-
Value increase*	-	-	140 006	-	-	-	140 006
Disposals, net	-	(1 606)	(387 039)	(115 382)	-	-	(504 026)
Depreciation	(15 093)	(43 680)	(9 891 772)	(692 672)	-	-	(10 643 217)
Net carrying value, closing	249 102	106 929	49 963 410	1 817 452	352 744	-	52 489 638
at 31 December 2018							
Historical cost	306 883	297 799	99 263 641	4 305 778	352 744	-	104 526 845
Accumulated depreciation	(57 781)	(190 870)	(49 300 231)	(2 488 326)	-	-	(52 037 208)
Net carrying value	**249 102**	**106 929**	**49 963 410**	**1 817 452**	**352 744**	**-**	**52 489 637**
FY 2019							
Net carrying value, opening	249 102	106 929	49 963 410	1 817 452	352 744	-	52 489 636
Additions	-	8 110	3 432 954	315 824	9 777	1 634 510	5 401 175
Transfered	-	-	352 744	-	(352 744)	-	-
Disposals, net	-	-	(339 991)	(597 132)	-	-	(937 123)
Depreciation	(7 546)	(22 120)	(5 097 357)	(279 559)	-	(169 788)	(5 576 370)
Net carrying value, closing	241 556	92 919	48 311 760	1 256 585	9 777	1 464 722	51 377 318
at 30 June 2019							
Historical cost	306 883	305 909	102 709 348	4 024 470	9 777	1 634 510	108 990 897
Accumulated depreciation	(65 327)	(212 990)	(54 397 588)	(2 767 885)	-	(169 788)	(57 613 578)
Net carrying value	**241 556**	**92 919**	**48 311 760**	**1 256 585**	**9 777**	**1 464 722**	**51 377 319**

*Value increase is related to leaseback transactions with fixed assets in 2017 and 2018. Respective increase is also disclosed in deferred income that is amortised over lease term.

13. Inventories

		30.06.2019 EUR	31.12.2018. EUR
Goods for sale (at cost)		1 163 405	713 932
Consumables (at cost)		730 370	610 033
	TOTAL:	**1 893 775**	**1 323 965**

14. Trade receivables

		30.06.2019 EUR	31.12.2018. EUR
Trade receivables		8 958 445	7 034 705
Allowance for doubtful debts (individual)		(2 325 246)	(2 257 376)
Allowance for doubtful debts (collective)		(194 827)	(194 827)
	TOTAL:	**6 438 372**	**4 582 502**

Interest is not charged on late payment of receivables. Generally, trade receivables are due within 15 - 45 days. Allowance for doubtful debts is made upon individual assessment of individual balances. In addition to that, a collective provision is calculated. Trade receivables are not secured or collaterized, except customers which use factoring. Trade receivables which use factoring are insured.

Changes in the allowance for doubtful debts (Individually assessed)		**30.06.2019 EUR**	**31.12.2018 EUR**
At the beginning of the year		**2 257 376**	**2 091 896**
Allowance increase		209 877	996 648
Written-off		(142 007)	(831 168)
	TOTAL:	**2 325 246**	**2 257 376**

Movement in allowance for doubtful debts according IFRS 9 (Collectively assessed)		**30.06.2019 EUR**	**31.12.2018 EUR**
At the beginning of the year		**194 827**	**102 109**
Allowance increase		-	92 718
Written-off		-	-
	TOTAL:	**194 827**	**194 827**

15. Other receivables

	30.06.2019. EUR	31.12.2018. EUR
Refundable value-added tax	163 376	115 957
Guarantee deposit	157 291	92 703
Advances made to suppliers	213 104	64 002
Accrued earnings	34 286	41 114
Other receivables	-	254
Advances made to employees	5 167	5 128
TOTAL:	**573 224**	**319 158**

16. Prepaid expenses

	30.06.2019. EUR	31.12.2018. EUR
Other deferred expenses	293 437	211 189
Total:	**293 437**	**211 189**

17. Cash and cash equivalents

	30.06.2019. EUR	31.12.2018. EUR
Cash in bank and cash, EUR	303 778	4 037 189
Cash in bank and cash, RUB	216 466	162 381
Cash in bank and cash, SEK	62 766	30 204
Cash in bank and cash, NOK	-	620
TOTAL:	**583 010**	**4 230 394**

18. Share capital of the Parent company

In 2017 share capital was increased by EUR 26 173 420 and the registered share capital of the Group's Parent company on 31.12.2018 and 31.12.2017 is EUR 33 316 278, divided into 33 316 278 shares. The nominal value of a share is EUR 1. All shares have equal voting right and dividend entitlement.

In November 2014 the Company attracted new investor Darby financial investment fund, which issued a significant loan to the Group's Parent company (see Note 29 c). The total costs associated with attracting an investor amounted to EUR 712 140. The Group defined these costs as incremental costs associated with raising funding under IAS 39. These costs are written off progressively over the entire borrowing period. In 2014, by part of the received loan was increased the Group's parent company's share capital, and the amount of additional costs of EUR 167 340, in proportion to the capitalized amount, was attributed to the Group's parent company's equity. In 2017, equity was increased by capitalizing the remaining amount of the loan from the investor, and thus the residual amount of additional costs was written off, increasing the accumulated losses of the Group's Parent company by EUR 388 929.

Parent company's shareholders as of 31 December 2018:

Shareholder	Numbers of shares	Amount EUR	Participating interest (%)
Levina Investments S.A.R.L. (Luxembourg)	24 320 882	24 320 882	73%
"Bomaria" SIA	4 497 698	4 497 698	13.5%
"Supremo" SIA	4 497 698	4 497 698	13.5%
TOTAL:	**33 316 278**	**33 316 278**	**100%**

Parent company's shareholders as of 30 June 2019:

Shareholder	Numbers of shares	Amount EUR	Participating interest (%)
Levina Investments S.A.R.L. (Luxembourg)	24 320 882	24 320 882	73%
"Bomaria" SIA	4 497 698	4 497 698	13.5%
"Supremo" SIA	4 497 698	4 497 698	13.5%
TOTAL:	**33 316 278**	**33 316 278**	**100%**

19. Provisions

	30.06.2019. EUR	31.12.2018 EUR
Contingent consideration related to acquisition	-	316 661
Provisions for employee bonuses	302 210	711 643
Other provisions	28 975	31 293
Total:	**331 185**	**1 059 597**

Changes in the provisions:	30.06.2019. EUR	31.12.2018. EUR
At the beginning of the year	**1 059 597**	**1 497 494**
Provision (decrease) / increase	(728 412)	(437 897)
TOTAL:	**331 185**	**1 059 597**

20. Loans from credit institutions

In 2016 Leinolift Oy received loan from Danske Bank Oyj

	Maturity	Amount EUR	Actual interest rate (%)	30.06.2019. EUR	31.12.2018. EUR
Danske Bank Oyj	31.12.2020.	70 000	2.029%	24 500	28 000
			Total Non-current liabilities:	**10 500**	**14 000**
			Total Current liabilities	**14 000**	**14 000**

21. Issued bonds

In 2017 Group issued bonds with maturity date 30.06.2020 and coupon interest rate 8%

	Maturity	Amount EUR	Actual interest rate (%)	30.06.2019. EUR	31.12.2018. EUR
Issued bonds	30.06.2020	8 245 000	8	10 000 000	8 245 000
Incremental cost allocation		(223 970)		(136 659)	(153 611)
			Total:	**9 863 341**	**8 091 389**

Loans against issued bonds are unsecured. Full amount of loan is repayable upon maturity date.

Total loans origination fees and costs amounted to 223 970 EUR. The Group treated these fees and costs as incremental costs related to attracted finance. 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.

22. Finance lease liabilities

By asset type	Maturity	*Actual interest rate, (%)*	30.06.2019. EUR	31.12.2018 EUR	Balance sheet value of leased assets on 30.06.2019 EUR
Leasing companies (various asset types)	Various (2019 - 2022)	1.8-5.5% +3 MEURIBOR	20 210 877	21 837 378	66 225 914
Redemption contracts (various asset types)	31.12.2023	1.5%	1 094 706	1 337 612	4 025 036
Supplier funding (various asset types)	28.07.2021	2%-8,67%	1 531 510	2 049 700	8 227 360
		Total:	**22 837 093**	**25 224 690**	**78 478 310**
		Total Non-current liabilities:	14 288 010	15 766 471	
		Total Current liabilities:	8 549 083	9 458 219	

All financial liabilities are denominated in EUR.

The minimum lease payments and the present value of minimum lease payments can be presented as follows:

	30.06.2019		**31.12.2018**	
	Minimum payments	Current value of the payments	Minimum payments	Current value of the payments
	EUR	**EUR**	**EUR**	**EUR**
Within 1 year	9 324 601	8 549 083	10 445 821	9 458 219
After 1 year not exceeding 5 years	15 189 738	14 288 010	16 937 556	15 766 471
Total minimum lease payments	24 514 339	22 837 093	27 383 377	25 224 690
Less financing costs	(1 677 246)	-	(2 158 687)	-
Present value of minimum lease payments	**22 837 093**	**22 837 093**	**25 224 690**	**25 224 690**

*In 2018 the group has performed a detailed investigation of all lease agreements that it holds and came to a conclusion that certain lease agreements which relate to the lease of cars were previously incorrectly treated as operating leases, while actual facts and circumstances indicate an existence of finance leases as per criteria set out in IAS 17 “Leases”. As a result, group has elected to re-state prior period balances to reflect its financial position with adjusted lease balances. Please see Note 31.

23. Other borrowings

In 2014 the Group received second supplier credit from Haulotte Group AB. Total supplier loan amount is EUR 3 605 126 with interest rate per annum 3%. Final due date of the borrowing is 02.12.2019

In 2015 the Group received third loan from Haulotte Group AB. Total loan amounted to EUR 4 966 254 with interest rate 3% per annum. Loan repayment date is 01.10.2020.

In 2017 the Group received new loan from Haulotte Group AB and Yanmar Construction Equipment Europe S.A.S. Total loans amounted to EUR 4 099 953 with interest rate 2% per annum. Loan repayments dates are 01.12.2021 and 01.12.2020.

In 2018 the Group received new loan from Haulotte Group AB and Yanmar Construction Equipment Europe S.A.S. Total loans amounted to EUR 2 080 234 with interest rate 4% per annum. Loan repayments dates are 15.12.2021.

In 2019 the Group received new loan from Yanmar Construction Equipment Europe S.A.S. and SA Maitou BF. Total loans amounted to EUR 2206 768 with interest rate 4% per annum. Loan repayments dates are in 2023.

As collateral for contracts with Haulotte Group AB and Yanmar Construction Equipment Europe S.A.S Group has registered promissory notes for each payment.

	Maturity	Amount EUR	Actual interest rate (%)	31.12.2018 EUR	31.12.2018 EUR
Haulotte Group SA	04.11.2019	3 999 740	3	362 332	724 605
Haulotte Group SA	01.10.2020	5 500 000	2.49	1 505 456	2 004 450
Haulotte Group SA	01.12.2021	1 003 836	3.94	503 549	604 259
Haulotte Group SA	01.12.2021	1 994 007	3.94	1 062 659	1 275 191
Haulotte Group SA	01.12.2020	1 006 969	4	404 175	538 840
Haulotte Group SA	15.12.2021	1 004 278	4	671 750	806 100
Yanmar Construction Equipment Europe S.A.S	01.12.2020	995 703	4	399 653	532 812
Yanmar Construction Equipment Europe S.A.S	15.12.2021	1 075 956	4	719 695	863 635
Yanmar Construction Equipment Europe S.A.S	06.11.2023	803 768	4	373 327	-
SA Manitou BF	04.08.2023	1 403 000	4	221 550	-
Incremental cost allocation		(1 058 151)		(317 765)	(305 468)
Aston Baltic SIA	31.12.2018	109 575	-	51 511	51 511
			Total:	**5 957 892**	**7 095 935**
			Total Non-current liabilities:	2 820 554	3 892 770
			Total Current liabilities:	3 137 338	3 203 165

Total loans origination fees and costs amounted to 1 058 151 EUR. The Group treated these fees and costs as incremental costs related to attracted finance under IAS 39. 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.

Changes in the incremental cost allocation:

	30.06.2019. EUR	31.12.2018. EUR
At the beginning of the year	**305 468**	**550 018**
Incremental cost increase	205 713	77 500
Written off as adjustment to effective interest rate	(193 416)	(322 050)
TOTAL:	**317 765**	**305 468**

24. Tax and national social insurance mandatory contributions

	30.06.2019. EUR	31.12.2018. EUR
Personal income tax	178 253	172 578
State social security mandatory contributions	175 652	206 685
Value added tax	497 201	261 839
Risk duty	3 506	3 174
TOTAL:	**854 612**	**644 276**

25. Deferred income

	30.06.2019. EUR	31.12.2018. EUR
Profit from leaseback transactions	404 226	860 598
Total:	**404 226**	**860 598**
Total Non-current deferred income:	-	132 412
Total Current deferred income:	404 226	728 186

26. Other liabilities

	30.06.2019. EUR	31.12.2018. EUR
Salaries	308 633	312 371
Other payables	198	14 117
KOPĀ:	**308 831**	**326 488**

27. Accrued liabilities

	30.06.2019. EUR	31.12.2018. EUR
Provisions for unused employee vacations	734 116	750 880
Other accrued liabilities	442 386	560 666
TOTAL:	**1 176 502**	**1 311 546**

28. Related party transactions

Related parties are the subsidiaries and associated companies of the Group's Parent company, and the shareholders of the Group's Parent company that have significant influence or control over the activities of the Group's Parent company, members of the council and board, their close relatives and entities in which the above referred persons have significant influence or control.

From November 2014 the Company is controlled by LEVINA INVESTMENTS S.A.R.L (Luxemburg) and the Group's ultimate Parent company is Darby Converging Europe Fund III (SCS) SICAR (Luxemburg). This investor provided substantial loans to the Parent company. Total costs for new investor attracting amounted to EUR 712 140. The Group treated these costs as incremental costs related to attracted finance under IAS 39. These costs are amortized over loan maturity period. In 2014 part of received loan has been capitalized to share capital of the Parent company and amount of incremental costs related to capitalized amount has been allocated to equity of the Parent company (Note 19). In 2017, equity was increased by capitalizing the remaining amount of the loan from the investor, and thus the residual amount of incremental costs was written off, increasing the accumulated losses of the Group's Parent company by EUR 388 929.

28. (a) Related party transactions

Related party	Year	Goods and services received EUR	Payables to related companies EUR
Companies that have control over the Group's activities:			
Levina Investments S.A.R.L	2018	-	(4 597 688)
	2019	-	(4 921 317)
Companies with significant influence over the Group's activities:			
Supremo SIA	2018	(19 890)	(291 117)
	2019	(9 945)	(299 651)
Bomaria SIA	2018	(19 890)	(291 117)
	2019	(9 945)	(299 651)
The companies controlled by the Group's officers or their relatives: *			
Meistari ZS	2018	(5 192)	(406)
	2019	(2 434)	(406)
	Total 2018:	**(44 972)**	**(5 180 328)**
	Total 2019:	**(22 324)**	**(5 521 025)**

* Payables to the companies controlled by the Group's related parties or their relatives are included in the balance sheet item Trade payables, in the amount of EUR 406 at 30 June 2019 (2018: EUR 406).

28. (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.

28. (c) Loans from related companies

	Maturity	Interest rate %	30.06.2019. EUR	31.12.2018. EUR
Levina Investments S.A.R.L.	31.12.2021.	7	4 921 317	4 597 688
Bomaria LTD	31.12.2021.	6	299 651	291 117
Supremo LTD	31.12.2021.	6	299 651	291 117
		Total Non-current liabilities:	**5 520 619**	**5 179 922**

Loans are not secured with any collateral. Full amount of loans is repayable upon maturity date.

29. Rights to use assets

The Group has entered into a number of premises rent agreements nad car rent agreemens as a lessee. At 30 June 2019 the total minimum rental payments pursuant to premises rent agreements may be stated as follows:

	Maturity	*Disconte rate (%)*	30.06.2019. EUR
Premises rent	31.03.2020; 31.12.2020	10,3	1 239 988
Car rent	different	10,3	240 815
			1 480 803
	Ilgtermiņa saistības:		1 161 056
	Īstermiņa saistības:		319 747

All financial liabilities are denominated in EUR.

The minimum lease payments and the present value of minimum lease payments can be presented as follows:

	30.06.2019	
	Minimum payments	Current value of the payments
	EUR	**EUR**
Within 1 year	387 909	319 747
After 1 year not exceeding 5 years	1 678 784	1 161 056
Total minimum lease payments	2 066 693	1 480 803
Less financing costs	(585 890)	-
Present value of minimum lease payments	**1 480 803**	**1 480 803**

Premises rent agreements, that can be discontinued by sending letter to premises holder one month before, are not incuded in this calculation.

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.

Categories of financial assets and liabilities

Financial assets	30.06.2019. EUR	31.12.2018. EUR
Loans and receivables held at amortised cost		
- Trade receivables	6 438 372	4 582 502
- Other receivables	573 224	319 158
- Cash and cash equivalents	583 010	4 230 394
TOTAL financial assets:	**7 594 606**	**9 132 054**

Financial liabilities	30.06.2019. EUR	31.12.2018. EUR
Financial liabilities held at amortized cost		
- Loan from credit institution	24 500	28 000
- Loans against bonds	9 863 341	8 091 389
- Loans from related companies	5 520 619	5 179 922
- Finance lease liabilities	22 837 093	25 224 690
- Rights to use assets	5 957 893	7 095 935
- Other borrowings	1 480 803	-
- Trade payables	3 876 042	2 835 312
- Other payables	308 831	326 488
TOTAL financial liabilities:	**49 869 122**	**48 781 736**

31. Financial risk management

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 fulfill their obligations to the Group. The Group has credit risk exposure related to trade receivables, cash and cash equivalents. The Group control their 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 loans and receivables as at 30 June 2019 and 31 December 2018 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 provisions for bad and doubtful trade receivables (see note 15).

The maximum credit risk exposure at 30 June 2019 was EUR 7 594 607 (31.12.2018: EUR 9 132 054).

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 fulfill 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 analyzing future cash flows. The budgeting system used by the Group is helpful in the management and control of liquidity risk management.

At 30 June 2019 and 31 December 2018, the maturity of the financial payables of the Group, based on undiscounted payments provided for in the agreements can be disclosed as follows:

30.06.2019	**< 3 mēnešiem EUR**	**3 - 12 mēneši EUR**	**1 - 7 gadi EUR**	**Kopā EUR**
Loan from credit institution	3 675	14 700	7 350	**25 725**
Issued bonds	200 000	10 600 000	-	**10 800 000**
Borrowings from related parties	-	326 312	5 624 539	**5 950 851**
Finance lease liabilities	3 274 734	6 049 867	15 189 738	**24 514 339**
Other borrowings	1 346 594	2 349 935	5 789 430	**9 485 959**
Rigts to use assets liabilities	96 977	290 932	1 290 875	**1 678 784**
Trade payables	3 876 042	-	-	**3 876 042**
Other financial liabilities at amortized cost	1 441 065	-	-	**1 441 065**
KOPĀ:	**10 239 087**	**19 631 746**	**27 901 932**	**57 772 765**

31. Financial risk management (cont.)

31.12.2018.	< 3 months EUR	3 - 12 months EUR	1 - 7 years EUR	Total EUR
Loan from credit institution	3 675	14 700	11 025	**29 400**
Issued bonds	164 900	494 700	8 574 800	**9 234 400**
Borrowings from related parties	-	326 312	6 189 612	**6 515 924**
Finance lease liabilities	1 490 737	9 458 932	16 433 709	**27 383 378**
Other borrowings	994 188	2 650 198	4 031 387	**7 675 773**
Trade payables	2 835 311	-	-	**2 835 311**
Other financial liabilities at amortized cost	1 217 698	-	-	**1 217 698**
TOTAL:	**6 706 509**	**12 944 842**	**35 240 533**	**54 891 884**

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 finance lease liabilities. This exposes the Group to the risk that interest expenses will increase in a situation when interest rates go up. According to the Group's policy it is ensured that fixed rate interest on major part of its liabilities is constant. The average interest rate on the Group's liabilities is disclosed in Notes 20, 21, 22, 23 and 28 c. The Group doesn't use derivative financial instruments to manage its exposure to interest rate risk.

Foreign currency risk

Foreign currency risk is the risk of financial losses incurred by the Group due to adverse fluctuations in foreign currency exchange rates. This risk arises when financial assets denominated in a foreign currency do not match financial liabilities in that currency which results in open currency positions.

The Group does not have any material balances of financial assets and liabilities denominated in currencies other than the Euro. The Group is exposed to foreign currency risk mainly arising from transactions denominated in the Russian rubles (RUB) due to entity operating in Russia Kaliningrad region. Approximately 1% of the Group's revenue during 2019 resulted from contracts denominated in the Russian rubles (RUB) (2018: 1%). Therefore, during the reporting year the Group's exposure to foreign currency risk was not significant.

32. Fair value of financial assets and financial liabilities that are not measured at fair value

The management believes that there are no material differences between the fair values of the financial assets and their book values. The Group has certain financial liabilities with fixed rates. This indicates that the fair value of financial liabilities could be different from book values.

33. 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 2019 and 2018 there were no changes introduced to purposes, policy or processes related to management of the capital.

	30.06.2019. EUR	31.12.2018 EUR
Interest bearing loans and borrowings	45 684 248	45 619 935
Trade and other payables	5 317 108	4 053 009
Less cash and cash equivalents	(583 010)	(4 230 394)
Net debt	**50 418 346**	**45 442 550**
Equity	24 890 894	26 840 658
Net debt to equity ratio:	**2.03**	**1.69**

34. Going concern of the Group

Group's performance in the reporting period was losss of EUR 2 021 614 (2018: loss EUR 1 408 896). At the end of the period the Group's current liabilities exceeded its current assets by EUR 9 467 370 (31.12.2017: current liabilities exceeded its current assets by EUR 9 114 758), that was mainly driven by the Group's entity in Latvia Storent SIA signing refinancing financial leasing contracts in 2018. The liquidity is planned to be covered by cash flow from operating activities in the coming years.

The interim report have been prepared on the basis that the Group will continue as a going concern, and do not include any adjustments that might be necessary if the going concern assumption would not be applicable.

35. Post balance sheet events

In order to meet minimal capital requirements according to respective country law of one of the Group's entity's the parent company made investment to share capital of Storent AB in amount of SEK 7 950 000 (EUR 751 855), of Storent OU in amount EUR 1 200 000 and Storent UAB in amount EUR 432 265. The parent company will make investment to share capital of Storent Oy in amount EUR 1 250 000 and of Leinolift Oy in amount EUR 250 000 in September 2019.

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 significant events that would have require adjustments or disclosure in the consolidated financial statements.