



# **AS Storent Investments Interim report**

**October – December 2021**

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## Management report

Storent was established in 2008 in Latvia with an objective to become the most efficient construction equipment rental company in the Baltics and the Nordic countries. Currently Storent Group operates in 6 countries with 28 rental depots. Annual turnover of the Group companies reached 43.6 million euros in 2021.

Revenues of Storent Group slightly dropped in Q4 2021 compared to Q4 in 2020. Despite the continuous impact of Covid-19 pandemic, construction market activity was high at the end of the year, especially in the Baltic countries, which ensured stable demand for rental equipment. Overall a positive trend was observed in the rental market. This was facilitated by large amount of construction projects to be completed in 2021, whereas activity in launching new projects was low. The Group continued to implement cost optimisation measures and have managed to reduce loss, as compared to the same period in 2020. The global Covid-19 situation and constantly changing conditions in various sectors has promoted faster development of digital solutions in equipment rental services. The developed IT solution of full-cycle contactless online rental platform has shown to be very useful and just in time. The platform allows to place rental orders online using digital authorisation and signing documents electronically. Thus, equipment rental service has become a lot more convenient, safe and faster.

Storent Group annual turnover increased by 3.5% in 2021 and losses were decreased significantly. The company has continued to work on Fleet optimization by disposing the oldest equipment and by selling a part of the Fleet to Splitrent equipment owners. In cooperation with the online rental equipment supplier PreferRent, new equipment was added to the Fleet. Significant emphasis was placed on reducing liabilities. As a result, total liabilities were decreased by 10 million euros in 2021.

In **the Baltic states** companies, the rental revenue increased by 7%, compared to the same period last year, which was promoted by the increasing demand for rental equipment units. Growth was observed in all Baltic states, but the competition in the region remained high. Also, the activity of clients decreased, compared to Q3 of this year due to the seasonality of the industry.

In 2022, the company will continue to develop online rental service. Online ordering is a stable sales channel and it makes almost 40% of the total income of Storent in the Baltic states in Q4 of 2021. Historically the highest numbers have been reached for digital authorisations and electronically signed documents. In Q4 2021, lower client activity was observed with new projects; however, more of the commenced projects were completed. The overall demand has increased in the market, which

partly was promoted by the growing construction activity in the Baltic region and implementation of “Rail Baltica” project. The rapid increase in demand for construction materials and rising prices provide more uncertainty in planning and in the construction sector in general, which sometimes leads construction companies to terminate contracts.

In **the Nordic region** the implementation of the contactless equipment rental platform continued, which will be kept doing also in 2022. Total turnover in the Nordic region has decreased by 5% compared to the same period a year ago, driven by the continuation of the Covid - 19 pandemic.

The level of revenues of the company in **Kaliningrad** continues to grow in Q4 2021, reaching the fastest company growth rate in the entire Storent Group. This was influenced by development of the region and rapid increase in demand for construction rental equipment. It is expected that high demand will remain also in the coming months in 2022.

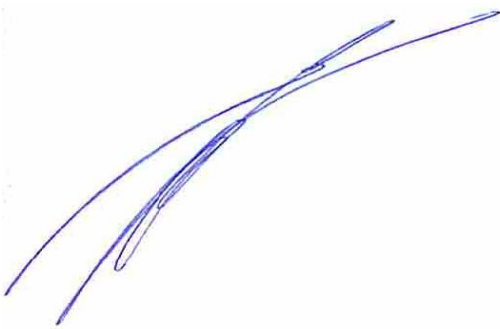
In 2022, core attention will be paid to digital transformation and increasing efficiency. In January 2022, new cooperation has been started with the online logistics platform Cargopint, which will allow to organize the transport service in a more efficient and profitable way. The Group will continue to develop its IT strategy to meet future needs.

In 2022, the Group will continue cooperation with the online rental equipment supplier PreferRent, which enabled to increase rental volumes without additional capital investment. The goal of Storent Group is to expand as a rental service company with increasing proportion of revenues from Splitrent Fleet.

## Statement of the management board

The financial and other additional information published in the Interim report October – December 2021 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 October – December 2021 is not yet audited.



Andris Bisnieks

Member of the Management Board



Andris Pavlovs

Member of the Management Board

## Consolidated income statement (unaudited) EUR

Description	Q 4 2021	Q 4 2020	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
<b>REVENUE</b>	<b>11 399 302</b>	<b>11 697 951</b>	<b>44 115 463</b>	<b>42 573 137</b>
Net revenue	11 232 742	11 628 978	43 613 149	42 124 274
Other operating income	166 560	68 973	502 314	448 862
<b>EXPENSES</b>	<b>(10 422 062)</b>	<b>(9 956 564)</b>	<b>(38 461 118)</b>	<b>(37 353 214)</b>
Costs of material and services received	(6 437 437)	(6 046 046)	(23 781 296)	(20 235 265)
Personnel expenses	(2 083 096)	(1 927 381)	(8 777 053)	(9 906 113)
Other operating expenses	(1 901 529)	(1 983 137)	(5 902 769)	(7 211 836)
<b>EBITDA</b>	<b>977 240</b>	<b>1 741 387</b>	<b>5 654 345</b>	<b>5 219 922</b>
<b>EBITDA %</b>	<b>9%</b>	<b>15%</b>	<b>13%</b>	<b>12%</b>
Depreciation and amortization	(1 502 654)	(1 931 521)	(6 687 147)	(8 887 521)
<b>EBIT</b>	<b>(525 414)</b>	<b>(190 133)</b>	<b>(1 032 802)</b>	<b>(3 667 599)</b>
<b>EBIT %</b>	<b>-5%</b>	<b>-2%</b>	<b>-2%</b>	<b>-9%</b>
<b>OTHER INCOME AND EXPENSES</b>	<b>(551 174)</b>	<b>(4 713 440)</b>	<b>(2 312 394)</b>	<b>(7 117 276)</b>
Interest and similar income	1 159	42 443	120 502	67 728
Interest and similar expenses	(552 334)	(4 755 883)	(2 432 896)	(7 185 004)
<b>EBT</b>	<b>(1 076 588)</b>	<b>(4 903 574)</b>	<b>(3 345 196)</b>	<b>(10 784 875)</b>
<b>EBT %</b>	<b>-9%</b>	<b>-42%</b>	<b>-8%</b>	<b>-25%</b>
Income tax expense	(50 627)	(538 468)	(57 656)	(548 604)
<b>Profit / (loss) for the year</b>	<b>(1 127 214)</b>	<b>(5 442 042)</b>	<b>(3 402 851)</b>	<b>(11 333 479)</b>
<b>Profit / (loss) for the year %</b>	<b>-10%</b>	<b>-47%</b>	<b>-8%</b>	<b>-27%</b>

## Consolidated Balance sheet (unaudited) EUR

Description	31.12.2021	31.12.2020
<b>ASSETS TOTAL</b>	<b>45 501 340</b>	<b>59 745 540</b>
<b>NON-CURRENT ASSETS</b>	<b>37 143 656</b>	<b>46 818 984</b>
Intangible assets	13 352 947	13 214 376
Property, plant and equipment	23 790 709	33 604 608
<b>CURRENT ASSETS</b>	<b>8 357 684</b>	<b>12 926 556</b>
Inventories	1 150 870	1 110 156
Trade receivables	6 285 361	8 096 260
Deferred income tax assets	1 186	0
Cash	920 267	3 720 140
<b>LIABILITY TOTAL</b>	<b>45 501 340</b>	<b>59 745 540</b>
<b>Equity</b>	<b>12 131 230</b>	<b>15 561 745</b>
Share capital	33 316 278	33 316 278
Assets revaluation reserves	17 385	22 021
Reserves	(21 363)	1 665
Retained earnings	(21 181 070)	(17 778 219)
<b>DEFERRED LIABILITIES</b>	<b>1 086 859</b>	<b>961 761</b>
Deferred income tax liabilities	1 286	0
Other provisions	1 085 573	961 761
<b>LIABILITIES</b>	<b>32 283 251</b>	<b>43 222 034</b>
Non-current liabilities	19 177 604	23 881 788
Current liabilities	13 105 647	19 340 246

## Financial covenants (unaudited)

Storent has fulfilled financial covenant at the end of December 2021.

	<b>31.12.2021</b>
<b>Shareholder equity</b>	<b>12 131 230</b>
<b>Total assets</b>	<b>45 501 340</b>
<b>Shareholder equity to Assets</b>	<b>27%</b>