



AS Storent Investments Interim report

January – March 2022

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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 depos. Group annual turnover reached 42.9 million euros in 2021.

Storent Group's revenue increased by 13% and losses decreased by 27% in Q1 2022 compared to Q1 2021. In the rental market, the negative impact of Covid-19 restrictions is less evident, but rising prices for energy and construction materials pose new challenges. The sanctions imposed in connection with the war in Ukraine are also forcing the industry to look for new supply channels. The Group continues to develop a full-cycle, contactless online rental platform with digital authorization and electronically signed documents that provides a competitive advantage and allows you to rent equipment in a convenient, secure and fast way.

In the **Baltic**, rental revenues increased in all three countries with the largest growth in Lithuania. The number of online orders continued to grow reaching more than 40% of Storent's total revenue in the Baltics. The registration of new customers and the number of electronically signed documents also continue to grow, showing the best performance. This shows that the online rental platform is a valuable tool in the market. These results were determined by people's desire to work remotely, as well as the emergence of new technological habits. The spring season of 2022 has begun in the region, and customers continue to face the challenges posed by sanctions and rising prices. Nevertheless, the demand is growing due to the general construction activity and the implementation of the Rail Baltica project.

In the **Nordic region** we continued to introduce the contactless equipment rental platform, which has proven to be an excellent tool. The impact of the pandemic on the construction market was felt less and less, as a result of which the rental turnover increased by 17% compared to the Q1 2021.

The revenue level of **Kaliningrad** operation increased in the Q1 2022 compared to the same period in 2021. This was influenced by both - the activity in the projects started in 2021 and the increase in rental prices. However, uncertainty is expected to continue in the coming months, which in turn may contribute to lower rental income. The industry in the region is facing a shortage of construction materials and rising prices.

The main focus continues in 2022 to be online sales development digital transformation and efficiency increase. The Group will continue to transform its IT strategy to comply with the scalability needs. In early 2022, Storent entities in the Baltics joined online logistics platform Cargopoint that

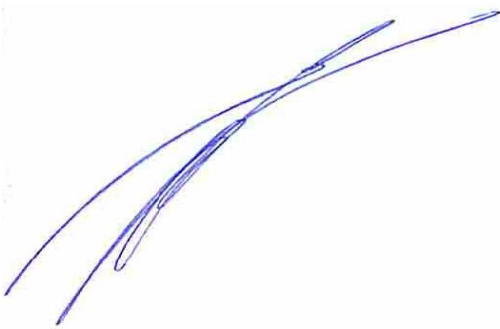
allows to organize transportation in a more efficient manner and will give opportunity to serve a wider range of customers with a more competitive price. In the spring of 2022, the Group plans to introduce a customer loyalty program “STORENT COINS”, which will help build long-term cooperation with customers.

The Group plans to continue selling own rental fleet and increase split-rent share in the total rental income from current 58% in 2021 to 66% during 2022. Management estimates that the construction industry will fully recover after Covid-19 pandemic in the spring 2022, and construction volumes will start to grow further and will return to before Covid-19 pandemic level in 2023. It is expected that Rail Baltica project will give a significant positive impact on the construction industry in the Baltics.

Statement of the management board

The financial and other additional information published in the Interim report January – March 2022 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 – March 2022 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 1 2022	Q 1 2021	2021 total
REVENUE	9 004 695	7 965 154	44 222 122
Net revenue	8 894 282	7 883 713	42 917 107
Other operating income	110 414	81 441	1 305 015
EXPENSES	(8 617 279)	(7 719 807)	(38 461 116)
Costs of material and services received	(5 071 764)	(4 098 127)	(23 781 296)
Personnel expenses	(1 790 865)	(1 866 775)	(8 777 053)
Other operating expenses	(1 754 651)	(1 754 904)	(5 902 767)
EBITDA	387 416	245 347	5 761 005
EBITDA %	4%	3%	13%
Depreciation and amortization	(1 476 996)	(1 916 216)	(6 687 147)
EBIT	(1 089 580)	(1 670 869)	(926 142)
EBIT %	-12%	-21%	-2%
OTHER INCOME AND EXPENSES	(583 054)	(621 132)	(2 419 054)
Interest and similar income	1 567	4 770	23 597
Interest and similar expenses	(584 620)	(625 902)	(2 442 651)
EBT	(1 672 634)	(2 292 001)	(3 345 196)
EBT %	-19%	-29%	-8%
Income tax expense	(369)	0	(57 655)
Profit / (loss) for the year	(1 673 003)	(2 292 001)	(3 402 850)
Profit / (loss) for the year %	-19%	-29%	-8%

Consolidated Balance sheet (unaudited) EUR

Description	31.03.2022	31.03.2021	31.12.2021
ASSETS TOTAL	43 429 892	53 452 202	45 501 340
NON-CURRENT ASSETS	35 791 283	45 219 913	36 737 058
Intangible assets	13 334 409	13 168 797	13 352 947
Property, plant and equipment	22 456 874	32 051 116	23 384 111
CURRENT ASSETS	7 638 609	8 232 289	8 764 282
Inventories	1 209 132	1 167 345	1 565 312
Long-term investments kept for sale	0	0	0
Trade receivables	5 589 748	6 632 959	6 277 516
Deferred income tax assets	898	0	1 186
Cash	838 831	431 985	920 268
LIABILITY TOTAL	43 429 892	53 452 202	45 501 340
Equity	10 452 795	13 231 353	12 131 234
Share capital	33 316 278	33 316 278	33 316 278
Assets revaluation reserves	16 226	20 862	17 385
Reserves	(25 637)	(35 569)	(21 362)
Retained earnings	(22 854 072)	(20 070 218)	(21 181 067)
DEFERRED LIABILITIES	1 075 967	1 057 847	1 086 859
Deferred income tax liabilities	936	0	1 286
Other provisions	1 075 031	1 057 847	1 085 573
LIABILITIES	31 901 130	39 163 002	32 283 247
Non-current liabilities	18 800 950	24 592 675	8 295 364
Current liabilities	13 100 180	14 570 327	23 987 883

Financial covenants (unaudited)

Storent has fulfilled financial covenants at the end of March 2022.

	31.03.2022
EBITDA 12 months	5 903 074
Net debt	18 204 466
Net Debt / EBITDA Ratio	3.1
Shareholder equity	16 589 074
Total assets	43 429 892
Shareholder equity to Assets	38%