Translation from Latvian

AS "Storent Investments"

(incorporated with limited liability and registered in the Republic of Latvia with registration number 40103834303)

Listing prospectus for EUR 10,000,000 8 per cent Notes due 2020 (ISIN code LV0000802304)

On 30 June 2017 AS "Storent Investments", a joint stock company (in Latvian – *akciju sabiedrība*) incorporated in and operating under the laws of the Republic of Latvia and registered with the Commercial Register of the Republic of Latvia under registration number: 40103834303, legal address: Matrožu iela 15A, Riga, LV-1048, Latvia ("**Storent**" or the "**Issuer**") issued unsecured fixed rate notes due 30 June 2020 in aggregate principal amount of EUR 10,000,000 (the "**Notes**"). The nominal amount of each Note is EUR 100. The Notes bear interest at fixed interest rate of 8 per cent per annum. The Issuer has a right to redeem the Notes all or partially prematurely on 30 June 2019 at the redemption price 101 per cent of the nominal value of the Notes redeemed plus accrued interest.

The Notes are issued in the bearer dematerialised form and book-entered with Nasdaq CSD SE (prior to reorganisation – the Latvian Central Depository (in Latvian – *Akciju sabiedrība "Latvijas Centrālais Depozitārijs"*)*,* registration number: 40003242879, legal address: Vaļņu 1, Riga, LV-1050, Latvia (the "**Depository**"). Investors may hold the Notes through participants of the Depository, including credit institutions and investment brokerage firms.

This document (the "**Listing Prospectus**") has been prepared solely for the purpose of admission of the Notes to listing and trading on the official bond list (the Baltic Bond List) of Akciju sabiedrība "Nasdaq Riga", registration number: 40003167049, legal address: Vaļņu 1, Riga, LV- 1050, Latvia ("**Nasdaq Riga**"), and does not constitute any offering of the Notes. Nasdaq Riga is a regulated market for the purposes of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) ("**MiFID II**").

This Listing Prospectus has been drawn up in accordance with the requirements of the Financial Instruments Market Law and the Commission Regulation (EC) No 809/2004 of 29 April 2004, as amended (the "**Prospectus Regulation**") implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (the "**Prospectus Directive**") solely for the purpose admission of the Notes to listing and trading on the official bond list (the Baltic Bond List) of Nasdaq Riga.

Financial and Capital Market Commission (in Latvian – *Finanšu un kapitāla tirgus komisija)* (the "**FCMC**"), which is the competent authority for the purposes of the Financial Instruments Market Law and relevant implementation measures in the Republic of Latvia, has registered and approved this Listing Prospectus, but assumes no responsibility for the correctness of the information contained herein.

The Notes have not been and will not be registered in accordance with the U.S. Securities Act of 1933 (the "**Securities Act**") or under the securities laws of any state of the United States of America and accordingly, they may not be offered, sold, resold, granted, delivered, allotted, taken up, transferred or renounced, directly or indirectly, in or into the United States of America, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any securities laws of any state of the United States of America.

Neither the Issuer, nor the Notes have been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

Investment in the Notes involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "*Risk Factors*" below.

The date of this Listing Prospectus is 18 June 2018

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IMPORTANT INFORMATION CONCERNING THE LISTING PROSPECTUS

General

In this Listing Prospectus, the "**Issuer**" and "**Storent**" refer to AS "Storent Investments", and the term "**Storent Group**" refers to AS "Storent Investments" and its consolidated subsidiaries.

In this Listing Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**Euro**", "**euro**", "**EUR**" or "**€**" are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of the Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended.

This Listing Prospectus has been prepared by Storent in accordance with the Financial Instruments Market Law and Prospectus Regulation solely for the purpose admission of the Notes to listing and trading on the official bond list (the Baltic Bond List) of Nasdaq Riga. If an error or omission is discovered in the Listing Prospectus before the admission of the Notes to listing and trading and such error or omission may be of material importance to investors, the Listing Prospectus shall be supplemented in accordance with the Financial Instruments Market Law.

This Listing Prospectus should be read and construed together with any supplement hereto and with any other documents attached herein.

This Listing Prospectus has been prepared in Latvian and translated into English (except for the Terms and Conditions which originally were prepared in English). In case of discrepancy in interpretation, the Latvian version shall prevail.

No person has been authorised by Storent to give any information or to make any representation not contained in or not consistent with this Listing Prospectus or any information supplied by Storent or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by Storent.

The information contained herein is current as of the date of this Listing Prospectus and under no circumstances it creates any implication that there have been no adverse changes occurred or events have happened, which may or could result in an adverse effect on Storent Group's business, financial condition or results of operations and/or the market price of the Notes.

Storent may have included herein its own estimates, assessments, adjustments and judgements in preparing some of the market information contained in this Listing Prospectus, which has not been verified by an independent third party. Market information that may be included herein is, therefore, unless otherwise attributed to a third-party source, to a certain degree subjective. Whilst Storent believes that its own estimates, assessments, adjustments and judgements are reasonable and that the market information prepared by it generally reflects the industry and the markets in which Storent operates, there is no assurance that Storent's own estimates, assessments, adjustments or judgements are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included herein. Nothing contained in this Listing Prospectus constitutes, or shall be relied upon as, a promise or representation by Storent as to the future.

This Listing Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by Storent that any recipient of this Listing Prospectus should purchase the Notes. Each potential investor should determine for itself the relevance of the information contained in this Listing Prospectus, and its purchase of Notes should be based upon such investigation, as it deems necessary.

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of Storent and the Terms and Conditions of the Notes, including the merits and risks involved.

None of investors should consider any information in this Listing Prospectus to be investment, legal or tax advice. Investors should consult their own counsel, accountant and other advisors for legal, tax, business, financial and related advice regarding purchasing and holding of the Notes. Neither Storent, nor any of its affiliates or advisors make any representation to any investor regarding the legality of an investment in the Notes by such investor under appropriate investment or similar laws.

Restrictions on Distribution

The distribution of this Listing Prospectus and the offering, sale and delivery of the Notes in certain countries is restricted by law. Storent requires persons into whose possession this Listing Prospectus comes to inform themselves of and observe all such restrictions. This Listing Prospectus may not be distributed or published in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Latvian laws, including the United States of America, Australia, Canada, Hong Kong and Japan. This Listing Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. Storent their representatives and advisors do not accept any legal responsibility whatsoever for any such violations, whether or not a prospective investor is aware of such restrictions.

The Notes have not been and will not be registered in accordance with the Securities Act or under the securities laws of any state of the United States of America and, accordingly, they may not be offered, sold, resold, granted, delivered, allotted, taken up, transferred or renounced, directly or indirectly, in or into the United States of America, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any securities laws of any state of the United States of America.

Important – EEA retail investors

The Notes have a fixed rate of interest and the redemption amount is fixed as described in the Listing Prospectus. Accordingly, no key information document pursuant to Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") has been prepared by the Issuer.

Forward-Looking Statements

Some of the statements in this Listing Prospectus, including statements under the sections "*Macroeconomic and Political Risks*", "*Risks Related to Business Operations*" and "*Financial Risks*" are based on views of management board of Storent and understanding of Storent Group and its operating environment and on the assumptions made based on the factors known to the management board of Storent as of the date of this Listing Prospectus and thus can be forward-looking statements. Statements which include such words as "believe", "anticipate", "predict", "expect", "will", "would", "could", "consider", "likely", "estimate" or "plan" and variations of such words or any other similar statements identify forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other important factors, as a result of which Storent Group's actual results, activities or achievements or the actual results, activities or achievements of a business segment of Storent Group may differ materially from the expressly or indirectly presented results, activities or achievements indicated in the forward-looking statements. Such risks, uncertainties and other important factors include, among others, general economic development, Storent Group's need for financing, Storent Group's indebtedness, Storent Group's liquidity, the development of demand in Storent Group's products and services, competition, as well as other matters described under the sections "*Macroeconomic and Political Risks*", "*Risks Related to Business Operations*" and "*Financial Risks*" and forward-looking statements described under the section "*Financial and Trend Information*".

The sections "*Macroeconomic and Political Risks*", "*Risks Related to Business Operations*" and "*Financial Risks*" include risks, uncertainties and other important factors, which may affect Storent Group's business operations, financial position and/or business results. The risk factors described in the Listing Prospectus do not necessarily include all risks and new risks may surface. If one or more of the risk factors described in this Listing Prospectus or any other risk factors or uncertainties would materialise or any of the assumptions made would turn out to be erroneous, Storent Group's actual business result and/or financial position may differ materially from that anticipated, believed, estimated or expected. It is not Storent Group's intention, and it will not accept responsibility for updating any forward-looking statements contained in this Listing Prospectus, unless required by applicable legislation.

Figures Presented in the Listing Prospectus

The figures set out in the financial statements and other figures presented in the Listing Prospectus have mainly been rounded off. As a result, the sum of individual figures set out in the tables contained in this Listing Prospectus may not always correspond accurately to the sums presented in these tables. In addition, certain percentages have been calculated based on exact figures and thus do not necessarily correspond to the percentages, which would have been the result, if the calculation would have been based on figures that have been rounded off.

SUMMARY

This summary is made up of disclosure requirements known as "**Elements**". These Elements are numbered in Sections A-E (A.1-E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary together with a statement of that the Element is not applicable.

Words and expressions defined in Terms and Conditions of the Notes or elsewhere in this Listing Prospectus have the same meanings in this summary.

Section A - Introduction and warnings

A.1	**Warning**	This summary must be read as an introduction to this Listing Prospectus and any decision to invest in the Notes should be based on a consideration of the Listing Prospectus as a whole. Where a claim relating to the information contained in this Listing Prospectus is brought before a court in a Member State, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Listing Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Listing Prospectus or it does not provide, when read together with the other parts of the Listing Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	**Consent to use the Listing Prospectus for subsequent resale or final placement of the Notes**	Not applicable.

Section B - Issuer

B.1	**Legal and commercial name**	AS "Storent Investments"
B.2	**The domicile and legal form of the issuer, the legislation under which the issuer operates and its country of incorporation**	Storent is a joint stock company (in Latvian - *akciju sabiedrība*) incorporated pursuant to the laws of the Republic of Latvia on 7 October 2014. Storent is registered with the Commercial Register of the Republic of Latvia under registration number 40103834303 and its legal address is Matrožu iela 15A, Riga, LV-1048, Latvia, telephone: +371 29340012, e-mail: investor.relations@storent.com, website: www.storent.com. Storent operates in accordance with the laws of the Republic of Latvia. The main legal acts of the Republic of Latvia which regulate the operations of Storent are the Commercial Law (in Latvian – *Komerclikums*) and Civil Law (in Latvian – *Civillikums*).
B.4b	**A description of any known trends affecting the issuer and the industries in which it operates**	There has been no significant change in the prospects of Storent or Storent Group since the date of the audited consolidated annual report of Storent Group for 2017 and 2016. As of the date of this Listing Prospectus there are no information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Storent's or Storent Group's prospects and the industries in which Storent or Storent Group operates. In the geographic markets Storent Group operates in, the construction market outlook for 2018 is mainly positive.

<table>
<tr><td></td><td></td><td>Construction market intelligence firms Euroconstruct and Forecon estimate that the Swedish market will grow approximately 3.5 per cent in 2018.

The Confederation of Finnish Construction Industries estimates that the construction market in Finland will grow by approximately 2 per cent in 2018.

In the Baltic states, construction industry will be particularly active during next few years because of EU fund investments and rapid implementation of private projects. Forecon's construction market growth estimate for the Baltic states is 3.4 per cent.

According to Forecon the equipment rental market is expected to grow by approximately 5 per cent in Finland, 3 per cent in Sweden and 2 per cent in Estonia and Lithuania in 2018.

Russian operation provides new opportunities in a region, which experiences boost due to an upcoming 2018 FIFA World Cup in Kaliningrad.</td></tr>
<tr><td>B.5, B14</td><td>If the issuer is part of a group, a description of the group and the issuer's position within the group

If the issuer is dependent upon other entities within the group, this must be clearly stated</td><td>Storent is a parent company of Storent Group. Storent Group is controlled by Levina Investments S.à r.l., a Luxembourg-based company, and the ultimate owner of the Storent Group is Darby Converging Europe Fund III (SCS) SICAR, a company registered in Luxembourg. As of the date of this Listing Prospectus, Storent Group includes Storent and the following wholly owned subsidiaries:
▪ SIA "Storent", incorporated in Latvia;
▪ Storent UAB, incorporated in Lithuania;
▪ Storent OÜ, incorporated in Estonia;
▪ Storent Oy, incorporated in Finland;
▪ Leinolift Oy, incorporated in Finland (owned indirectly through Storent Oy);
▪ Storent AB, incorporated in Sweden;
▪ Storent AS, incorporated in Norway; and
▪ Storent OOO, incorporated in Russia.</td></tr>
<tr><td>B.9</td><td>Profit forecast or estimate</td><td>Storent has not made any profit forecast or profit estimate in this Listing Prospectus, however, in its consolidated annual report for 2017 and 2016 Storent provided the following prospects for 2018:

"The Group management expects that active acquisition of EU funds will continue through 2018, which will give a positive effect on the development of construction industry. Rental pricing increase expected to continue through the year. Currently available bank financing represents an additional driver for stable economic growth in the Baltic and Nordic countries, and this brings extra incentive to the construction sector. Taking into consideration the above-mentioned circumstances, the management of the Group plans to increase net sales in 2018 and to increase profitability."</td></tr>
<tr><td>B.10</td><td>A description of the nature of any qualifications in the audit report on the historical financial information</td><td>The audit report on historical financial information do not contain any qualifications.</td></tr>
<tr><td>B.12</td><td>Selected historical key financial information regarding the issuer, presented for each financial year of the period covered by the historical financial information, and any subsequent interim financial period accompanied by comparative data from the same period in the prior</td><td>The following summary of Storent Group's consolidated financial performance and key performance indicators for the two financial years ended 31 December 2016 and 2017 has been extracted from Storent Group's audited consolidated financial statements in respect of those dates and periods.

Key financial information
<table><tr><th>(figures in thousands of EUR)</th><th>2017</th><th>2016</th></tr><tr><td>Net operating income[1)]</td><td>38,861</td><td>19,505</td></tr><tr><td>EBITDA[2)]</td><td>11,820</td><td>6,092</td></tr><tr><td>Total income for the reporting year</td><td>44</td><td>-3,088</td></tr><tr><td>Total non-current assets</td><td>71,509</td><td>65,820</td></tr><tr><td>Total current assets</td><td>13,316</td><td>8,799</td></tr></table></td></tr>
</table>

financial year except that the requirement for comparative balance sheet information is satisfied by presenting the year end balance sheet information

A statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change

A description of significant changes in the financial or trading position subsequent to the period covered by the historical financial information

Total assets	**84,825**	**74,619**
Total shareholder's equity	26,824	995
Total non-current liabilities	37,789	58,967
Total current liabilities	20,212	14,657
Total liabilities	**84,825**	**74,619**
Net cash flow from operating activities	10,336	4,226
Net cash flow from investing activities	-6,706	-4,255
Net cash flow from financing activities	-1,712	-114
Variance in exchange rates	-16	0
Net cash flow for the reporting year	**1,902**	**-143**

Key financial ratios

	2017	**2016**
Shareholders Equity to Assets[3)]	32%	1%
Net Debt/EBITDA Ratio[4)]	3.6	10.1
Liquidity ratio[5)]	0.66	0.60

1) Net operating income is the indicator of total operating income of the company for the reporting year. Net operating income is calculated by adding "Net sales" to "Other operating income".
2) EBITDA is the company’s profit/(loss) before tax, less "Other interest and similar income", but includes "Depreciation and amortization" and "Interest payable and similar costs". EBITDA is an indicator of the company's profitability.
3) Storent’s total shareholders’ equity expressed as a per cent of the Issuer’s total amount of assets as at the end of each year. Shareholders Equity to Assets is a financial covenant that is included in the Terms and Conditions of the Notes. Storent must ensure that this indicator is not less than 25 percent. This ratio is a long-term solvency ratio.
4) Net Debt[a)] is reviewed at the end of the reporting year against EBITDA for the reporting year. Net Debt/EBITDA is a financial covenant that is included in the Terms and Conditions of the Notes. Storent must ensure that this figure does not exceed 4. This ratio represents the company's ability to service its debt.
    a) Net debt is the sum of long-term and short-term creditors "Loans from credit institutions", "Loans against bonds", "Financial lease liabilities", "Loans from affiliated companies" and "Other loans" - (minus) "Cash and cash equivalents" at the end of the reporting year.
5) The Liquidity ratio is the ratio of total current assets to total short-term creditors in the relevant reporting period. The liquidity ratio describes Storent's ability to settle its short-term liabilities

Maturity of financial liabilities

Summary of maturity of financial liabilities of Storent Group at 31 December 2017:

(figures in EUR)	**up to 1 year**	**more than 1 year**
Loans from credit institutions	16,435	25,565
Loans against bonds	0	6,507,402
Loans from affiliated companies	0	4,883,870
Financial lease liabilities	9,254,841	19,101,594
Other loans	2,998,385	5,420,741
Total	12,269,661	35,939,172

Storent Group plans to repay the financial liabilities from its operating cash flow.

There has been no material adverse change in the prospects of Storent or Storent Group since the date of the audited consolidated annual report of Storent Group for 2017 and 2016.

There has been no significant change in Storent’s or Storent Group’s financial or trading position since the date of the audited consolidated annual report of Storent Group for 2017 and 2016.

B.13	**A description of any recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency**	Not applicable. There have been no recent events particular to Storent which are to a material extent relevant to the evaluation of Storent's solvency.
B.15	**A description of the issuer's principal activities**	Storent Group operates as a construction and industrial equipment rental company in Baltic countries, Finland, Russia (Kaliningrad) and Sweden. As of 31 December 2017, Storent had 29 depots in 6 countries. Equipment offered for rent by Storent Group consists of industrial and construction brands of leading Western manufacturers (Bosch, Husqvarna, Bobcat, CAT, HILTI, Karcher, Halotte, JCB etc.). Storent Group offers 24 different product groups for rent, the major being aerial lifts and working platforms, earthmoving equipment and scaffolding. Storent Group rents both, their own and equipment owned by third-parties via Storent's rental platform. Storent Group also provides assembly and removal, tractor machinery operator, transportation and sale services.
B.16	**To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control**	Storent is incorporated as a joint stock company (in Latvian - *akciju sabiedrība*) under the laws of the Republic of Latvia. At the date of this Listing Prospectus the shareholders of Storent are: ▪ Levina Investments S.à r.l., a Luxembourg private limited liability company with Business Identity Code B189856, which owns 73 per cent of shares in Storent. Levina Investments S.à r.l. is wholly owned subsidiary of Darby Converging Europe Fund III (SCS) SICAR registered in Luxemburg; ▪ Torrini Ltd, a Cyprus limited liability company with Business Identity Code HE295201, which owns 13.5 per cent of shares in Storent. All shares in Torrini Ltd are owned by a private individual Andris Pavlovs; ▪ Perle Consultancy Ltd, a Cyprus limited liability company with Business Identity Code HE287161, which owns 13.5 per cent of shares in Storent. All shares in Perle Consultancy Ltd are owned by a private individual Andris Bisnieks.
B.17	**Credit ratings assigned to the issuer or its debt securities at the request or with co-operation of the issuer in rating process**	Not applicable. Neither Storent, nor the Notes have been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

Section C - Securities

C.1	**A description of the type and the class of the securities being offered and/or admitted to trading, including any security identification number**	Non-convertible unsecured and unguaranteed Notes with an aggregate nominal value of EUR 10,000,000. The Notes are dematerialized debt securities in bearer form. ISIN code: LV0000802304
C.2	**Currency of the securities issue**	EUR
C.5	**A description of any restrictions on the free transferability of the securities**	The Notes are freely transferable securities. However, the Notes cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under the laws of the Republic of Latvia, including the United States of America, Australia, Canada, Hong Kong and Japan. In addition, the Noteholders

		are prohibited to resell, transfer or deliver the Notes to any person in a manner that would constitute a public offer of securities.
C.8, C.9	**A description of the rights attached to the securities including** • **ranking** • **limitations to those rights** • **the nominal interest rate** • **the date from which interest becomes payable and the due dates for interest** • **where the rate is not fixed, description of the underlying on which it is based** • **maturity date and arrangements for the amortisation of the loan, including the repayment procedures** • **an indication of yield** • **name of representative of debt security holders**	**Ranking** The Notes constitute direct, unsecured and unguaranteed obligations of Storent, ranking *pari passu* without any preference among each other and with all unsecured, unguaranteed and unsubordinated indebtedness of Storent, save for such obligations as may be preferred by mandatory provisions of the law. **Interest rate** The Notes shall bear interest at fixed interest rate of 8 per cent per annum. The Interest shall be paid on 30 September, 30 December, 30 March and 30 June each year until the Maturity Date or the Early Redemption Date, as applicable. Interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of the Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Maturity Date or the Early Redemption Date, as applicable. Interest shall be calculated on 30E/360 basis. **Indication of Yield** The effective yield of the Notes is 8 per cent per annum. **Redemption** The Notes shall be repaid in full at their nominal amount at the Maturity Date (i.e. 30 June 2020). Storent has a right to redeem the Notes all or partially prematurely on the Early Redemption Date (i.e. 30 June 2019) at the redemption price 101 per cent of the nominal value of the Notes redeemed plus accrued interest. **Representative of debt security holders** Rights of the Noteholders to establish and/or authorize an organization/person to represent interests of all or a part of the Noteholders are not contemplated, but on the other hand these are not restricted. The Noteholders should cover all costs/fees of such representative(s) by themselves.
C.10	**If the security has a derivative component in the interest payment, provide a clear and comprehensive** **explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument(s), especially under the circumstances when the risks are most evident**	Not applicable. The Notes have no derivative component in the interest payment.
C.11	**Indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated**	Not applicable. The Listing Prospectus has been prepared for listing and trading of the Notes on the official bond list (the Baltic Bond List) of Nasdaq Riga.

	market or other equivalent markets with indication of the markets in question	

Section D - Risks

D.2	**Key information on the key risks that are specific to the issuer**	**Macroeconomic and Political Risks** ▪ Negative economic developments in the countries in which Storent Group operates may affect Storent Group. ▪ Adverse construction and rental market development and absence of market growth may have a material adverse effect on Storent Group. **Risks Related to Business Operations** ▪ The capital-intensive asset base of Storent Group's business operations may limit Storent Group's ability to react to unexpected disadvantageous changes in market circumstances, due to the limited opportunities to quickly adjust its rental fleet. ▪ Storent Group may not be able to implement its business strategy successfully or adapt it in response to changes in the operating environment. ▪ Storent Group's corporate acquisitions and asset purchases in outsourcing arrangements may not integrate successfully or integration may require more resources than estimated. ▪ Expansion and operations in several European jurisdictions may result in different business cultures, lack of knowledge of local markets, changes in legislation and regulation, possible inconsistent interpretations or practices relating to legislation and regulation, administrative differences, inefficient and/or absent legal protection, labour-related matters and adverse tax implications. ▪ Storent Group's operations may involve legal and regulatory risks. ▪ Increased environmental regulation and potential liability associated with environmental compliance may affect the cost of Storent Group's operations. ▪ A failure to meet the customers' expectations or product liability requirements and standards may have an adverse effect on Storent Group's net sales and brand value. ▪ Storent Group's insurance policies are subject to exclusions of liability and limitations of liability both in amount and with respect to the insured loss events. ▪ Storent Group's business operations consist of a significant number of agreements in respect of equipment rental, sale and related services. A failure in management of different agreements may have a material adverse effect on Storent Group. ▪ The competitor's activities, such as launching new service concepts, innovations in pricing, improvements in promotional and marketing activities and business strategies, may reduce Storent Group's sales or profitability or increase costs. ▪ Failure to attract qualified personnel or loss of key employees may affect the profitability of Storent Group's operations. ▪ Storent Group's operations, via demand for rental equipment, are exposed to weather conditions, especially to winter conditions, facilitating seasonal fluctuations in business volumes. ▪ Storent Group's operations are dependent on information technology services and solutions and thereby subjected to risks related to system failures and service interruptions.

		▪ Impaired visibility or reputation of one or more important Storent Group brand names or negative publicity may have a material adverse effect on Storent Group. ▪ Storent Group is exposed to risks relating to purchasing and leasing rental equipment particularly from foreign entities, which include, among other things, financial and political instability in Storent Group's operating countries, international crisis situations, as well as acts of war or terrorist attacks targeted to the operating countries and the origin countries of the equipment, increase in freight costs and delays in and interruptions of transports, industrial actions and strikes, unfavourable volatility of currency rates, legislation having an effect on the import trade of the operating countries, possible financial, political or employment-related instability in the operating countries or the origin countries of the equipment, expropriations and nationalisations, changes in local administration or administrative practices, trade and tax legislation and local business practices. ▪ Possible disturbances in the equipment deliveries and/or failure to manage the fleet volume may have a material adverse effect on Storent Group. **Financial Risks** ▪ Fluctuations in currency exchange rates can affect Storent Group's financial results. ▪ Storent Group is exposed to interest rate risk through its interest bearing debt. ▪ Storent Group is exposed to financing risk pursuant to which the price of the financing needed to carry out Storent Group's business may increase and that financing may be less readily available. ▪ Storent Group is exposed to liquidity risk pursuant to which the existing funds and borrowing facilities may become insufficient to meet Storent Group's business needs or high extra costs may incurred for arranging them. ▪ Storent Group is exposed to credit and financial counterparty risk pursuant to which a customer or a bank/financial institution may not be able to fulfil its undertakings towards Storent Group. ▪ A failure of successful capital expenditure and working capital management for expansion of operations of Storent Group's products and services may have a material adverse effect on Storent Group. ▪ Potential future changes in IFRS accounting standards related to recognition of operating leases (for example, the reporting under the IFRS 16 – "Leases" – from 1 January 2019), as well as changes in other financial reporting standards could have a substantial negative effect on the reported gearing and equity ratio of Storent Group. ▪ Changes in tax laws and regulations or their interpretation and application may increase Storent Group's tax burden to a significant degree.
D.3	**Key information on the key risks that are specific to the securities**	▪ The Notes may not be a suitable investment for all investors. Thus, each potential investor in the Notes must assess the suitability of that investment in light of its own circumstances, including the effects on the value of such Notes and the impact this investment will have on its overall investment portfolio. ▪ The investors may forfeit the interest and principle amount invested, in case Storent becomes insolvent or legal protection proceedings or out-of-court legal protection proceedings of Storent are initiated. ▪ The Notes will be unsecured obligations of Storent, without any additional guarantees and securities. ▪ Any adverse change in the financial condition or prospects of Storent may have a material adverse effect on the liquidity of the Notes and may result in a material decline in their market price, and thus may result in a reduced probability that the Noteholders will be fully repaid on time.

		▪ Storent is not prohibited from issuing further debt. This, accordingly, may increase the number of claims that would be equally entitled to receive the proceeds, including those related to Storent's possible insolvency. Further, any provision which confers, purports to confer, or waives a right to create security interest in favour of third parties, such as a negative pledge, is ineffective against third parties. Thus, such security interest in favour of a third party, even if created in breach of Storent's obligations and undertakings herein, would be a valid and enforceable security interest over the pledged assets. ▪ Storent's ability to successfully refinance its debts depends on the conditions of debt capital markets and its own financial condition. Storent's inability to refinance its debt obligations on favourable terms, or at all, could have a negative impact on Storent Group's operations, financial condition, earnings and on the Noteholders' recovery under the Notes. ▪ It is possible that an active market for the Notes may not develop or may not be maintained, as well as it may be affected by the changes in market and economic conditions, financial conditions and prospects of Storent, which accordingly may have an impact on the liquidity and market price of the Notes. ▪ The Notes will bear interest at a fixed interest rate, which accordingly exposes a risk that a price of such security may be affected by the changes in the market interest rate. Also, inflation may result in a decline of the market price of the Notes, as it decreases the purchasing power of a currency unit and respectively the received interest. ▪ The payments on the Notes will be made in EUR, accordingly the fluctuations in exchange rates and interest rates may adversely affect the value of the Notes, if the investor's financial activities are denominated principally in another currency unit. ▪ The Notes are governed by the laws of the Republic of Latvia, which may change during the life of the Notes, thus no assurance can be given as to the impact of any of such possible changes of laws or regulations. Hence, such changes may have a material adverse effect on Storent, as well as the Notes. ▪ The investment activities of certain investors are subject to legal investment laws and regulations, or reviews or regulations by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent the Notes constitute a legal investment from the part of the investor, can the Notes be used as a collateral, and whether other restrictions apply to the purchase or pledge of the Notes. ▪ Storent may voluntaraliy redeem the Notes all or partially prematurely on 30 June 2019 at the redemption price 101 per cent of the nominal value of the Notes redeemed plus accrued interest. Such early repayment may incur lossess or damage to the Noteholders. Storent is also obliged to redeem the Notes in case of an Event of Default or a Change of Control of Storent. Such redemption may have a material adverse effect on Storent. In addition, there is a risk that the market value of the Notes is higher than the early redemption price at the time of redemption and that it may not be possible for Noteholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Notes and may only be able to do so at a significantly lower rate. ▪ Only the shareholders of Storent have voting rights in the shareholders' meetings of Storent. The Notes carry no such voting rights. Consequently, the Noteholders cannot influence any decisions by Storent's shareholders concerning, for instance, the capital structure of Storent. ▪ The decisions of the Noteholders (including amendments to the Terms and Conditions of the Notes) will be binding to all Noteholders, including Noteholders who did not vote and Noteholders who voted in a manner contrary to the majority. ▪ The Notes will be affiliated to the Depository's account-based system, and no physical notes will be issued. Clearing and settlement relating to the Notes will

		be carried out within the Depository's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of the Depository's account-based system. ▪ The Notes have not been and will not be registered under the Securities Act or under securities laws of any state of the United States of America. Subject to certain exemptions, a holder of the Notes may not offer or sell the Notes in the United States of America. Storent has not undertaken to register the Notes under the Securities Act or under securities laws of any state of the United States of America, or to effect any exchange offer for the Notes in the future. Furthermore, Storent has not registered the Notes under any other country's securities laws, other than laws of the Republic of Latvia. Each potential investor should be aware of the transfer restrictions that apply to the Notes. It is the Noteholder's obligation to ensure that the offers and sales of the Notes comply with all applicable securities laws.

Section E - Offer

E.2b	**Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks**	Not applicable. The Listing Prospectus has been prepared for listing and trading of the Notes on the official bond list (the Baltic Bond List) of Nasdaq Riga.
E.3	**A description of the terms and conditions of the offer**	Not applicable. The Listing Prospectus has been prepared for listing and trading of the Notes on the official bond list (the Baltic Bond List) of Nasdaq Riga.
E.4	**A description of any interest that is material to the issue/offer including conflicting interests**	Not applicable. The Listing Prospectus has been prepared for listing and trading of the Notes on the official bond list (the Baltic Bond List) of Nasdaq Riga.
E.7	**Estimated expenses charged to the investor by the issuer or offeror**	Not applicable. The Listing Prospectus has been prepared for listing and trading of the Notes on the official bond list (the Baltic Bond List) of Nasdaq Riga.

RISK FACTORS

Prospective investors are advised to carefully consider the risk factors and other information provided in this Listing Prospectus. Investing in the Notes involves certain risks including but not limited to the following risks described herein.

Storent believes that if one or more of the risk factors described herein realises, it may have a negative effect on Storent's or Storent Group's business operations, financial position and/or business results and, thereby Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes. If these risks were to lead to a decline in the market price of the Notes, prospective investors may lose all or part of their investment.

The risks and uncertainties described hereafter are the risks which Storent has deemed material. However, they are not the only factors affecting Storent's and Storent Group's activities. Therefore, Storent does not allege that the statements below regarding the risks of acquiring and/or holding any Notes are exhaustive. Other factors and uncertainties than those mentioned herein, which are currently unknown or deemed immaterial, may negatively affect Storent's or Storent Group's business operations, financial position and/or business results and, thereby, Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The below description of the risk factors does not reflect the probability of the materialisation of the respective risk. Most of these risk factors are contingencies which may or may not occur and Storent is not in a position to assess or express a view on the likelihood of any such contingency occurring.

All investors should make their own evaluations of the risks associated with an investment in the Notes and should consult with their own professional advisors if they consider it necessary.

Macroeconomic and Political Risks

Negative economic developments in the countries in which Storent Group operates may affect Storent Group's operations and customers

Economic slowdown or a recession, regardless of its depth, or any other negative economic developments in the countries in which Storent Group operates may affect Storent Group's business in a number of ways, including among other things, the income, wealth, liquidity, business and/or financial position of Storent Group, its customers and its suppliers. Moreover, possible weakness in the global economy may put additional financial stress on Storent Group's customers, which may negatively impact Storent Group's ability to collect its receivables fully or in a timely manner, which, in turn, could require Storent Group to contribute additional capital or obtain alternative financing to meet its obligations under any financing arrangements. Further, Storent Group may not be able to utilise the opportunities created by the economic fluctuations and Storent Group may not be able to adapt to a long-term economic recession or stagnation.

Although Storent Group's results of operations have increased over the last years, Storent Group could, nevertheless, be impacted by the uncertainty in the global economy. Although, Storent Group's management believes that Storent Group's capital structure and credit facilities will provide sufficient liquidity, there can be no assurance that Storent Group's liquidity and access to financing will not be affected by changes in global economy or that its capital resources will, at all times, be sufficient to satisfy its liquidity needs.

Materialisation of any of the above risks could adversely affect Storent Group's asset values, future cost of debt and access to bank and capital market financing, which could, in turn, have an adverse effect on Storent Group's business, financial condition, results of operations and future prospects and thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Construction and industrial equipment rental market growth depends on related industries

Storent Group operates in the construction and industrial equipment rental services markets which is subject to continuous development in Storent Group's current and potential future geographical market areas. Rental market development is closely related to the construction market and therefore the development of the construction market significantly affects the demand for Storent Group's services. Demand from the public sector may fluctuate as a result of economic cycles. In addition, the construction industry consists of different subsectors: residential construction, non-residential construction, renovation construction and infrastructure construction. The industry is exposed to cyclical fluctuations. Individual subsectors do not, however, show similar trends simultaneously, but have different growth patterns. In addition, there are differences between various geographical markets.

Adverse construction and rental market development and absence of market growth may have a material adverse effect on Storent Group's business, financial condition, results of operations and future prospects and thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Risks Related to Business Operations

The capital-intensive nature of Storent Group's operations requires significant capital expenditures and may limit Storent Group's ability to react to changes in market circumstances

Storent Group's operating model is to own and lease the rental fleet and focus on the optimisation of the fleet utilisation. The wear of the fleet and potential growth requires significant capital expenditures and thus strong cash flow, as well as available external financing. The capital-intensive asset base of Storent Group's business operations may limit Storent Group's ability to react to unexpected disadvantageous changes in market circumstances, due to the limited opportunities to quickly adjust its rental fleet. Therefore, disadvantageous changes in the equipment demand, as well as unfavourable terms of financing or unavailability of financing may have a material disadvantageous effect on Storent Group's business, financial condition, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Storent Group may not be able to implement its business strategy successfully or adapt it in response to changes in the operating environment

The successful implementation of Storent Group's business strategy depends upon a number of factors (for example, competitive conditions, technological changes, socio-economic factors, etc.),, many of which are at least in part outside of Storent Group's control. In addition, even if Storent Group succeeds in implementing its business strategy, this may not improve its results of operations. Storent Group may also decide to amend its business strategy and/or adapt it in response to changes in its operating environment. If Storent Group is unable to realise its strategy in a way which yields appropriate return on investment, its future growth and profitability may weaken. This may have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Storent Group's corporate acquisitions and asset purchases in outsourcing arrangements may not integrate successfully or integration may require more resources than estimated

Storent Group's expansion and business development are partly based on corporate acquisitions. Unless Storent Group is able to integrate the companies or assets possibly to be acquired in the future into its own operations successfully, its ability to expand its operations and to operate efficiently may weaken. In particular, integration of the personnel originating from various business environments and corporate cultures, as well as integration of fleet management, various sales systems and other technologies, reporting practices and management of business relations may be expected to give rise to challenges.

Although, Storent Group aims to mitigate the risks related to corporate acquisitions through careful advance preparations and systematic monitoring, it cannot be guaranteed that Storent Group will be able to integrate the functions of its strategic acquisitions smoothly into its business operations. As a consequence, actual sales volumes and price levels may vary significantly from predicted volumes and levels. Costs caused by the integration may also be considerably higher than estimated or the integration process may require more management's resources than estimated, which may temporarily impair the development of other operations. In addition, projects may not be realised as expected.

Materialisation of any of the risks above may have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Expansion and operations abroad may cause cultural and other difficulties

Storent Group operates in several European jurisdictions, as well as in Russia. Storent Group's widespread business operations entail additional risks, such as different business cultures, lack of knowledge of local markets, changes in legislation and regulation, possible inconsistent interpretations or practices relating to legislation and regulation, administrative differences, inefficient and/or absent legal protection, labour-related matters and adverse tax implications. International operations require that Storent Group manages efficiently the above and other risks, such as challenges in different languages. Devaluation of currencies of the countries in which Storent Group operates, may have adverse effects on Storent Group's operations in such countries. For instance, customers' inclination and ability to use Storent Group's services may decline. If any of the risks described above materialise, this may have a material adverse effect on Storent Group's business, financial condition, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Storent Group's operations may involve legal and regulatory risks

Storent Group has to comply with a wide variety of laws and regulations enacted on both European and national level, most notably increasing regulations restricting competitive trading conditions, health and safety regulations, environmental regulations, labour regulations, competition regulations and corporate and tax laws. Changes in the regulatory framework could require Storent Group to adapt its business activities, its assets or its strategy, possibly leading to a negative impact on its results, an increase in its expenses, and/or a slowing or even halting of the development of certain investment activities. In the normal course of its business activities, Storent Group could be involved in legal proceedings (for instance, regarding contractual responsibility, employers' liabilities and/or penal issues) and is subject to tax and administrative audits. Should Storent Group be ordered to sanctions, it may have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Increased environmental regulation and potential liability associated with environmental compliance may affect the cost of Storent Group's operations

Storent Group stores equipment and machinery, as well as uses and temporarily stores fuels and certain chemicals in jurisdictions in which it operates. This may contaminate soil, air, water and buildings, particularly in case of leakage or accident. Further, Storent Group may become liable to restore the condition of a real property which was contaminated by Storent Group itself or the property's previous user. In addition, the value of such real property may decrease.

The management of environmental affairs and the effects of the Storent Group's operations on the environment are continuously monitored by means of internal monitoring and control programs. However, there can be no assurance that Storent Group will be able to manage its environmental affairs in accordance with applicable environmental laws and regulations, and any future environmental and health and safety laws that may be adopted may impose additional costs on the operations of Storent Group. If Storent Group were to be found guilty of an environmental offence a corporate fine could be imposed on Storent Group. Potential financial liability as a result of damage caused to the environment by Storent Group would depend on the severity of the actual damage.

Materialisation of any of the risks above may have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

A failure to meet the customers' expectations or product liability requirements and standards may have an adverse effect on Storent Group's net sales and brand value

Storent Group's products and services are designed to meet the expectations of the customers as regards their standard and quality. Storent Group's products and services are also designed to satisfy the applicable legal and regulatory requirements, as well as the standards established by a number of regulatory and testing bodies. There can, however, be no assurance that the products and services of Storent Group will in all circumstances meet all of the aforementioned expectations and/or requirements.

Lack of sufficient insurance cover

Extensive insurance coverage forms an integral part of Storent Group's risk management. The equipment rented by Storent Group is covered by a statutory product liability. Even though Storent Group especially takes into account product safety and quality control of its products by means of, among other things, auditions of the supplier chain and quality control of the products and services, it cannot be guaranteed that the risk relating to product safety would not materialise in the future. Materialisation of the risk relating to product safety may cause financial losses to Storent Group and reduce the value of Storent Group's brand.

Storent Group's insurance policies are subject to exclusions of liability and limitations of liability both in amount and with respect to the insured loss events. Storent Group does not have insurance coverage for certain types of catastrophic losses, which are not insurable or for which insurance is unavailable on reasonable economic terms. In addition, there can be no assurance that Storent Group's current insurance coverage will not be cancelled or become unavailable on reasonable economic terms in the future.

Materialisation of these risks may have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Management of agreements

Storent Group's business operations consist of a significant number of agreements in respect of equipment rental, sale and related services. Therefore, attention must be paid to the management of different agreements. The contents, risks and terms and conditions of all contracts and agreements are reviewed in accordance with specified processes. Materialisation of these risks may have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Increased competition in the equipment rental industry may have an adverse effect on the profitability of Storent Group's operations

The rental solutions industry is characterised by intense competition. Success in intensely competitive markets is based on various factors, such as prices, product and service selection, product quality, customer service, location of depots, advertising and brand value, as well as availability of credit. It cannot be guaranteed that Storent Group will be able to compete successfully against its current or possible new competitors, including vendors and equipment manufacturers, in the future. The competitor's activities, such as launching new service concepts, innovations in pricing, improvements in promotional and marketing activities and business strategies, may reduce Storent Group's sales or profitability or increase costs, which may in turn have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Failure to attract qualified personnel or loss of key employees may affect the profitability of Storent Group's operations

To remain competitive and able to implement its strategy, Storent Group needs to hire and retain sufficient numbers of highly skilled employees with expertise in all of Storent Group's business operations. A portion of this competence is held by certain key persons who are of particular importance in ensuring that Storent Group retains and develops its competitiveness. A positive development of the future business activities of Storent Group will depend on the continued employment of such key employees and Storent Group's continued ability to hire the required number of skilled employees trained for the industry. If current personnel cannot be retained or Storent Group fails in recruiting necessary personnel and key persons, this may have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Seasonal fluctuations or severe weather conditions may affect the construction industry which represents a significant part of Storent Group's sales

Storent Group's business largely depends on the activity of the construction markets, which are sensitive to seasonal fluctuations. Storent Group's operations, via demand for rental equipment, are exposed to weather conditions, especially to winter conditions, facilitating seasonal fluctuations in business volumes. Exceptional seasonal fluctuations, such as unusually long (cold and/or snowy) winters, may have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Storent Group's operations are dependent on information technology services and solutions and thereby subjected to risks related to system failures and service interruptions

Storent Group's enterprise resource planning, rental operations, fleet management, financial, human resources and risk management functions are highly dependent on information systems and on Storent Group's ability to operate them efficiently and to introduce new technologies, systems as well as safety and back-up systems. Storent Group's operations are highly dependent on the integrity, safety and stable operation of its information systems. Such information systems include telecommunication systems, as well as software applications, which Storent Group uses to control business operations, manage its fleet and risks, create operating and financial reports and to execute treasury operations, as well as manage risks. The operation of

Storent Group's information systems may be interrupted because of, among other things, power cuts, computer or telecommunication errors, computer viruses, defaults by IT suppliers, crime targeted at information systems or major disasters, such as fires or nature disasters, as well as user errors committed by the Storent Group's own staff. Material interruptions or serious errors in the operation of the information systems may considerably impair and weaken Storent Group. Storent Group may also face difficulties when developing new systems and maintaining or updating current systems in order to maintain its competitiveness. Materialisation of any of the risks above may have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Brand risks

Storent Group's name holds a great significance for both, its business operations and implementation of its strategies. Maintenance and positioning of Storent Group's brands are highly dependent on the success of marketing and promotional activities, as well as Storent Group's ability to produce services with a uniformly high quality. Brands may lose their value as a consequence of negative publicity associated with the brands or with Storent Group. The risks related to brands are also increased by the growth of low-price brands and the local nature of many brands. It is impossible fully to foresee consumer behaviour between different brands. Impaired visibility or reputation of one or more important Storent Group brand names or negative publicity may have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Storent Group's equipment fleet originate to a large extent from suppliers; the risks relating to domestic and international commerce may have an adverse effect on Storent Group's operations

Storent Group purchases and leases rental equipment both from domestic and foreign suppliers. Storent Group's success is dependent on finding reliable suppliers and non-delayed equipment deliveries, for which reason equipment is procured from various different suppliers. Therefore, Storent Group is exposed to risks relating to purchasing and leasing, particularly, from foreign entities, which include, among other things, financial and political instability in Storent Group's operating countries, international crisis situations, as well as acts of war or terrorist attacks targeted to the operating countries and the origin countries of the equipment, increase in freight costs and delays in and interruptions of transports, industrial actions and strikes, unfavourable volatility of currency rates, legislation having an effect on the import trade of the operating countries, possible financial, political or employment-related instability in the operating countries or the origin countries of the equipment, expropriations and nationalisations, changes in local administration or administrative practices, trade and tax legislation and local business practices. Any of the factors described above or their combinations may have a material adverse effect on Storent Group's business, financial condition, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Failure to manage and optimise rental fleet has an adverse effect on profitability

In order to operate efficiently, Storent Group must maintain sufficient equipment fleet. However, Storent Group must also avoid accumulation of excess fleet. Seasonal variations affect the demand for rental items and consequently, the fleet volume. In order to optimise the utilisation of the fleet in relation to the demand, Storent Group sells and purchases rental equipment. The trading requires that efficient secondary markets exist for the equipment. Absence of, or diminished, secondary market may have an adverse effect on the possibility to optimise the equipment fleet. Essential for Storent Group's fleet optimisation is a continuously successful assessment of the time utilisation of the current fleet and the demand for new fleet in order to determine Storent Group's need for additional investments. Although, Storent Group continuously manages and aims to optimise the equipment fleet's utilisation rates, possible disturbances in the equipment deliveries and/or failure to manage the fleet volume may have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Financial Risks

Foreign exchange rate risk

Storent Group is a multinational group operating in Northern and Eastern European countries. The largest foreign exchange currency transaction exposure derives from business operations in Sweden and Russia, where Storent Group is exposed to foreign exchange rate risks mainly caused by the fluctuations of the Swedish Krona (SEK) and the Russian Ruble (RUB).

Fluctuations in currency exchange rates can affect Storent Group's financial result. The effect of exchange rate fluctuations is visible when translating the net sales and financial results of the subsidiaries outside the euro zone into euros. Changes in the exchange rates may increase or decrease net sales or results, even though no real change has occurred. Storent Group's business units hedge anticipated foreign currency denominated cash flows by taking into account the significance of such cash flows, the competitive situation and other possibilities to adjust.

There can be no assurance that currency exchange rates could not in the future have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Interest rate risk

Storent Group is exposed to interest rate risk mainly through its interest bearing debt. The interest rate risk exposure represents the uncertainty of profit of Storent Group due to changes in interest rates. An increase in the interest rate level would have a material adverse effect on the cost of financing and some of the current financing expenses of Storent Group. Storent Group carefully monitors the development of interest rates and actively seeks to hedge its position against changes in the interest rates. Despite these measures, fluctuations in interest rates or a failure to properly manage its position may have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Financing risk

Uncertainty in the financial market may mean that the price of the financing needed to carry out Storent Group's business may increase and that financing may be less readily available. Storent Group aims to reduce the risk relating to the availability of financing by managing a balanced loan maturity distribution and by having sufficient committed credit limits with sufficiently long periods of validity at hand, by using many financial institutions and instruments to raise finance and by keeping a sufficient amount of cash funds.

Although, Storent Group currently generates sufficient funds from operating cash flows to satisfy its debt service requirements and its capacity to obtain new financing is adequate, it is however possible, that Storent Group could – at any given point in time – encounter difficulties in raising funds and, as a result, lack the access to liquidity that it needs and there can be no assurance that Storent Group will be able to meet its financial covenants when required. Should any of the above factors materialise, this may have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Liquidity risk

Liquidity risk is the risk that existing funds and borrowing facilities become insufficient to meet Storent Group's business needs or high extra costs are incurred for arranging them. The objective of the liquidity risk management in Storent Group is to minimise the risk by having a well-balanced liquidity reserve to hedge against foreseen and unforeseen liquidity requirements. Storent Group seeks to reduce liquidity risk by keeping sufficient amount of credit facilities available. Storent Group's liquidity risk is reduced also by efficient cash management procedures and cash management structures such as cash pools and overdraft facilities.

Failure of successful liquidity management may have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Credit and financial counterparty risk

Credit risk is defined as the possibility of a customer not fulfilling its commitments towards Storent Group. Storent Group's business units are responsible for credit risks related to sales activities. The business units assess the credit quality of their customers, by taking into account customer's financial position, past experience and other relevant factors. When appropriate, advance payments, deposits, letters of credit and third party guarantees are used to mitigate credit risks. The maximum credit risk equals the carrying value of trade receivables.

Customer credit risks are diversified, as Storent Group's trade receivables are generated by a large number of customers. Storent Group is keeping a close track of the different credit risk key performance indicators and has ready action plans in case the situation with credit risks worsens. Storent Group is closely monitoring credit risks and regularly makes provisions for risk in sales receivables.

Financial counterparty risk is defined as the risk of banks/financial institutions not being able to fulfil their undertakings to Storent Group. These undertakings include all financial transactions where the cancellation of payments by the counterparty may result in a potential loss. The financial counterparty risk is minimised by selecting instruments with a high degree of liquidity and counterparties with a high credit ranking. Storent Group cooperates only with counterparties judged to be capable of meeting their undertakings to Storent Group.

Failure of successful financial counterparty management may have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Storent Group's continuously growing and developing operations require careful capital expenditure planning and working capital management

Expansion of operations and increase in demand for Storent Group's products and services require careful capital expenditure planning and optimisation, as well as working capital management. In case of unexpected level of demand fluctuations, tied-up capital may significantly render Storent Group's level of profitability, as well as liquidity position. Failure of successful capital expenditure and working capital management may have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Future changes in accounting standards may affect Storent Group's financial position

Future changes in the IFRS accounting standards, mainly those related to the recognition of operating leases, could lead to increase in the reported gearing and decrease in the reported equity ratio of Storent Group, as a significant amount of Storent Group is financed through operating leases. Therefore, potential future changes in IFRS accounting standards related to recognition of operating leases, as well as changes in other financial reporting standards could have a substantial effect on the reported gearing and equity ratio of Storent Group. For example as of 1 January 2019, the amended IFRS standards (IFRS 16 – "Leases") come into force. Storent is assessing the potential impact of these amended standards on the consolidated financial statements of Storent Group. The amended standards may have a material adverse effect on Storent Group's business, financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Taxation risks may have an adverse impact on the Issuer if materialised

Storent Group's taxation risk is related to changes in tax rates or tax legislation or possible erroneous or deviating interpretations, and the materialisation of the risk may lead to payment increases or sanctions imposed by the tax authorities, which may, in turn, result in financial losses.

Changes in tax laws and regulations or their interpretation and application may increase Storent Group's tax burden to a significant degree, which could have a material adverse effect on Storent Group's financial position, results of operations and future prospects and, thereby, on Storent's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

Risks Related to the Notes

The following risk factors are, among other things, material in order to assess the risks associated with the Notes.

The Notes may not be a suitable investment for all investors

The Notes may not be a suitable investment for all investors. Thus, each potential investor in the Notes must assess the suitability of that investment in light of their own circumstances. A potential investor should not invest in the Notes unless it has the expertise (either personal or with the relevant support from a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. In particular, each potential investor should:

- have a sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or referred to in this Listing Prospectus and documents attached to this Listing Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- be able to evaluate either independently or with the relevant support from a financial advisor possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the associated risk.

Possibility to forfeit interest and principle amount invested

Should Storent become insolvent, legal protection proceedings or out-of-court legal protection proceedings of Storent are initiated during the term of the Notes, an investor may forfeit interest payable on, and the principle amount of, the Notes in whole or in part. An investor is always solely responsible for the economic consequences of its investment decisions.

No guarantee or security

The Notes will not constitute an obligation of anyone other than Storent and they will not be guaranteed. No one other than Storent will accept any liability whatsoever in respect of any failure by Storent to pay any amount due under the Notes.

The Notes are unsecured debt instruments and the Noteholders would be unsecured creditors in the event of Storent's insolvency.

Adverse change in the financial condition or prospects of Storent

Any adverse change in the financial condition or prospects of Storent may have a material adverse effect on the liquidity of the Notes, and may result in a material decline in their market price. Such adverse change may result in a reduced probability that the Noteholders will be fully repaid on time. This provision concerns for the principal and interest amounts and/or any other amounts and items payable to the Noteholders pursuant to the Terms and Conditions of the Notes from time to time.

No limitation on issuing additional debt

Storent is not prohibited from issuing further debt. If Storent incurs significant additional debt of an equivalent seniority with the Notes, it will increase the number of claims that would be equally entitled to receive the proceeds, including those related to Storent's possible insolvency. Further, any provision which confers, purports to confer, or waives a right to create security interest in favour of third parties, such as a negative pledge, is ineffective against third parties since: (i) it is an issue of a contractual arrangement only being binding upon the parties to such contractual arrangement; (ii) there is no specific legislation in Latvia providing beneficiaries of negative pledge undertakings or covenants with a preferred position vis-a-vis the claims of third parties; and (iii) no registry or public record exists in Latvia through which negative pledge undertakings or covenants could be filed to obtain a preferred position. Should Storent breach its obligations under such undertakings and covenants and create a security interest in favour of a third party, such third party would obtain a valid and enforceable security interest over the pledged asset.

Refinancing risk

Storent may be required to refinance certain or all of its outstanding debt, including the Notes. Storent's ability to successfully refinance its debt depends on the conditions of debt capital markets and its own financial condition. Storent's inability to refinance its debt obligations on favourable terms, or at all, could have a negative impact on Storent Group's operations, financial condition, earnings and on the Noteholders' recovery under the Notes.

An active market for the Notes may not develop

Prior to the admission to trading on the regulated market, there is no public market for the Notes.

Admission of the Notes on a regulated market will not guarantee that a liquid public market for the Notes will develop or, if such market develops, that it will be maintained, and Storent is not under any obligation to maintain such market. If an active market for the Notes does not develop or is not maintained, it may result in a material decline in the market price of the Notes, and the liquidity of the Notes may be adversely affected. In addition, the liquidity and the market price of the Notes can be expected to vary along with the changes in market and economic conditions, the financial condition and the prospects of Storent, as well as many other factors that generally influence the market price for securities. Accordingly, due to such factors the Notes may trade at a discount to the price at which the Noteholders purchased the Notes. Therefore, investors may not be able to sell their Notes at all or at a price that will provide them with a yield comparable to similar financial instruments that are traded on a developed and functioning secondary market. Further, if additional and competing financial instruments are introduced on the markets, this may also result in a material decline in the market price and value of the Notes.

Fixed interest rate and inflation

The Notes will bear interest on their outstanding principal at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the price of such security could fall as a result of changes in the market interest rate. Market interest rates follow the changes in general economic conditions, and are affected by, among many other things, demand and supply for money, liquidity, inflation rate, economic growth, central banks' benchmark rates, and changes and expectations related thereto.

While the nominal compensation rate of a security with a fixed interest rate is fixed during the term of such security or during a certain period of time, market interest rates typically change continuously. In case market interest rates increase, the market price of such a security typically falls, until the yield of such security provides competitive risk-adjusted return. If market interest rates fall, the price of a security with a fixed interest rate typically increases, until the yield of such a security provides competitive risk-adjusted return. Consequently, the Noteholders should be aware that movements of market interest rates may result in a material decline in the market price of the Notes and can result in losses for the Noteholders if they sell the Notes. Furthermore, past performance of the Notes is not an indication of their future performance.

Also, inflation may result in a decline of the market price of the Notes, as it decreases the purchasing power of a currency unit and respectively the received interest.

Exchange rate risk

Storent will pay principal and interest on the Notes in EUR. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than EUR. These include the risk that exchange rates may significantly change (including changes due to devaluation of EUR or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify currency exchange controls. An appreciation in the value of the Investor's Currency relative to EUR would decrease the Investor's Currency-equivalent: (i) yield on the Notes; (ii) value of the principal payable on the Notes; and (iii) market value of the Notes.

No assurance on change of laws or practices

The Notes are governed by the laws of the Republic of Latvia. Latvian laws (including but not limited to tax laws) and regulations governing the Notes may change during the life of the Notes, and new judicial decisions can be issued and/or new administrative practices be adopted. No assurance can be given as to the impact of any of such possible changes of laws or regulations, or new judicial decision or administrative practice taking place after the date of this Listing Prospectus. Hence, such change may have a material adverse effect on Storent’s business, financial condition, results of operations and/or future prospects and, thereby, Storent’s ability to fulfil its obligations under the Notes, as well as taxation of the Notes, and the market price of the Notes. Such events may also result in material financial losses or damage to the Noteholders.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or reviews or regulations by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent: (i) the Notes constitute a legal investment from the part of the investor; (ii) the Notes can be used as collateral for various types of borrowings; and (iii) other restrictions apply to the purchase or pledge of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules. If the Notes are not a suitable investment for an investor due to legislative or regulatory restrictions or requirements such as the above, this may incur financial losses or damages, among other things, to such investor.

Risks related to early redemption

As specified in the Terms and Conditions of the Notes, the Issuer may voluntarily redeem the Notes all or partially prematurely on 30 June 2019 at the redemption price 101 per cent of the nominal value of the Notes redeemed plus accrued interest. Such early repayment initiated by the Issuer may incur financial losses or damage, among other things, to such Noteholders who had prepared themselves to have the amount of the Notes invested until the final maturity of the Notes.

As specified in the Terms and Conditions of the Notes, the Issuer is obliged to redeem the Notes in case of an Event of Default or a Change of Control of the Issuer. Such redemption may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes (Storent may not have sufficient funds at the time of the mandatory redemption), as well as the market price and value of such Notes.

In addition, there is a risk that the market value of the Notes is higher than the early redemption price at the time of redemption and that it may not be possible for Noteholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Notes and may only be able to do so at a significantly lower rate.

No voting rights

Only the shareholders of Storent have voting rights in the shareholders meetings of Storent. The Notes carry no such voting rights. Consequently, the Noteholders cannot influence any decisions by Storent's shareholders concerning, for instance, the capital structure of Storent.

Amendments to the Notes bind all Noteholders

The General Terms and Conditions of the Notes contain provisions for Noteholders to consider matters affecting their interests generally. The decisions of Noteholders (including amendments to the General Terms and Conditions of the Notes), subject to defined majorities requirements, will be binding to all Noteholders, including Noteholders who did not vote and Noteholders who voted in a manner contrary to the majority. This may cause financial losses, among other things, to all Noteholders, including the Noteholders who did not vote and Noteholders who voted in a manner contrary to the majority.

Risks relating to the clearing and settlement in the Depository’s book-entry system

The Notes will be affiliated to the account-based system of the Depository, and no physical notes will be issued. Clearing and settlement relating to the Notes will be carried out within the Depository's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of the Depository's account-based system.

Restrictions on the transferability of the Notes

The Notes have not been and will not be registered under the Securities Act or under securities laws of any state of the United States of America. Subject to certain exemptions, a holder of the Notes may not offer or sell the Notes in the United States of America. Storent has not undertaken to register the Notes under the Securities Act or under securities laws of any state of the United States of America, or to effect any exchange offer for the Notes in the future. Furthermore, Storent has not registered the Notes under any other country’s securities laws, other than laws of the Republic of Latvia. It is the Noteholder’s obligation to ensure that the offers and sales of Notes comply with all applicable securities laws.

Translation from Latvian

PARTY RESPONSIBLE FOR THE LISTING PROSPECTUS

Party Responsible for the Listing Prospectus

AS "Storent Investments"

Registration number: 40103834303

Legal address: Matrožu iela 15A, Riga, LV-1048, Latvia

Assurance of the Information Given in the Listing Prospectus

Storent and its management board are responsible for the information contained in this Listing Prospectus. Storent and its management board, having taken all reasonable care to ensure that such is the case, confirms that the information contained in the Listing Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Riga, 18 June 2018

Management board of AS "Storent Investments":

/signature/

____
Member of management board
Andris Bisnieks

/signature/

____
Member of management board
Andris Pavlovs

GENERAL INFORMATION

Management Board of Storent

Name	Position
Andris Bisnieks	Member of management board
Andris Pavlovs	Member of management board

Supervisory Board of Storent

Name	Position
Nicholas John Kabcenell	Chairman of supervisory board
Michal Lukasz Jozwiak	Deputy chairman of supervisory board
Baiba Onkele	Member of supervisory board

Storent's Auditor

Deloitte Audits Latvia SIA

Registration number: 40003606960

Legal address: Grēdu iela 4A, Riga, LV-1019, Latvia

Financial Advisor to Storent

Redgate Capital AS

Legal Address: Pärnu mnt 10, Tallinn 10148, Estonia

Legal Advisor to Storent

Attorneys at Law COBALT

Legal Address: Marijas iela 13 k-2, Riga, LV-1050, Latvia

Interests of Natural and Legal Persons Involved in the Issue

So far as Storent is aware, no person involved in the offer of the Notes has an interest material to the issue, nor any conflicting interests.

Credit Ratings

Neither Storent, nor the Notes have been assigned any credit ratings at the request or with the co-operation of the Issuer in the rating process.

Availability of the Listing Prospectus

The copies of the Listing Prospectus are available at the legal address of Storent at Matrožu iela 15A, Riga, LV-1048, Latvia on business days within the limits of normal business hours upon request, and in electronic format on Storent's website www.storent.com.

Third Party Information and Statement by Experts and Declarations of any Interest

The audited consolidated annual report of Storent Group for the years ended 31 December 2016 and 2017 attached to the Listing Prospectus contain auditor's report. During the preparation of the Listing Prospectus, information provided on the websites of Euroconstruct (www.euroconstruct.org), the Confederation of Finnish

Construction Industries (www.rakennusteollisuus.fi) and Forecon (www.forecon.fi) was used. This information has been accurately reproduced and as far as Storent is aware and was able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Other Information on the Website is not Part of the Listing Prospectus

The Listing Prospectus, as well as documents attached to the Listing Prospectus are published on Storent's website www.storent.com. Other information presented on the aforementioned website or on any other website does not, however, form part of the Listing Prospectus.

Resolutions of Storent

The shareholders of Storent have at their meeting on 14 June 2017 authorised the issue of the Notes and authorised the management board of Storent to approve the Terms and Conditions of the Notes, the characteristics of the Notes, the Listing Prospectus and any of the documents thereto, as well as any amendments and supplements thereof.

Management board of Storent has at its meeting on 19 June 2017 approved the Terms and Conditions of the Notes and at its meeting on 18 June 2018 - the Listing Prospectus.

Governing Law

The Notes are issued in accordance with the laws of the Republic of Latvia. The Listing Prospectus and Terms and Conditions of the Notes are governed by and construed in accordance with the laws of the Republic of Latvia. Any disputes relating to or arising from the aforementioned will be settled solely by the courts of the Republic of Latvia of competent jurisdiction.

INFORMATION ABOUT STORENT GROUP

General information

The legal and commercial name of the Issuer is AS “Storent Investments”. Storent is a joint stock company (in Latvian – *akciju sabiedrība*) incorporated pursuant to the laws of the Republic of Latvia on 7 October 2014. Storent is registered with the Commercial Register of the Republic of Latvia and operates according to the legislation of the Republic of Latvia.

Storent Group operates as a construction and industrial equipment rental company in Baltic countries, Finland, Russia (Kaliningrad) and Sweden. As of 31 December 2017 Storent had 29 depots in 6 countries.

Equipment offered for rent by Storent Group consists of industrial and construction brands of leading Western manufacturers (Bosch, Husqvarna, Bobcat, CAT, HILTI, Karcher, Halotte, JCB etc.). Storent Group offers 24 different product groups for rent, the major being aerial lifts and working platforms, earthmoving equipment and scaffolding.

Storent Group rents both, their own and equipment owned by third-parties via Storent’s rental platform.

Storent Group also provides assembly and removal, tractor machinery operator, transportation and sale services.

Basic information

Registration number:	40103834303
Registered address:	Matrožu iela 15A, Riga, LV-1048, Latvia
Website:	www.storent.com
Telephone number:	+371 29340012
E-mail:	investor.relations@storent.com

History and development of Storent

2008 – SIA “Storent” was established on 17 April 2008 with an aim to become the largest rental services company specialising in construction machinery and equipment rental in Latvia and other nearby European countries. First foreign subsidiary UAB Storent was established in Lithuania at the end of 2008. All subsidiaries were consolidated under SIA “Storent”.

2009 – A subsidiary OÜ Storent was established in Estonia in mid-2009. A rental depots were opened in Vilnius and Tallinn.

2010 – SIA “Storent” finished the financial year among TOP 3 market leaders in rental service companies by annual revenue that specialise in construction machinery and equipment rental in Latvia. Web site www.storent.com was launched. 7 new rental depots were opened – 3 in Latvia, 3 in Lithuania and 1 in Estonia.

2011 – For the first time, SIA “Storent”, UAB Storent and OÜ Storent (hereinafter – “**Storent Baltics**”) finished the financial year among TOP 3 market leaders in rental service companies by annual revenue that specialise in construction machinery and equipment rental in the Baltics. A subsidiary Oy Storent was established in Finland at the end of 2011. 5 new rental depots were opened – 3 in Latvia, 1 in Lithuania and 1 in Estonia.

2012 – Storent Baltics remained among TOP 3 market leaders in the Baltics. 7 new rental depots were opened - 2 in Latvia, 1 in Lithuania and 4 in Estonia. SIA “Storent holding” was established in Latvia, which created Storent Group consisting of 5 entities – SIA “Storent holding” and 4 subsidiaries in the Baltics and Scandinavia.

2013 – Storent Baltics remained among TOP 3 market leaders in the Baltics. A subsidiary Storent AB was established in Sweden and a subsidiary Storent AS was established in Norway. 1 new rental depot was opened in Latvia. At the end of 2013 Storent Group (SIA “Storent holding” and 6 subsidiaries in the Baltics and Scandinavia) consisted of 7 entities.

2014 – Storent Baltics remained among TOP 3 market leaders in the Baltics. AS “Storent Investments” was established on 7 October 2014 in Latvia. A reputable investor Darby Private Equity made an investment in Storent via Darby Converging Europe Fund III (SCS) SICAR. The new investment was attracted to expand the rental machinery and equipment offering, strengthen Storent's position in the Baltics and expand development in other geographic markets.

2015 – Storent Baltics remained among TOP 3 market leaders in the Baltics. A reorganization of SIA "Storent holding" was implemented by merging it with AS "Storent Investments".

2016 – Storent Baltics remained among TOP 3 market leaders in the Baltics. In December 2016, Oy Storent acquired Oy Leinolift, a Finnish rental company with main business segments in rent of aerial lifts and cranes. At the end of 2016 Storent Group (the Issuer and 7 subsidiaries in the Baltics and Scandinavia) consisted of 8 entities.

2017 – In August 2017, Storent Group finalized the second acquisition by purchasing Cramo operations in Latvia and Kaliningrad. The acquisition perfectly fit Storent development strategy and allowed Storent to reach leading market position in Latvia. In summer 2017, Storent Group started rental operations in Sweden. At that point only Norwegian entity did not conduct economic activity (this remains true also on the date of this Listing Prospectus). At the end of 2017 Storent Group consisted of 9 entities with the Issuer and 8 subsidiaries in the Baltics, Russia and Scandinavia.

There have not been any recent material events that would be relevant for assessing the solvency of Storent.

Investments

During financial year 2017, Storent Group made approximately EUR 8 million investments in fixed assets that allowed to open first rental depot in Sweden, Stockholm and to expand rental fleet in Finland and Baltics. Storent Group management plans to continue investing in development of subsidiaries in Baltics with an objective to acquire bigger part of market share and to become the market leader, as well as continue to strengthen its position in Nordic market.

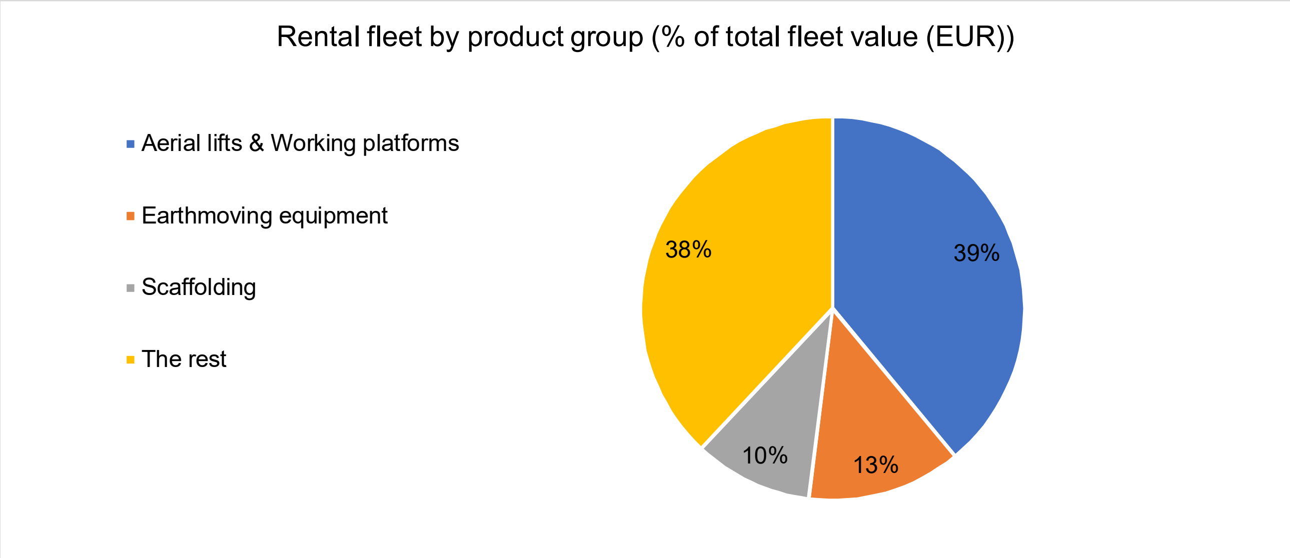
Since 31 December 2017 Storent Group has made investments in total amount of EUR 1 million. The investments were primarily made to expand the rental fleet. Storent Group's management estimates that investments in 2018 will be financed primarily through cash flow from operations and credit facilities.

As of the day of this Listing Prospectus, Storent Group's management has not made any firm, irreversible investment commitments.

BUSINESS OWERVIEW

Principal activities

Storent Group offers 24 different product groups for rent: earthmoving equipment, telescopic handlers and forklifts, aerial lifts & working platforms, scaffolding, aluminium towers and ladders, dround tightening and compaction equipment, reinforced bar proceeding equipment, concrete equipment, air compressors and air tools, generators and electrical equipment, welding machines, power tools, heaters and dehumidifiers, cleaning equipment, hydraulic equipment, pumps, levelling & measuring equipment, site units, containers and WC, mobile fences, other tools, cranes, glaslift, heavy team, other units, trucks and equipment.



Storent rents both their own and third-party equipment via Storent's rental platform.

Storent also provides assembly and removal, tractor machinery operator, transportation, and sale services.

Storent does no plan to make any material or significant changes in 2018 in its products or activities.

Principal markets

Storent Group operates in 6 countries – Latvia, Finland, Lithuania, Estonia, Russia (Kaliningrad), Sweden. Further details of the respective business segments are presented below.

Sales by geographical area	**2017 EUR**	**2016 EUR**
Finland	11,277,868	-
Latvia	11,159,693	6,743,608
Lithuania	9,463,249	7,896,647
Estonia	6,110,368	4,785,094
Russia (Kaliningrad)	385,794	-
Sweden	273,583	1,526

Finland

Storent Group entered Finnish market in 2016 by purchasing Leinolift Oy. Finland is Storent Group's largest geographic market. Sales in 2017 were approximately EUR 11.3 million (29 per cent of total sales of Storent Group).

As of 31 December 2017 there were 3 rental depots in Finland.

Main competitors in Finland are Cramo, Hämeen Rakennuskone, Pekkaniska, Ramirent, Renta Group, Telinekataja.

Latvia

Storent Group launched its business operation in Latvia in 2008. At the end of 2017 Latvian market was the second largest geographic market for Storent Group. Sales in 2017 were approximately EUR 11.2 million (29 per cent of total sales of Storent Group). In August 2017, Storent Group strengthened its market position in Latvia by fully acquiring Cramo business operation in Latvian market.

As of 31 December 2017 there were 13 rental depots in Latvia. According to Storent's management, in 2017 SIA "Storent" (together with the acquired Cramo operations) was the largest construction and industrial equipment rental company in Latvia.

Main competitors in Latvian market are Ramirent, CT Noma, Witraktor, Konekesko, Stats Serviss and Valiants.

Lithuania

Storent Group launched its business operation in Lithuanian market in 2008 via its subsidiary UAB Storent. Lithuania is Storent Group's third largest geographic market. Sales in 2017 were approximately EUR 9.5 million (24 per cent of total sales of Storent Group).

As of 31 December 2017 there were 6 rental depots in Lithuania.

Main competitors in Lithuania are Cramo, Ramirent, Transrifus, Gotas, Alfeta and Kurt Koenig.

Estonia

Storent Group launched its business operation in Estonian market in 2009 via its subsidiary OÜ Storent. Estonia is Storent Group's fourht largest geographic market. Sales in 2017 were approximately EUR 6.1 million (16 per cent of total Group's sales).

As of 31 December 2017 there were 5 rental depots in Estonia.

Main competitors in Estonia are Cramo, Ramirent, Telinekataja, Stroman, Baltem and Kaurits.

Russia

Storent Group entered Russian market in August 2017 by purchasing 100 per cent of Cramo operations in Kaliningrad. Hence in the Russian market, Storent Group only operates in Kaliningrad region, a Russian exclave between Poland and Lithuania. This is Storent Group's fifth largest geographic market.

Sales in 2017 were approximately EUR 0.4 million (1 per cent of total sales of Storent Group).

As of 31 December 2017 there was 1 rental depot in Russia (Kaliningrad).

Sweden

Storent Group started business operation in Sweden in 2017. The operating company is Storent AS which was established in 2013. Sweden is Storent Group's sixth largest geographic market.

Sales in 2017 were approximately EUR 0.3 million (1 per cent of total sales of Storent Group).

As of 31 December 2017 there was 1 rental depot in Sweden.

Main competitors in Sweden are Ramirent, Cramo, Lambertsson, Skanska Maskin, Stavdal and HLL.

ORGANISATIONAL STRUCTURE

Storent is a parent company of Storent Group. Storent Group is controlled by Levina Investments S.à r.l., a Luxembourg-based company, and the ultimate owner of the Storent Group is Darby Converging Europe Fund III (SCS) SICAR, a company registered in Luxembourg. As of the date of this Listing Prospectus, Storent Group includes Storent and the following wholly owned subsidiaries:

- SIA "Storent", incorporated in Latvia;
- Storent UAB, incorporated in Lithuania;
- Storent OÜ, incorporated in Estonia;
- Storent Oy, incorporated in Finland;
- Leinolift Oy, incorporated in Finland (owned indirectly through Storent Oy);
- Storent AB, incorporated in Sweden;
- Storent AS, incorporated in Norway; and
- Storent OOO, incorporated in Russia.

SHAREHOLDERS, ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

In accordance with the Commercial Law and the Articles of Association of Storent, Storent has the following management and supervisory bodies:

- shareholders' meeting;
- supervisory board; and
- management board.

Shareholders' Meeting

The shareholders' meeting is the superior governing forum of Storent. The shareholders' meeting is convened by the management board of Storent in the order prescribed by the Commercial Law. It has the capacity to act irrespective of the time and manner it was convened if all share capital with voting rights is present at the meeting. The shareholders' meeting of Storent is considered to have quorum if shareholders representing more than 50 per cent of the voting rights are present at the shareholders' meeting of Storent.

The shareholders' meeting of Storent is entitled to adopt the decisions on, *inter alia*, approval of the annual reports, distribution of profits, election and revocation of the members of the supervisory board, auditors, controllers and liquidators, bringing a claim or withdrawing a claim brought against a member of the supervisory board or the management board or an auditor, amendments to the Articles of Association, increasing or decreasing equity capital, issue and conversion of securities, the amount of remuneration to be paid to auditors and members of the supervisory board and management board, termination, continuation, suspension and resumption of business activities, reorganization, granting of shares to employees and members of the management board and supervisory board.

At the date of this Listing Prospectus the shareholders of Storent are:

- Levina Investments S.à r.l., a Luxembourg private limited liability company with Business Identity Code B189856, which owns 73 per cent of shares in Storent. Levina Investments S.à r.l. is wholly owned subsidiary of Darby Converging Europe Fund III (SCS) SICAR registered in Luxemburg;
- Torrini Ltd, a Cyprus limited liability company with Business Identity Code HE295201, which owns 13.5 per cent of shares in Storent. All shares in Torrini Ltd are owned by a private individual Andris Pavlovs;
- Perle Consultancy Ltd, a Cyprus limited liability company with Business Identity Code HE287161, which owns 13.5 per cent of shares in Storent. All shares in Perle Consultancy Ltd are owned by a private individual Andris Bisnieks.

Supervisory Board

The supervisory board of Storent is a collegial body, being the representative of the shareholders between the shareholders' meetings. The main task of the supervisory board is to supervise and monitor the activities of Storent and the management board of Storent.

The members of the supervisory board are elected by the shareholders' meeting, subject to their written consents. The office term for members of the supervisory board is five years.

The supervisory board of Storent is entitled to:

- elect, recall and supervise members of the management board;
- monitor and ensure that the business activities of Storent are conducted in accordance with laws of the Republic of Latvia, the Articles of Association and the decisions of the shareholders' meeting;
- examine the annual reports of Storent and the proposal of the management board regarding the use of profits and prepare a report thereof;
- represent Storent in a court in all actions brought by Storent against members of the management board, as well as in actions brought by the management board against Storent and to represent Storent in other legal relations with members of the management board;

- approve entering into a transaction or provide a consent for entering into a transaction between Storent and a member of the management board or supervisory board, associated person or the auditor;
- examine in advance all issues which are within the competence of the shareholders' meeting or which, pursuant to the proposal of members of the management board or supervisory board, have been proposed for discussions at the meeting, and to provide its opinion on such issues;
- provide a consent for a decision of the management board to increase the share capital of Storent and amend the Articles of Association.

The supervisory board of Storent consists of three members. As of the date of this Listing Prospectus, the members of the supervisory board of Storent are:

- **Nicholas John Kabcenell**, chairman of supervisory board. Mr. Kabcenell as of 2005 is also a Managing Director at Darby Private Equity, currently responsible for Darby's two credit funds in Central Europe and Turkey. Mr. Kabcenell has spent the better part of twenty five years executing transactions and investing in the Central Europe region. He joined Dresdner Kleinwort Capital's (DrKC) (later Allianz private equity) Central European team in June 2002 and remained there in various capacities until joining Darby. At DrKC, he was brought in to help restructure a CEE private equity fund (a job he completed in 2007 while at Darby). Immediately prior to joining DrKC, Mr. Kabcenell was Head of Strategy and M&A at Carrier 1 International (a publicly traded alternative telecommunications operator in Western Europe). From 1994 to 1999, he worked for Creditanstalt/ Bank Austria in Budapest and New York, including acting as CEO of Creditanstalt's investment banking and brokerage subsidiary in the United States. Mr. Kabcenell began his career at Debevoise & Plimpton (a law firm) in New York City. A native of New York City, Mr. Kabcenell holds a J.D. from Columbia University School of Law (three time Stone Scholar) and a B.A. in Political Science (High Honor and High Distinction) from the University of Michigan, Ann Arbor;
- **Michal Lukasz Jozwiak**, deputy chairman of supervisory board. Mr. Jozwiak is also a Senior Vice President at the Central Europe team of Darby Private Equity, which he joined in 2008. He served as a non-executive board member at six portfolio companies across the CEE. Prior to joining Darby, Mr. Jozwiak worked at Roland Berger Strategy Consultants in Poland with a focus on restructuring and corporate finance. Previously he was an associate in PricewaterhouseCoopers' Business Restructuring Services team in Poland. Mr. Jozwiak holds an M.A. in Finance and Banking from the Warsaw School of Economics;
- **Baiba Onkele**, member of the supervisory board. Ms. Onkele has more than 20 years of experience in accounting and finance, including 14 years of experience in the rental business. Ms. Onkele has been an accountant of SIA "Omnilat" between 1998 and 2002 and chief accountant of SIA "Ramiteh" between 2002 and 2008. Since 2008 Ms. Onkele is the chief financial officer of SIA "Storent" and since 2014 – the chief financial officer of Storent. Ms. Onkele also holds a position of deputy board member at Strorent AB (Sweden) and Storent AS (Norway) Ms. Onkele holds a bachelor's degree in business management and a degree in accounting from University of Latvia.

The business address of each member of the supervisory board of Storent is Matrožu iela 15A, Riga, LV-1048, Latvia.

Management Board

The management board of Storent is the executive body, which manages and represents Storent in its daily business activities.

The members of the management board are elected by the supervisory board. The chairman of management board is appointed by the supervisory board from among the members of the management board. The office term for members of the management board is five years.

According to the Articles of Association of Storent the management board of Storent consists of three members. However, as of the date of this Listing Prospectus Storent has only two members of the management board:

- **Andris Bisnieks**, member of the management board. Mr. Bisnieks has more than 20 of experience in the rental business. Mr. Bisnieks has been a member of the management board of SIA "Ramiteh" between 1996 and 1998 and between 2003 and 2008. Mr. Bisnieks has been the managing director of SIA

"Ramirent" between 1999 and 2003 and a member of the management board of SIA "Ramirent" between 2003 and 2008. Since 2008 Mr Bisnieks is the chairman of the management board of SIA "Storent". At the date of this Listing Prospectus Mr. Bisnieks is also serves at the management board at Storent OÜ (Estonia) Storent Oy (Finland) Leinolift Oy (Finland), Storent AB (Sweden) and Storent AS (Norway). Mr. Bisnieks holds a master's degree in civil engineering from Latvia University of Agriculture;

- **Andris Pavlovs**, member of the management board. Mr. Pavlovs has more than 20 years of experience in audit and accounting, including 17 years of experience in the rental business. Mr. Pavlovs has been the chief financial officer of SIA "Ramiteh" between 2003 and 2008. Since 2008 Mr. Pavlovs is a member of the management board of SIA "Storent". At the date of this Listing Prospectus Mr. Pavlovs is also serves at the management board at Storent OÜ (Estonia), Storent Oy (Finland), Leinolift Oy (Finland) Storent AB (Sweden) and Storent AS (Norway). Mr. Pavlovs holds an MBA degree (with distinction) from Riga Business School.

The business address of each member of the management board is Matrožu iela 15A, Riga, LV-1048, Latvia.

Conflict of interest

Storent confirms that members of the supervisory board and management board of Storent do not have conflict of interest between their duties performed in Storent and their private interests and/or their other duties.

Employees

As of 31 December 2017 Storent Group employed a total of 292 professionals:

- AS "Storent Investments", incorporated in Latvia, – 11 employees;
- SIA "Storent", incorporated in Latvia, – 83 employees;
- Storent UAB, incorporated in Lithuania, – 57 employees;
- Storent OÜ, incorporated in Estonia, – 48 employees;
- Storent Oy, incorporated in Finland, – 0 employees;
- Leinolift Oy, incorporated in Finland (owned indirectly through Storent Oy), – 69 employees;
- Storent AB, incorporated in Sweden, – 7 employees;
- Storent AS, incorporated in Norway, – 0 employees;
- Storent OOO, incorporated in Russia, – 10 employees.

BOARD PRACTICES

Management of Storent is organised in accordance with good corporate governance practices in line with laws of the Republic of Latvia.

At the date of this Listing Prospectus, Storent had not established an audit committee. The audit committee will be elected in the next shareholders' meeting of Storent which takes place following to the admission of the Notes to listing and trading on the official bond list (the Baltic Bond List) of Nasdaq Riga.

The audit committee will have, *inter alia*, the following tasks:

1) to supervise the preparation process of annual report of Storent and consolidated annual report of Storent Group, and to provide proposals to the supervisory board of Storent for ensuring the credibility and objectivity of the annual report of Storent and consolidated annual report of Storent Group;
2) to supervise the efficiency of operation of the internal control, risk management, and internal audit system of Storent insofar as it applies to ensuring the credibility and objectivity of annual reports of Storent and consolidated annual reports of Storent Group, and to provide proposals for eliminating deficiencies of the relevant system;
3) to supervise the course of audit of the annual report of Storent and consolidated annual report of Storent Group;
4) to verify and supervise whether Storent's auditor prior to commencing and during the course of audit of the annual report of Storent and consolidated annual report of Storent Group complies with the requirements of independence and objectivity laid down in the Audit Services Law, Article 6 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC ("**Regulation 537/2014**") regarding preparation for the statutory audit and assessment of threats to independence, and the prohibition of the provision of non-audit services specified in Article 5 of Regulation 537/2014;
5) to inform the supervisory board of Storent about the conclusions drawn by Storent's auditor during the audit of the annual report of Storent and consolidated annual report of Storent Group, and to provide an opinion on how the audit has promoted the credibility and objectivity of the annual report of Storent and consolidated annual report of Storent Group, as well as to inform the supervisory board of Storent on significance of the audit committee during this process;
6) to ensure the selection process of candidates for Storent's auditors in accordance with Article 16 of Regulation No 537/2014; and
7) to perform other tasks specified for the audit committee in Regulation 537/2014.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table is a summary of Storent Group's audited consolidated financial performance and key performance indicators for the two financial years ended 31 December 2016 and 2017. The information set out in the table below has been extracted from and is qualified by reference to and should be read in conjunction with the audited consolidated annual report of Storent Group for the years ended 31 December 2016 and 2017, which is attached to this Listing Prospectus and forms an integral part of this Listing Prospectus. Annual report of Storent Group is prepared according to the International Financial Reporting Standards (the "**IFRS**").

Key financial information

(figures in thousands of EUR)	**2017**	**2016**
Net operating income[1)]	38,861	19,505
EBITDA[2)]	11,820	6,092
Total income for the reporting year	44	-3,088
Total non-current assets	71,509	65,820
Total current assets	13,316	8,799
Total assets	**84,825**	**74,619**
Total shareholder's equity	26,824	995
Total non-current liabilities	37,789	58,967
Total current liabilities	20,212	14,657
Total liabilities	**84,825**	**74,619**
Net cash flow from operating activities	10,336	4,226
Net cash flow from investing activities	-6,706	-4,255
Net cash flow from financing activities	-1,712	-114
Variance in exchange rates	-16	0
Net cash flow for the reporting year	**1,902**	**-143**

Consolidated income statement

(figures in EUR)	**2017**	**2016**
Net turnover	38,670,555	19,426,875
Other operating income	190,416	77,892
Cost of materials and services	12,734,509	6,076,318
Personnel costs	8,555,743	4,472,506
Other operating costs	5,750,588	2,864,357
Depreciation and amortization	8,387,318	6,384,759
Other interest and similar income	955	0
Interest payable and similar costs	3,191,886	2,906,095
Profit/(loss) before tax	**241,882**	**-3,199,268**
Corporate income tax	-181,908	110,961
Revaluation of foreign currency	-16,195	0
Total income of the reporting year	**43,779**	**-3,088,307**

Consolidated financial overview

(figures in EUR)	**2017**	**2016**
ASSETS	**84,824,802**	**74,619,045**
Non-current assets	71,509,019	65,819,657
Total intangible assets	*16,193,363*	*15,133,797*
Total property, plant and equipment	*55,119,400*	*49,549,219*
Total other non-current assets	*196,256*	*1,136,641*
Current assets	13,315,783	8,799,388
Inventories	*1,042,870*	*692,646*
Total receivables	*6,032,959*	*3,983,226*

Cash and cash equivalents	*6,239,954*	*4,123,516*
EQUITY AND LIABILITIES	**84,824,802**	**74,619,045**
Equity total	26,823,566	995,296
Non-current creditors	37,788,802	58,966,691
Current creditors	20,212,434	14,657,058

Consolidated cash flow statement

(figures in EUR)	**2017**	**2016**
Cash flows from operating activities		
Gross operating cash flow	13,249,635	5,728,545
Expenditure on interest payments	-2,573,383	-1,333,640
Expenditure on orporate income tax payments	-340,324	-168,865
Net cash flow from operating activities	10,335,928	4,226,040
Cash flows from investing activities		
Purchase of property, plant and equipment	-2,397,348	-1,642,885
Acquisition of subsidiaries	-4,560,229	-2,800,000
Proceeds from sale of property, plant and equipment	251,270	187,771
Net cash flow from investing activities	-6,706,307	-4,255,114
Cash flows from financing		
Proceeds from borrowings	11,744,652	4,000,000
Proceeds from leaseback transactions	1,117,000	5,638,739
Expenditure on repayment of loans	-5,145,351	-2,059,473
Expenditure on the redemption of leased fixed assets	-9,428,162	-7,693,505
Net cash flow from financing activities	-1,711,861	-114,239
Variance in exchange rates	-16,195	0
Net cash flow for the year	**1,901,565**	**-143,313**

Key financial ratios

	2017	**2016**
Shareholders Equity to Assets[3)]	32%	1%
Net Debt/EBITDA Ratio[4)]	3.6	10.1
Liquidity ratio[5)]	0.66	0.60

1) Net operating income is the indicator of total operating income of the company for the reporting year. Net operating income is calculated by adding "Net sales" to "Other operating income".
2) EBITDA is the company's profit/(loss) before tax, less "Other interest and similar income", but includes "Depreciation and amortization" and "Interest payable and similar costs". EBITDA is an indicator of the company's profitability.
3) Storent's total shareholders' equity expressed as a per cent of the Issuer's total amount of assets as at the end of each year. Shareholders Equity to Assets is a financial covenant that is included in the Terms and Conditions of the Notes. Storent must ensure that this indicator is not less than 25 percent. This ratio is a long-term solvency ratio.
4) Net Debt[a)] is reviewed at the end of the reporting year against EBITDA for the reporting year. Net Debt/EBITDA is a financial covenant that is included in the Terms and Conditions of the Notes. Storent must ensure that this figure does not exceed 4. This ratio represents the company's ability to service its debt.
    a) Net debt is the sum of long-term and short-term creditors "Loans from credit institutions", "Loans against bonds", "Financial lease liabilities", "Loans from affiliated companies" and "Other loans" - (minus) "Cash and cash equivalents" at the end of the reporting year.
5) The Liquidity ratio is the ratio of total current assets to total short-term creditors in the relevant reporting period. The liquidity ratio describes Storent's ability to settle its short-term liabilities

Maturity of financial liabilities

Summary of maturity of financial liabilities of Storent Group at 31 December 2017:

(figures in EUR)	up to 1 year	more than 1 year
Loans from credit institutions	16,435	25,565
Loans against bonds	0	6,507,402
Loans from affiliated companies	0	4,883,870
Financial lease liabilities	9,254,841	19,101,594
Other loans	2,998,385	5,420,741
Total	12,269,661	35,939,172

Storent Group plans to repay the financial liabilities from its operating cash flow.

FINANCIAL AND TREND INFORMATION

Historical financial information

Storent Group's consolidated audited annual report as of and for the financial years ended 31 December 2016 and 2017 (prepared according to the IFRS) is attached to this Listing Prospectus and forms an integral part of this Listing Prospectus.

Legal and arbitration proceedings

Storent Group is not engaged in any governmental, legal or arbitration proceedings, and is not aware of any such proceedings pending or threatened against it during the 12 month-period prior to the date of this Listing Prospectus that may have, or have had in the recent past, significant effect on Storent and/or the Storent Group's financial position or profitability.

Significant changes in financial or trading position

There has been no material adverse change in Storent's or Storent Group's financial or trading position since 31 December 2017.

Trend information

There has been no significant change in the prospects of Storent or Storent Group since the date of the audited consolidated annual report of Storent Group for 2017 and 2016.

As of the date of this Listing Prospectus there are no information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Storent's or Storent Group's prospects and the industries in which Storent or Storent Group operates.

In the geographic markets Storent Group operates in, the construction market outlook for 2018 is mainly positive.

Construction market intelligence firms Euroconstruct and Forecon estimate that the Swedish market will grow approximately 3.5 per cent in 2018.

The Confederation of Finnish Construction Industries estimates that the construction market in Finland will grow by approximately 2 per cent in 2018.

In the Baltic states, construction industry will be particularly active during next few years because of EU fund investments and rapid implementation of private projects. Forecon's construction market growth estimate for the Baltic states is 3.4 per cent.

According to Forecon the equipment rental market is expected to grow by approximately 5 per cent in Finland, 3 per cent in Sweden and 2 per cent in Estonia and Lithuania in 2018.

Russian operation provides new opportunities in a region, which experiences boost due to an upcoming 2018 FIFA World Cup in Kaliningrad.

Future outlook

Storent has not made any profit forecast or profit estimate in this Listing Prospectus, however, in its consolidated annual report for 2017 and 2016 Storent provided the following prospects for 2018:

"The Group management expects that active acquisition of EU funds will continue through 2018, which will give a positive effect on the development of construction industry. Rental pricing increase expected to continue through the year. Currently available bank financing represents an additional driver for stable economic growth in the Baltic and Nordic countries, and this brings extra incentive to the construction sector. Taking into consideration the above-mentioned circumstances, the management of the Group plans to increase net sales in 2018 and to increase profitability."

ADDITIONAL INFORMATION

Share capital

The amount of the share capital of Storent is EUR 33,316,278 and it is composed of 33,316,278 shares. All shares are paid up. All shares are registered shares and they are dematerialised. The nominal value of a share is EUR 1.

Articles of Association

Most recent Articles of Association of Storent were approved by the Shareholders' Meeting of Storent on 14 June 2017.

The objectives and purposes of Storent are stated in Clause 2 of the Articles of Association of Storent. According to the NACE classification the economic activities of Storent are as follows:

- activities of holding companies; and
- renting and leasing of construction and civil engineering machinery and equipment.

Material contracts

Storent does not have any material contracts that are entered into outside of the ordinary course of Storent Group's business, which could result in any member of Storent Group being under an obligation or entitlement that is material to the Storent's ability to meet its obligation to the Noteholders in respect of the Notes.

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TAXATION

The following is a general summary of certain tax consideration in the Republic of Latvia in relation to the Notes. It is not exhaustive and does not purport to be a complete analysis of all tax consequences relating to the Notes, as well as does not take into account or discuss the tax implications of any country other than the Republic of Latvia. The information provided in this section shall not be treated as legal or tax advice; and prospective investors are advised to consult their own tax advisors as to the tax consequences of ownership and disposal of the Notes applicable to their particular circumstances.

This summary is based on the laws of Latvia as in force on the date of this Listing Prospectus and is subject to any change in law that may take effect after such date, provided that such changes could apply also retroactively.

Latvia has entered into number of tax conventions on elimination of the double taxation, which may provide more favourable taxation regime. Therefore, if there is a valid tax convention with the country of a non-resident prospective investor, it should be also examined. The procedures for application of tax conventions are provided in the Republic of Latvia Cabinet of Ministers' Regulations No. 178 "Procedures for Application of Tax Relief Determined in International Agreements for Prevention of Double Taxation and Tax Evasion" of 30 April 2001.

Taxation of the Noteholders Individuals

Resident Individuals

An individual will be considered as a resident of Latvia for taxation purposes:

- if the individual`s permanent place of residence is in the Republic of Latvia; or
- if the individual stays in the Republic of Latvia 183 days or more within any 12-month period, starting or ending in the taxation year; or
- if the individual is a citizen of the Republic of Latvia employed abroad by the government of the Republic of Latvia.

In accordance with the Law on Personal Income Tax the interest income from the Notes for resident individuals will be subject to 20 per cent withholding tax, deductible by the Issuer before the payment. The income from the disposal of the Notes will be subject to 20 per cent tax, but the tax would be payable by the individual him/herself.

Non-Resident Individuals

In accordance with the Law on Personal Income Tax the interest income from the Notes being circulated publicly as well as income from the disposal of the publicly circulated Notes will not be subject to tax in Latvia. If the Notes will not be publicly circulated, the interest income will be subject to 20 per cent withholding tax, deductible by the Issuer before the payment. If the Notes will not be circulated publicly, upon disposal of the Notes a 3 per cent withholding tax will be applied if the payment will be made by a legal entity or individual registered as economic operator located in Latvia. The Latvian payer is required to withhold such tax from the gross payment.

Taxation of the Noteholders Entities

Resident Entities

An entity will be considered as a resident of Latvia for tax purposes if it is or should have been established and registered in the Republic of Latvia in accordance with the legislative acts of the Republic of Latvia legal acts. This also include permanent establishments of foreign entities in Latvia.

As of 1 January 2018, Latvia has new corporate income tax (the "**CIT**") system under which retained earnings are exempt from CIT and only distributions are taxed. CIT is charged on direct profit distributions, such as dividends, and on implicit (deemed) distributions, including transfer pricing adjustments, gifts, payments not related to the business activities of the company, certain upstream group loans. Although CIT is imposed at the time of profit distributions, CIT is generally imposed on the corporation. CIT rate on gross profit distribution is 20 per cent. CIT on net amount of profit distribution is determined by dividing net amount with a coefficient of 0,8 (i.e., effective tax rate on net distributed profit is 25 per cent). Therefore, interest and gains realised from the sale of Notes has to be included in the taxable base of legal entities which are resident in Latvia or maintain a permanent establishment in Latvia; however, the taxation of such gains will only apply upon distribution of profits.

Non-Resident Entities

In accordance with the Corporate Income Tax Law the interest income and income from the disposal of the Notes for non-resident entities will not be taxable in Latvia, except if the receiver is located in low-tax or no-tax country or territory, as determined by the Republic of Latvia Cabinet of Ministers Regulations No. 655 “Regulations on Low-Tax or No-Tax Countries and Territories” of 9 November 2017.

Payments made to non-resident companies located, registered or incorporated in no-tax or low-tax country or territory are subject to a withholding tax of 20 per cent (if the payer is Latvian resident company) or 23 per cent (if the payer is Latvian individual resident). Purchase price paid by a Latvian resident company to non-residents located or registered in low-tax or no-tax country or territory for Notes being circulated publicly in the European Union or the European Economic Area will not be subject to withholding tax provided that the purchase price corresponds to the market price of the Notes.

INFORMATION ON THE NOTES INCLUDED IN THE REGULATED MARKET

Information on the Notes included in the regulated market is provided below. A full text of the Terms and Conditions of the Notes and their appendices, which also includes the provisions on which the Notes were issued Issue, is attached to the Listing Prospectus and forms an integral part of the Listing Prospectus.

1. Issued Notes

1.1. The Issuer, on the basis of the Terms and Conditions of the Notes approved on 19 June 2017 (hereinafter - the "**Terms and Conditions** "), on 30 June 2017 (hereinafter - the “**Issue Date**”) issued notes for the total principal amount of EUR 10 000 000 (ten million euros) (hereinafter - "**Notes**").

1.2. The Notes are denominated in EUR and the nominal value of each Note is EUR 100 (one hundred euros).

2. Form of the Notes and ISIN code

2.1. The Notes are freely transferable non-convertible debt securities, which contain payment obligations of the Issuer towards the noteholders (hereinafter – "**Noteholders**").

2.2. The Notes are dematerialized debt securities in bearer form which are disposable without any restrictions. However, the Notes cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Latvian law, including the United States of America, Australia, Canada, Hong Kong and Japan.

2.3. The Notes are book-entered with Nasdaq CSD SE (registration number: 40003242879, legal address: Vaļņu iela 1, Riga, LV-1050, Latvia) (the “**Depository**”) and the accounting of the Notes shall be made by the Depository. The ISIN code of the Notes is LV0000802304.

3. Status and security

3.1. The Notes constitute direct, unsecured and unguaranteed obligations of the Issuer ranking *pari passu* without any preference among each other and with all other unsecured, unguaranteed and unsubordinated Indebtedness of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.

4. Interest

4.1. The Notes shall bear interest at fixed interest rate of 8 (eight) per cent per annum (the “**Interest**”).

4.2. The Interest shall be paid on 30 September, 30 December, 30 March and 30 June each year (the “**Interest Payment Date**”) until the Maturity Date (as defined below) or the Early Redemption Date (as defined below), as applicable.

4.3. Interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Maturity Date or the Early Redemption Date, as applicable.

4.4. Interest shall be calculated on 30E/360 basis. The interest payment shall be determined according to the following formula:

CPN = F * C * n/360 where;

CPN – amount of an interest in EUR;

F – principal amount of Notes outstanding;

C – annual interest rate payable on the Notes;

n – number of days since the Issue Date or the last Interest Payment Date (as applicable) calculated on 30-day month basis.

4.5. Interest on the Notes shall be paid through the Depository in accordance with the applicable rules of the Depository to the persons which were registered as the Noteholders by the end of 5^{th} (fifth) Business Day immediately preceding the Interest Payment Date.

"**Business Day**" means a day on which banks in Riga are open for general business.

5. Maturity date, early redemption and principal payment

5.1. The Notes shall be repaid in full at their nominal amount on 30 June 2020 (the "**Maturity Date**"), unless they are redeemed prematurely in accordance with clause 5.2.

5.2. The Issuer has a right to redeem the Notes all or partially prematurely on 30 June 2019 (the "**Early Redemption Date**"). The Issuer shall notify the Noteholders in accordance with Clause 19 (*Notices*) of such redemption 30 (thirty) days before the Early Redemption Date by stating also the amount or extent of the redemption.

5.3. The redemption price to be paid to the Noteholders on the Early Redemption Date shall be 101 (one hundred one) per cent of the nominal value of the Notes redeemed. In addition, the Issuer shall pay to the Noteholders the unpaid Interest accrued on the redeemed Notes up to the Early Redemption Date (excluding the Early Redemption Date).

5.4. The Issuer shall transfer all payable amounts to the LCD account on the Maturity Date or the Early Redemption Date (as applicable) by the end of the Business Day immediately prior to the Maturity Date or the Early Redemption Date. The principal of the Notes shall be paid in accordance with the applicable rules of the LCD.

5.5. The principal of the Notes shall be paid through the Depository in accordance with the applicable rules of the Depository to the persons which were registered as the Noteholders by the end of Business Day immediately preceding the Maturity Date or the Early Redemption Date, as the case may be.

5.6. Should the Maturity Date or the Early Redemption Date fall on a date which is not a Business Day, the payment of the amount due will be postponed to the next Business Day. The postponement of the payment date shall not have an impact on the amount payable.

6. Default interest

If the Issuer fails to pay to the Noteholders any amount payable by it on its due date, then the Issuer shall pay to the Noteholders interest accruing on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which is 0.05% (zero point zero five per cent) per day.

7. Taxation

All payments in respect of the Notes by the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**"), unless the withholding or deduction of the Taxes is required by laws of the Republic of Latvia. In such case, the Issuer shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities in accordance with the applicable laws for the amount so required to be withheld or deducted. The Issuer shall not be obligated to make any additional compensation to the Noteholders in respect of such withholding or deduction.

8. Representations and warranties

8.1. In accordance with Clause 9 of the Terms and Conditions, the Issuer, its subsidiaries and shareholders give Noteholders certain representations and warranties.

8.2. In accordance with Clause 10 of the Terms and Conditions, the Issuer and its subsidiaries, subject to certain exceptions, are prohibited from pledging/encumbering their property, issuing loans or guarantees, disposing of assets, paying dividends, and making substantial changes to their business activities. Clause 10 of the Terms and Conditions also provides, inter alia, that the debt obligations of the Issuer and its subsidiaries vis-à-vis its shareholders are subordinated to the Issuer's obligations vis-à-vis the Noteholders.

9. Financial covenants

In accordance with Clause 11 of the Terms and Conditions, the Issuer has an obligation to observe the following financial covenants:

(a) Shareholders Equity to Assets Ratio may not be lower than 25 (twenty five) per cent at the end of each quarter;

(b) Net Debt/EBITDA Ratio for the for the previous 12 (twelve) months may not be higher than 4.0:

(i) as at the end of each quarter determined on the basis of the Issuer's consolidated monthly financial statements for the previous 12 (twelve) months; and

(ii) as at 31 December each year, as determined on the consolidated basis on the basis of each of the Issuer's annual financial reports.

10. Change of control

In accordance with Clause 12 of the Terms and Conditions, the Issuer shall, within 45 (forty-five) Business Days of learning that:

(a) Darby Converging Europe Fund III (SCS) SICAR ceases to own, directly or indirectly, more than 50 (fifty) per cent of the issued share capital of the Issuer or ceases to have the power, directly or indirectly, to cast, or control the casting of, more than 50 (fifty) per cent of the maximum number of votes that might be casted at a shareholders' meeting of the Issuer; or

(b) any of Andris Pavlovs, personal ID code: 300674-11822, or Andris Bisnieks, personal ID code: 150871-10001, ceases to own, directly or indirectly, any shares in the Issuer;

be under an obligation to prepay all Noteholders the principal amount of and the Interest accrued on the Notes (Interest on the Notes accrues until the prepayment date (excluding the prepayment date)), but without any premium or penalty..

11. Events of default

11.1. In accordance with Clause 13 of the Terms and Conditions, the Issuer, within 45 (forty-five) days after the occurrence of an event of default shall prepay all Noteholders the outstanding principal amount of the Notes and the Interest accrued on the Notes (Interest on the Notes accrues until the prepayment date (excluding the prepayment date)), but without any premium or penalty:

(a) **Non-Paymen**t: Any amount of Interest on or principal of the Notes has not been paid within 10 (ten) Business Days from the relevant due date;

(b) **Breach of Financial Covenants:** The Issuer does not comply with any financial covenant set out in the Terms and Conditions, unless the non-compliance is remedied by the end of quarter following the quarter in which the Issuer was non-compliant;

(c) **Breach of Other Obligations:** The Issuer, its shareholder or any subsidiary does not comply with the Terms and Conditions in any other way than as set out under item (a) (*Non-Payment*) and (b) (*Breach of Financial Covenants*) above, unless the non-compliance (i) is capable of being remedied and (ii) is remedied within 10 (ten) Business Days after the Issuer, Subsidiary or Shareholder (as applicable) becoming aware of the non-compliance;

(d) **Cessation of Business:** The Issuer or any of its subsidiaries cease to carry on its current business in its entirety or a substantial part thereof, other than: (i) pursuant to any sale, disposal, demerger, amalgamation, reorganization or restructuring or any cessation of business in each case on a solvent basis and within the Issuer's group, or (ii) for the purposes of, or pursuant to any terms approved by the Noteholders;

(e) **Liquidation**: An effective resolution is passed for the liquidation of the Issuer or any of its subsidiaries other than, in case of a subsidiary: (i) pursuant to an amalgamation, reorganization or restructuring in each case within the Issuer's group, or (ii) for the purposes of, or pursuant to any terms approved by the Noteholders;

(f) **Insolvency:** (i) the Issuer or any of its subsidiaries is declared insolvent or bankrupt by a court of competent jurisdictions or admits inability to pay its debts; (ii) the Issuer or any of its subsidiaries enters into any arrangement with majority of its creditors by value in relation to restructuring of its debts or any meeting is convened to consider a proposal for such arrangement; or (iii) an application to initiate insolvency, restructuring (including procedures such as legal protection process and out of court legal protection process) or administration of the Issuer or any of its subsidiaries or any other proceedings for the settlement of the debt of the Issuer or of any of its subsidiaries is submitted to the court by the Issuer or any of its subsidiaries.

11.2. In case of the Issuer's liquidation or insolvency the Noteholders shall have a right to receive payment of the outstanding principal amount of the Notes and the interest accrued on the Notes according to the relevant laws governing liquidation or insolvency of the Issuer.

12. Future issues

In accordance with Clause 15 of the Terms and Conditions the Issuer is not prohibited to issue any additional notes.

13. Purchases

Clause 16 of the Terms and Conditions stipulates that the Issuer and its related parties may at any time purchase the Notes. Such Notes may be held, resold or surrendered by the purchaser through the Issuer for cancellation. Notes held by or for the account of the Issuer or any related party for their own account will not carry the right to vote when passing decisions of the Noteholders and will not be taken into account in determining how many Notes are outstanding.

14. Time bar

Clause 17 of the Terms and Conditions stipulates that in case any payment under the Notes has not been claimed by the respective Noteholder entitled to this payment within 10 (ten) years from the original due date thereof, the right to such payment shall be forfeited by the Noteholder and the Issuer shall be permanently released from such payment.

15. Reporting

15.1. In addition to the reporting obligations provided in the applicable laws, the Issuer undertakes to provide the Noteholders with the following information:

(a) its quarterly reports (including consolidated income statement and balance sheet) by the end of the first month following the quarter for which the report is prepared, and audited annual reports by the end of the second quarter following the financial year for which the report is prepared;

(b) information if the Issuer is compliant with the financial covenants set out in Clause 11 of the Terms and Conditions, by the end of the first month following each quarter, specifying in reasonable detail calculations of the financial covenants;

(c) information on any new debt security issues, within 3 (three) Business Days after the issue;

(d) information on new share issues within 3 (three) Business Days after the issue;

(e) information on changes in the shareholder structure and the management board and supervisory board of the Issuer stating name, surname and professional experience of a new member, within 3 (three) Business Days after such changes;

(f) information on prepayment of the Notes in accordance with Clause 21 (I) of the Terms and Conditions, not later than 3 (three) Business Days after the relevant transaction.

15.2. All notices and reports to the Noteholders shall be published on Nasdaq Riga website and in the Central Storage of Regulated Information, as well as on the website of the Issuer (www.storent.com). Any notice or report published in such manner shall be deemed to have been received on the same Business Day when it is published.

16. Representation of the Noteholders

Clause 20 of the Terms and Conditions provides that the rights of the Noteholders to establish and/or authorize an organization/person to represent interests of all or a part of the Noteholders are not contemplated, but on the other hand these are not restricted. The Noteholders should cover all costs/fees of such representative(s) by themselves.

17. Decisions of Noteholders

Clause 21 of the Terms and Conditions provides for the procedure, by which the decisions of the Noteholders (including decisions on amendments to the Terms and Conditions or granting of consent or waiver) shall be passed. Noteholders' decisions can be made at a meeting of the Noteholders or in writing without convening the Noteholders' meeting at the choice of the Issuer. However, the Issuer shall have a right to amend the technical procedures relating to the Notes in respect of payments or other similar matters without the consent of the Noteholders, if such amendments are not prejudicial to the interests of the Noteholders.

DOCUMENTS ON DISPLAY

Copies of the following documents during validity of this Listing Prospectus are available on the Storent's website www.storen.com and at the legal address of Matrožu iela 15A, Riga, LV-1048, Latvia on business days within the limits of normal business hours:

- Articles of Association of Storent; and
- Storent's Consolidated Annual Report 2017 and 2016 (prepared according to IFRS).

CROSS-REFERENCE LIST

A cross-reference list below identifies the pages where each item of Annexes IV and V of the Commission Regulation (EC) No. 809/2004 can be found in the Listing Prospectus.

	Items of Annexes IV of the Commission Regulation (EC) No. 809/2004	Page number
1.	**PERSONS RESPONSIBLE**	
1.1.	All persons responsible for the information given in the Registration Document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.	25
1.2.	A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.	25
2.	**STATUTORY AUDITORS**	
2.1.	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	26
2.2.	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material.	N/A
3.	**SELECTED FINANCIAL INFORMATION**	
3.1.	Selected historical financial information regarding the issuer, presented, for each financial year for the period covered by the historical financial information, and any subsequent interim financial period, in the same currency as the financial information. The selected historical financial information must provide key figures that summarise the financial condition of the issuer.	37-39
3.2.	If selected financial information for interim periods is provided, comparative data from the same period in the prior financial year must also be provided, except that the requirement for comparative balance sheet data is satisfied by presenting the year end balance sheet information.	N/A
4.	**RISK FACTORS** Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "*Risk Factors*".	15-24
5.	**INFORMATION ABOUT THE ISSUER**	
5.1.	**<u>History and development of the Issuer:</u>**	
5.1.1.	the legal and commercial name of the issuer;	28
5.1.2.	the place of registration of the issuer and its registration number;	28
5.1.3.	the date of incorporation and the length of life of the issuer, except where indefinite;	28
5.1.4.	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);	28
5.1.5.	any recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.	N/A
5.2.	**<u>Investments</u>**	
5.2.1.	A description of the principal investments made since the date of the last published financial statements.	29

5.2.2.	Information concerning the issuer's principal future investments, on which its management bodies have already made firm commitments.	29
5.2.3.	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item 5.2.2.	N/A
6.	**BUSINESS OVERVIEW**	
6.1.	**Principal activities:**	
6.1.1.	A description of the issuer's principal activities stating the main categories of products sold and/or services performed; and	30
6.1.2.	an indication of any significant new products and/or activities	30
6.2.	**Principal markets** A brief description of the principal markets in which the issuer competes	30-31
6.3.	The basis for any statements made by the issuer regarding its competitive position.	30-31
7.	**ORGANISATIONAL STRUCTURE**	
7.1.	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	32
7.2.	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	32
8.	**TREND INFORMATION**	
8.1.	Include a statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements. In the event that the issuer is unable to make such a statement, provide details of this material adverse change.	40
8.2.	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	40
9.	**PROFIT FORECASTS OR ESTIMATES** If an issuer chooses to include a profit forecast or a profit estimate, the registration document must contain the information items 9.1 and 9.2:	40
9.1.	A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate. There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; the assumptions must be readily understandable by investors, be specific and precise and not relate to the general accuracy of the estimates underlying the forecast.	N/A
9.2.	A report prepared by independent accountants or auditors stating that in the opinion of the independent accountants or auditors the forecast or estimate has been properly compiled on the basis stated, and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the issuer. Where financial information relates to the previous financial year and only contains non-misleading figures substantially consistent with the final figures to be published in the next annual audited financial statements for the previous financial year, and the explanatory information necessary to assess the figures, a report shall not be required provided that the prospectus includes all of the following statements: (a) the person responsible for this financial information, if different from the one which is responsible for the prospectus in general, approves that information; (b) independent accountants or auditors have agreed that this information is substantially consistent with the final figures to be published in the next annual audited financial statements; (c) this financial information has not been audited.	N/A

9.3.	The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.	N/A
10.	**ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES**	
10.1.	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	33-35
10.2.	**Administrative, Management, and Supervisory bodies conflicts of interests** Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 10.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, make a statement to that effect.	35
11.	**BOARD PRACTICES**	
11.1.	Details relating to the issuer's audit committee, including the names of committee members and a summary of the terms of reference under which the committee operates.	36
11.2.	A statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime(s). In the event that the issuer does not comply with such a regime a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.	36
12.	**MAJOR SHAREHOLDERS**	
12.1.	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	33
12.2.	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	N/A
13.	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**	
13.1.	Historical Financial Information Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member States national accounting standards for issuers from the Community. The most recent year's historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements. If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least: (a) balance sheet; (b) income statement; (c) cash flow statement; and (d) accounting policies and explanatory notes. The historical annual financial information must have been independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.	37-39, Appendix B – Storent's Consolidated Annual Report 2017 and 2016

13.2.	**Financial statements** If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.	37-39, Appendix B – Storent's Consolidated Annual Report 2017 and 2016
13.3.	**Auditing of historical annual financial information**	
13.3.1.	A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.	37-39, Appendix B – Storent's Consolidated Annual Report 2017 and 2016
13.3.2.	An indication of other information in the registration document which has been audited by the auditors.	N/A
13.3.3.	Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is un-audited.	N/A
13.4.	**Age of latest financial information**	
13.4.1.	The last year of audited financial information may not be older than 18 months from the date of the registration document.	37-39, Appendix B – Storent's Consolidated Annual Report 2017 and 2016
13.5.	**Interim and other financial information**	
13.5.1.	If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited the audit or review report must also be included. If the quarterly or half yearly financial information is un-audited or has not been reviewed state that fact.	N/A
13.5.2.	If the registration document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, covering at least the first six months of the financial year. If the interim financial information is un-audited state that fact. The interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet.	N/A
13.6.	**Legal and arbitration proceedings** Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	40
13.7.	**Significant change in the issuer's financial or trading position** A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or an appropriate negative statement.	40
14.	**ADDITIONAL INFORMATION**	
14.1.	**Share Capital**	

14.1.1.	The amount of the issued capital, the number and classes of the shares of which it is composed with details of their principal characteristics, the part of the issued capital still to be paid up, with an indication of the number, or total nominal value, and the type of the shares not yet fully paid up, broken down where applicable according to the extent to which they have been paid up.	41
14.2.	**Memorandum and Articles of Association**	
14.2.1.	The register and the entry number therein, if applicable, and a description of the issuer's objects and purposes and where they can be found in the memorandum and articles of association.	41
15.	**MATERIAL CONTRACTS** A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.	41
16.	**THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST**	
16.1.	Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the Registration Document.	26-27
16.2.	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the issuer shall identify the source(s) of the information	26-27
17.	**DOCUMENTS ON DISPLAY** A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected: - the memorandum and articles of association of the issuer; - all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document; - the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document. An indication of where the documents on display may be inspected, by physical or electronic means.	49

	Items of Annexes V of the Commission Regulation (EC) No. 809/2004	Page number
1.	**PERSONS RESPONSIBLE**	
1.1.	All persons responsible for the information given in the prospectus and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.	25
1.2.	A declaration by those responsible for the prospectus that, having taken all reasonable care to ensure that such is the case, the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the prospectus that the information contained in the part of the prospectus for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.	25
2.	**RISK FACTORS**	
2.1.	Prominent disclosure of risk factors that are material to the securities being offered and/or admitted to trading in order to assess the market risk associated with these securities in a section headed "*Risk Factors*".	15-24
3.	**KEY INFORMATION**	
3.1.	**Interest of natural and legal persons involved in the issue/offer** A description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest.	26
3.2.	**Reasons for the offer and use of proceeds** Reasons for the offer if different from making profit and/or hedging certain risks. Where applicable, disclosure of the estimated total expenses of the issue/offer and the estimated net amount of the proceeds. These expenses and proceeds shall be broken into each principal intended use and presented by order of priority of such uses. If the issuer is aware that the anticipated proceeds will not be sufficient to fund all the proposed uses, state the amount and sources of other funds needed.	N/A
4.	**INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ADMITTED TO TRADING**	
4.1.	A description of the type and the class of the securities being offered and/or admitted to trading, including the ISIN (International Security Identification Number) or other such security identification code.	44
4.2.	Legislation under which the securities have been created.	27
4.3.	An indication of whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form. In the latter case, name and address of the entity in charge of keeping the records.	44
4.4.	Currency of the securities issue.	44
4.5.	Ranking of the securities being offered and/or admitted to trading, including summaries of any clauses that are intended to affect ranking or subordinate the security to any present or future liabilities of the issuer	44-48
4.6.	A description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights.	44-49

4.7.	The nominal interest rate and provisions relating to interest payable. ▪ The date from which interest becomes payable and the due dates for interest ▪ The time limit on the validity of claims to interest and repayment of principal Where the rate is not fixed, description of the underlying on which it is based and of the method used to relate the two and an indication where information about the past and the further performance of the underlying and its volatility can be obtained. - A description of any market disruption or settlement disruption events that affect the underlying - Adjustment rules with relation to events concerning the underlying - Name of the calculation agent If the security has a derivative component in the interest payment, provide a clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument(s), especially under the circumstances when the risks are most evident.	44-45
4.8.	Maturity date and arrangements for the amortization of the loan, including the repayment procedures. Where advance amortization is contemplated, on the initiative of the issuer or of the holder, it shall be described, stipulating amortization terms and conditions.	45
4.9.	An indication of yield. Describe the method whereby that yield is calculated in summary form.	44-45
4.10.	Representation of debt security holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of where the public may have access to the contracts relating to these forms of representation	48
4.11.	In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.	N/A
4.12.	In the case of new issues, the expected issue date of the securities.	N/A
4.13.	A description of any restrictions on the free transferability of the securities.	44
4.14.	In respect of the country of registered office of the issuer and the country(ies) where the offer being made or admission to trading is being sought: - Information on taxes on the income from the securities withheld at source; - Indication as to whether the issuer assumes responsibility for the withholding of taxes at the source.	42-43
5.	**TERMS AND CONDITIONS OF THE OFFER**	
5.1.	**Conditions, offer statistics, expected timetable and action required to apply for the offer**	
5.1.1.	Conditions to which the offer is subject	N/A
5.1.2.	Total amount of the issue/offer; if the amount is not fixed, of the arrangements and time for announcing to the public the definitive amount of the offer.	N/A
5.1.3.	The time period, including any possible amendments, during which the offer will be open and description of the application process.	N/A
5.1.4.	A description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.	N/A
5.1.5.	Details of the minimum and/or maximum amount of application, (whether in number of securities or aggregate amount to invest).	N/A
5.1.6.	Method and time limits for paying up the securities and for delivery of the securities.	N/A
5.1.7.	A full description of the manner and date in which results of the offer are to be made public.	N/A
5.1.8.	The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.	N/A

5.2.	**Plan of distribution and allotment**	
5.2.1.	The various categories of potential investors to which the securities are offered. If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.	N/A
5.2.2.	Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made.	N/A
5.3.	**Pricing**	
5.3.1.	An indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure. Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser.	N/A
5.4.	**Placing and Underwriting**	
5.4.1.	Name and address of the co-ordinator(s) of the global offer and of single parts of the offer and, to the extend known to the issuer or to the offeror, of the placers in the various countries where the offer takes place.	N/A
5.4.2.	Name and address of any paying agents and depository agents in each country.	N/A
5.4.3.	Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under “best efforts” arrangements. Indication of the material features of the agreements, including the quotas. Where not all of the issue is underwritten, a statement of the portion not covered. Indication of the overall amount of the underwriting commission and of the placing commission.	N/A
5.4.4.	When the underwriting agreement has been or will be reached.	N/A
6.	**ADMISSION TO TRADING AND DEALING ARRANGEMENTS**	
6.1.	An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question. This circumstance must be mentioned, without creating the impression that the admission to trading will necessarily be approved. If known, give the earliest dates on which the securities will be admitted to trading.	N/A
6.2.	All the regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.	N/A
6.3.	Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment.	N/A
7.	**ADDITIONAL INFORMATION**	
7.1.	If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.	26
7.2.	An indication of other information in the Securities Note which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of the report.	N/A
7.3.	Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such persons' name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer’s request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the Securities Note.	26-27
7.4.	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.	26-27

7.5.	Credit ratings assigned to an issuer or its debt securities at the request or with the cooperation of the issuer in the rating process. A brief explanation of the meaning of the ratings if this has previously been published by the rating provider.	26

APPENDIX A – TERMS AND CONDITIONS OF THE NOTES

TERMS AND CONDITIONS FOR

AS STORENT INVESTMENTS

UP TO EUR 10,000,000

UNSECURED FIXED RATE NOTES DUE 2020

Issue Date: 30 June 2017

The distribution of this document and the private placement of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required to inform themselves about, and to observe, such restrictions.

The Notes may not be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Latvian law, including the United States of America, Australia, Canada, Hong Kong and Japan.

1. **PRINCIPAL AMOUNT AND ISSUANCE OF THE NOTES**

1.1 **AS "STORENT INVESTMENTS"**, a joint stock company (In Latvian – *akciju sabiedrība*) incorporated in, and operating under the laws of the Republic of Latvia and registered with the Commercial Register of the Republic of Latvia under registration number: 40103834303, legal address: Matrožu iela 15A, Riga, LV-1048, Latvia (the "**Issuer**") in accordance with these terms and conditions (the "**Terms and Conditions**") shall issue notes in aggregate principal amount of up to EUR 10,000,000 (ten million euro) (the "**Notes**") and undertakes to perform the obligations arising from the Notes to the holders of the Notes (the "**Noteholders**"). Exact amount of the issued Notes shall be specified in the supplement to these Terms and Conditions within 3 (three) Business Days following the Issue Date.

1.2 The Issuer undertakes to repay the Notes, to pay Interest (as defined below) and to otherwise act in accordance and comply with these Terms and Conditions.

1.3 The Notes are denominated in EUR and each Note is constituted by these Terms and Conditions.

1.4 The nominal amount of each Note shall be EUR 100 (one hundred euro).

1.5 The Notes are offered for subscription for a minimum investment amount of EUR 20,000 (twenty thousand euro) (the "**Minimum Investment Amount**").

1.6 The Notes shall be issued at their nominal amount without any discount or a premium.

1.7 The issue date of the Notes shall be 30 June 2017 (the "**Issue Date**").

1.8 The offering of Notes consists of the private placement to institutional investors in certain Member States of the European Economic Area (the "**EEA**") in each case pursuant to an exemption under Article 3 of the Prospectus Directive (Directive 2003/71/EC) as amended, as implemented by the respective Member States of EEA. The Noteholders shall be prohibited to resell, transfer or deliver the Notes to any person in a manner that would constitute a public offer of securities.

2. **FORM OF THE NOTES AND ISIN**

2.1 The Notes are freely transferable non-convertible debt securities, which contain payment obligations of the Issuer towards the Noteholders.

2.2 The Notes are dematerialized debt securities in bearer form which are disposable without any restrictions. However, the Notes cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under Latvian law, including the United States of America, Australia, Canada, Hong Kong and Japan.

2.3 The Notes shall be book-entered with Latvian Central Depository ((*Latvijas Centrālais depozitārijs AS*) registration number: 40003242879, legal address: Vaļņu 1, Riga, LV-1050, Latvia) (the "LCD") before the Issue Date and the accounting of the Notes shall be made by the LCD.

2.4 ISIN code for the Notes shall be assigned by the LCD before the Issue Date.

3. **STATUS AND SECURITY**

The Notes constitute direct, unsecured and unguaranteed obligations of the Issuer ranking *pari passu* without any preference among each other and with all other unsecured, unguaranteed and unsubordinated Indebtedness of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.

4. **INTEREST**

4.1 The Notes shall bear interest at fixed interest rate of 8 (eight) per cent per annum (the "**Interest**").

4.2 The Interest shall be paid on 30 September, 30 December, 30 March and 30 June each year (the "**Interest Payment Date**") until the Maturity Date (as defined below) or the Early Redemption Date (as defined below), as applicable.

4.3 Interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Maturity Date or the Early Redemption Date, as applicable.

4.4 Interest shall be calculated on 30E/360 basis. The interest payment shall be determined according to the following formula:

CPN = F * C * n/360 where;

CPN – amount of an interest in EUR;

F – principal amount of Notes outstanding;

C – annual interest rate payable on the Notes;

n – number of days since the Issue Date or the last Interest Payment Date (as applicable) calculated on 30-day month basis.

4.5 Interest on the Notes shall be paid in accordance with the applicable rules of the LCD. The Issuer shall transfer all payable amounts to the LCD account on each Interest Payment Date until 2 pm (Riga time). The LCD shall transfer all payable amounts received from the Issuer to the account holders (credit institutions and investment brokerage firms, which are participants of the LCD) on the same day according to the number of Notes on the LCD's corresponding accounts of the account holders by the end of 5th (fifth) Business Days prior to the Interest Payment Date. The account holders shall transfer the amounts payable to the Noteholders or the nominee holders, which shall further transfer the respective amounts to the Noteholders.

4.6 Should any Interest Payment Date fall on a date which is not a Business Day, the payment of the Interest due will be postponed to the next Business Day. The postponement of the payment date shall not have an impact on the amount payable.

"**Business Day**" means a day on which banks in Riga are open for general business.

5. MATURITY, EARLY REDEMPTION AND PRINCIPAL PAYMENT

5.1 The Notes shall be repaid in full at their nominal amount on 30 June 2020 (the "**Maturity Date**"), unless otherwise provided in these Terms and Conditions.

5.2 The Issuer has a right to redeem the Notes all or partially prematurely on 30 June 2019 (the "**Early Redemption Date**"). The Issuer shall notify the Noteholders in accordance with Clause 19 (*Notices*) of such redemption 30 (thirty) days before the Early Redemption Date by stating also the amount or extent of the redemption.

5.3 The redemption price to be paid to the Noteholders on the Early Redemption Date shall be 101 (one hundred one) per cent of the nominal value of the Notes redeemed. In addition, the Issuer shall pay to the Noteholders the unpaid Interest accrued on the redeemed Notes up to the Early Redemption Date (excluding the Early Redemption Date).

5.4 The principal of the Notes shall be paid in accordance with the applicable rules of the LCD. The Issuer shall transfer all payable amounts to the LCD account on the Maturity Date or the Early Redemption Date (as applicable) until 2 pm (Riga time). The LCD shall transfer all payable amounts received from the Issuer to the account holders (credit institutions and investment brokerage firms, which are participants of the LCD) on the same day. The account holders shall transfer the amounts payable to the Noteholders or the nominee holders, which shall further transfer the respective amounts to the Noteholders. The record date for the payment of the principal of the Notes shall be a Business Day immediately preceding the Maturity Date or the Early Redemption Date, as the case may be.

5.5 Should the Maturity Date or the Early Redemption Date fall on a date which is not a Business Day, the payment of the amount due will be postponed to the next Business Day. The postponement of the payment date shall not have an impact on the amount payable.

6. DEFAULT INTEREST

If the Issuer fails to pay to the Noteholders any amount payable by it under these Terms and Conditions on its due date, then the Issuer shall pay to the Noteholders interest accruing on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which is 0.05% (zero point zero five per cent) per day.

7. TAXATION

All payments in respect of the Notes by the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**"), unless the withholding or deduction of the Taxes is required by laws of the Republic of Latvia. In such case, the Issuer shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities in accordance with the applicable laws for the amount so required to be withheld or deducted. The Issuer shall not be obligated to make any additional compensation to the Noteholders in respect of such withholding or deduction.

8. ADMISSION TO TRADING

The Issuer shall ensure that the Notes are admitted to listing and trading on the official bond list (the Baltic Bond List) of Akciju sabiedrība "Nasdaq Riga", registration number: 40003167049, legal address: Vaļņu 1, Riga, LV- 1050, Latvia (**"Nasdaq Riga"**), which is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC as amended ("**MiFID**"), not later than by 30 June 2018 provided that applicable regulatory enactments for the admission to listing and trading of the Notes in Nasdaq Riga have been complied with.

9. REPRESENTATIONS AND WARANTIES

The Issuer, its Subsidiaries (as defined below) and its Shareholders (as defined below) represent and warrant to the Noteholders that at the Issue Date and for as long as any Notes are outstanding:

(a) the Issuer, its Subsidiaries and its Shareholders are duly incorporated and validly existing as legal entities in their jurisdiction of incorporation, and operating under the laws of jurisdiction of their incorporation;

(b) all the Issuer's, the Subsidiaries' and the Shareholders' obligations assumed under these Terms and Conditions are valid and legally binding to them and performance of these obligations is not contrary to any laws applicable to them or their constitutional documents;

(c) the Issuer has all the rights and sufficient authorisations to issue the Notes and to enter into these Terms and Conditions and fulfil obligations arising from the Notes and these Terms and Conditions, and the Issuer has performed all the formalities required for issuing the Notes;

(d) the Subsidiaries and the Shareholders have all the rights and sufficient authorisations to enter into these Terms and Conditions and fulfil obligations arising from these Terms and Conditions;

(e) all information that is provided by the Issuer to the Noteholders is true, accurate, complete and correct as of the date of presenting the respective information and is not misleading in any material respect;

(f) the Issuer, the Subsidiaries and the Shareholders are solvent, able to pay their debts as they fall due, there are no liquidation, compulsory execution, reorganisation or bankruptcy proceedings pending or initiated against the Issuer, the Subsidiaries or the Shareholders;

(g) there are no court or arbitration proceedings pending or initiated against the Issuer, the Subsidiaries or the Shareholders where an unfavourable decision would, according to reasonable assessment of the Issuer, have a material adverse impact on the economic condition of the Issuer and the Subsidiaries.

10. UNDERTAKINGS

The undertakings in this Clause 10 remain in force from the Issue Date and for as long as any Notes are outstanding.

10.1 Negative Pledge

The Issuer and the Subsidiaries shall not create mortgage, pledge or any other security interest (each a "**Security**"), other than the guarantees and the Permitted Security, upon the whole or any part of its undertaking or assets, present or future, to secure their obligations in respect of any present or future Indebtedness, unless prior to or simultaneously therewith the Issuer's obligations under the Notes are secured equally and rateably therewith.

"Subsidiary" means a company: (i) in which the Issuer holds a majority of the voting rights; or (ii) of which the Issuer is a shareholder or participant and has the right to appoint or remove a majority of the members of the management board; or (iii) of which the Issuer is a shareholder or participant and controls a majority of the voting rights, and includes any company which is a subsidiary of a Subsidiary of the Issuer.

"**Permitted Security**" means:

(a) a pledge of shares in Storent Oy and Leinolift Oy in favour of Levina Investments S.à r.l. securing the Indebtedness of Storent Oy to Levina Investments S.à r.l. up to EUR 4,000,000 (four million euro) under the Loan Agreement between Levina Investments S.à r.l. and Storent Oy, dated 16 December 2016;

(b) any Security securing any Indebtedness to the credit institutions or leasing companies in respect factoring transactions or purchase of equipment and machinery necessary for the Issuer's or any of its Subsidiary's business;

(c) any Security securing the Indebtedness to the suppliers in respect of purchase of equipment and machinery necessary for the Issuer's or any of its Subsidiary's business (vendors financing);

(d) any netting or set-off arrangement entered into by the Issuer or any Subsidiary in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;

(e) any payment or close out netting or set-off arrangement pursuant to any hedging transaction entered into by the Issuer or any Subsidiary for the purpose of:

   (i) hedging any risk to which the Issuer or any Subsidiary is exposed in its ordinary course of trading; or

   (ii) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only,

   excluding, in each case, any Security under a credit support arrangement in relation to a hedging transaction;

(f) any Security arising by operation of law;

(g) any Security created over any asset of any company which becomes a Subsidiary after the Issue Date, where such Security is created:

(i) prior to the date on which the company becomes a Subsidiary, provided that such Security was not created in contemplation of the acquisition of such company; or

(ii) simultaneously with the acquisition of such company for the sole purpose of financing the acquisition of such company;

(h) any Security arising under the sale and leaseback of assets owned by the Issuer or any Subsidiary;

(i) any Security arising under any retention of title or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Issuer or any Subsidiary in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by the Issuer or any Subsidiary; or

(j) any other Security approved by the Noteholders.

"**Indebtedness**" means any indebtedness (whether principal, premium, interest or other amounts) in respect of any borrowed money of the Issuer or any of its Subsidiaries.

10.2 **No Loans or Guarantees**

(a) The Issuer and the Subsidiaries shall not be the creditors in respect of any Indebtedness or incur or allow to remain outstanding any guarantee in respect of any obligation of any person.

(b) Paragraph (a) above does not apply to:

(i) any Indebtedness granted by the Issuer to the Subsidiaries (for so long as the respective entities remain as Subsidiaries), by any of the Subsidiaries to the Issuer or to another Subsidiary (for so long as the respective entities remains as Subsidiaries);

(ii) any guarantee for any obligations of the Issuer and any Subsidiary (for so long as a respective entity remains as Subsidiary), including, for avoidance of doubt, a corporate guarantee provided by the Issuer to Levina Investments S.à r.l. in respect of the Indebtedness of Storent Oy up to EUR 4,000,000 (four million euro) under the Loan Agreement between Levina Investments S.à r.l. and Storent Oy, dated 16 December 2016.

10.3 **Disposal of Assets**

The Issuer and the Subsidiaries shall not sell or otherwise dispose of equity interest in any Subsidiary or of all or substantially all of the Issuer's or any Subsidiary's assets or operations to any person. The above shall not prevent the following transactions:

(a) the sale or other disposal of equity interest in any Subsidiary or of all or substantially all of the assets or operations of any Subsidiary to the Issuer or to any other Subsidiary, provided that it does not affect the Issuer's ability to perform and comply with its payment obligations under these Terms and Conditions;

(b) the sale or other disposal of assets, if such assets are simultaneously with or within a reasonable time after the sale or other disposal replaced with other assets comparable or superior as to type, value and quality and appropriate for use for the same purposes;

(c) the sale or other disposal of assets in the ordinary course of business, if these assets have become obsolete or redundant or otherwise no longer required for the operation of the business of the Issuer or the Subsidiaries;

(d) the sale of assets to the credit institutions or leasing companies which are subsidiaries of such credit institutions, provided that the same assets are simultaneously leased back to the Issuer or

Subsidiaries (the sale and leaseback transactions). All assets and liabilities in respect of such sale and leaseback transactions shall be reported in the financial statements of the Issuer and will be included in the calculation of the financial covenant set out in Clause 11 (*Financial Covenants*); or

(e) the sale or other disposal of equity interest in any Subsidiary or of all or substantially all of the assets or operations of the Issuer or any Subsidiary for the purposes of, or pursuant to any terms approved by the Noteholders.

10.4 **Dividends**

The Issuer shall not declare, make or pay any dividend to its Shareholders.

10.5 **Subordination**

(a) The payment of all or any part of any present or future Indebtedness of the Issuer or any Subsidiary to any Shareholder (as defined below) shall be postponed and subordinated to the payment in full of all payments to the Noteholders under these Terms and Conditions and no payments or other distributions whatsoever shall be made in respect of any part of any present or future Indebtedness of the Issuer or any Subsidiary to any Shareholder (including without limitation by way of set-off), until all payments to the Noteholders under these Terms and Conditions have been paid in full.

(b) None of the Shareholders shall:

(i) require or accept any prepayment or accelerated payment or repayment in respect of any part of any Indebtedness of the Issuer or any Subsidiary to any Shareholder;

(ii) cancel, transfer or assign, or attempt to enforce or collect any part of any Indebtedness of the Issuer or any Subsidiary to any Shareholder or any rights in respect thereof, except for conversion of the Indebtedness into the share capital of the Issuer;

(iii) take any Security for any part of any Indebtedness of the Issuer or any Subsidiary to any Shareholder; or

(iv) commence, or join with any other creditor in commencing, any bankruptcy, reorganisation or insolvency proceedings with respect to the Issuer or any Subsidiary.

(c) The payment of all or any part of principal and the Interest under the Notes held by the Issuer or any Related Party shall be postponed and subordinated to the payment in full of all payments to the Noteholders under these Terms and Conditions and no payment of all or any part of principal and Interest under the Notes held by the Issuer or any Related Party shall be made (including without limitation by way of set-off), until all payments to the Noteholders under these Terms and Conditions have been paid in full.

(d) Notwithstanding paragraph (a) and (b) above, it is allowed:

(i) to make interest payments at interest rate not higher than 7 (seven) per cent per annum to Levina Investments S.à r.l. and to capitalize the additional interest payments accrued at interest rate 7 (seven) per cent per annum into the outstanding principal amount of the loan which at the Issue Date is EUR 4,000,000 (four million euro), to be repaid on 16 December 2020, under the Loan Agreement between Levina Investments S.à r.l. and Storent Oy, dated 16 December 2016; and

(ii) to make interest payments at interest rate not higher than 6 (six) per cent per annum to Perle Consultancy Ltd and Torrini Ltd or to capitalize the same interest payments partially or completely into the outstanding principal amount of the loan which at the Issue Date is EUR 512,108 (five hundred twelve thousand one hundred eight euro), to be repaid on 20 November 2021, under the Loan Agreement between Perle Consultancy Ltd, Torrini Ltd, Levina Investments S.à r.l. and the Issuer, dated 17 October 2014.

(e) Paragraph (b) (iii) above shall not be applicable to a corporate guarantee provided by the Issuer to Levina Investments S.à r.l. and pledge of shares in Storent Oy and Leinolift Oy securing the Indebtedness of Storent Oy under the Loan Agreement between Levina Investments S.à r.l. and Storent Oy, dated 16 December 2016.

(f) The Issuer and the Subsidiaries shall not incur any Indebtedness to the indirect shareholders of the Issuer, unless such indirect shareholders agrees in writing to subordinate such Indebtedness on the same terms as provided in paragraphs (a) and (b) above.

“Shareholders” means**:**

(a) Levina Investments S.à r.l., a Luxembourg private limited liability company with Business Identity Code B189856;

(b) Torrini Ltd, a Cyprus limited liability company with Business Identity Code HE295201; and

(c) Perle Consultancy Ltd, a Cyprus limited liability company with Business Identity Code HE287161;

and a “**Shareholder**” means any of them;

for so long as the respective persons remain as shareholders of the Issuer.

“**Related Party**” means the Issuer’s shareholders, Subsidiaries, members of the Issuer’s or Subsidiaries’ management or supervisory board and legal entities of which they are majority shareholders or which are under their control.

10.6 **Capitalisation of the Shareholders’ Loans**

The Shareholders undertake not later than by 31 July 2017 to increase the share capital of the Issuer by at least EUR 25,000,000 (twenty five million euro) by converting the loans granted by the Shareholders to the Issuer in the amount of at least EUR 25,000,000 (twenty five million euro) into the share capital of the Issuer.

10.7 **Change of Business**

The Issuer and the Subsidiaries shall not make substantial change to the general nature of the business of the Issuer and the Subsidiaries from that carried on at the Issue Date (including, but not limited to, the commencement of any new business not being ancillary or incidental to the original business).

2. **FINANCIAL COVENANTS**

The Issuer undertakes to comply with the following financial covenants from the Issue Date and for as long as any Notes are outstanding.

11.1 **Shareholders Equity to Assets**

Shareholders Equity to Assets Ratio may not be lower than 25 (twenty five) per cent at the end of each Quarter.

“**Shareholders Equity to Assets Ratio**” means the Issuer’s total shareholders’ equity expressed as a per cent of the Issuer’s consolidated amount of assets as at the end of each Quarter determined on the basis of the Issuer’s consolidated quarterly financial statements.

“**Quarter**” means a period of 3 months ending on, respectively, each 31 March, 30 June, 30 September and 31 December.

11.2 **Net Debt/EBITDA**

The Issuers Net Debt/EBITDA Ratio for the for the previous 12 (twelve) months may not be higher than 4.0:

(a) as at the end of each Quarter determined on the basis of the Issuer's consolidated monthly financial statements for the previous 12 (twelve) months; and

(b) as at 31 December each year, as determined on the consolidated basis on the basis of each of the Issuer's annual financial reports.

"Net Debt/EBITDA Ratio" means the ratio of interest bearing liabilities – (minus) cash to EBITDA of the respective measurement period.

"**EBITDA**" means the net income of the measurement period before:

(a) any provision on account of taxation;

(b) any interest, commission, discounts or other fees incurred or payable, received or receivable in respect of financial indebtedness;

(c) any depreciation and amortisation of tangible and intangible assets; and

(d) any re-valuation, disposal or writing off of assets.

3. **CHANGE OF CONTROL**

If, after the Issue Date, at any time:

(a) Darby Converging Europe Fund III (SCS) SICAR ceases to own, directly or indirectly, more than 50 (fifty) per cent of the issued share capital of the Issuer or ceases to have the power, directly or indirectly, to cast, or control the casting of, more than 50 (fifty) per cent of the maximum number of votes that might be casted at a shareholders' meeting of the Issuer; or

(b) any of Andris Pavlovs, personal ID code: 300674-11822, or Andris Bisnieks, personal ID code: 150871-10001, ceases to own, directly or indirectly, any shares in the Issuer;

(the "**Change of Control**");

then the Issuer shall immediately, but in any case not later that 3 (three) Business Days, after it becomes aware of the Change of Control notify the Noteholders in accordance with Clause 19 (Notices) about the occurrence of the Change of Control and within 45 (forty-five) Business Days after it becomes aware of the occurrence of the Change of Control shall prepay all Noteholders the principal amount of and the Interest accrued on the Notes, but without any premium or penalty. Interest on the Notes accrues until the prepayment date (excluding the prepayment date).

4. **EVENTS OF DEFAULT**

13.1 If an Event of Default (as defined below) occurs, the Issuer shall immediately, but in any case not later that 3 (three) Business Days, following occurrence of an Event of Default notify the Noteholders in accordance with Clause 19 (*Notices*) about the occurrence of an Event of Default. Accordingly, within 45 (forty-five) days after the occurrence of an Event of Default the Issuer shall prepay all Noteholders the outstanding principal amount of the Notes and the Interest accrued on the Notes, but without any premium or penalty. Interest on the Notes accrues until the prepayment date (excluding the prepayment date).

13.2 Each of the following events shall constitute an event of default (an "**Event of Default**"):

(a) **Non-Paymen**t: Any amount of Interest on or principal of the Notes has not been paid within 10 (ten) Business Days from the relevant due date;

(b) **Breach of Financial Covenants:** The Issuer does not comply with any financial covenant set out in Clause 11 (*Financial Covenants*), unless the non-compliance is remedied by the end of Quarter following the Quarter in which the Issuer was non-compliant;

(c) **Breach of Other Obligations:** The Issuer, any Shareholder or any Subsidiary does not comply with the Terms and Conditions in any other way than as set out under item (a) (*Non-Payment*) and (b) (*Breach of Financial Covenants*) above, unless the non-compliance (i) is capable of being remedied and (ii) is remedied within 10 (ten) Business Days after the Issuer, Subsidiary or Shareholder (as applicable) becoming aware of the non-compliance;

(d) **Cessation of Business:** The Issuer or any of its Subsidiaries cease to carry on its current business in its entirety or a substantial part thereof, other than: (i) pursuant to any sale, disposal, demerger, amalgamation, reorganization or restructuring or any cessation of business in each case on a solvent basis and within the Group (as defined below), or (ii) for the purposes of, or pursuant to any terms approved by the Noteholders;

(e) **Liquidation**: An effective resolution is passed for the liquidation of the Issuer or any of its Subsidiaries other than, in case of a Subsidiary: (i) pursuant to an amalgamation, reorganization or restructuring in each case within the Group, or (ii) for the purposes of, or pursuant to any terms approved by the Noteholders;

(f) **Insolvency:** (i) the Issuer or any of its Subsidiaries is declared insolvent or bankrupt by a court of competent jurisdictions or admits inability to pay its debts; (ii) the Issuer or any of its Subsidiaries enters into any arrangement with majority of its creditors by value in relation to restructuring of its debts or any meeting is convened to consider a proposal for such arrangement; or (iii) an application to initiate insolvency, restructuring (including procedures such as legal protection process and out of court legal protection process) or administration of the Issuer or any of its Subsidiaries or any other proceedings for the settlement of the debt of the Issuer or of any of its Subsidiaries is submitted to the court by the Issuer or any of its Subsidiaries.

13.3 In case of the Issuer's liquidation or insolvency the Noteholders shall have a right to receive payment of the outstanding principal amount of the Notes and the interest accrued on the Notes according to the relevant laws governing liquidation or insolvency of the Issuer.

"**Group**" means the Issuer and its Subsidiaries from time to time.

5. FORCE MAJEURE

14.1 The Issuer, Subsidiaries and Shareholders shall be entitled to postpone the fulfilment of their obligations hereunder, in case the performance is not possible due to continuous existence of any of the following circumstances:

(a) action of any authorities, war or threat of war, rebellion or civil unrest;

(b) disturbances in postal, telephone or electronic communications which are due to circumstances beyond the reasonable control of the Issuer, any Subsidiary or any Shareholder (as applicable) and that materially affect operations of the Issuer, that Subsidiary or that Shareholder;

(c) any interruption of or delay in any functions or measures of the Issuer any Subsidiary or any Shareholder (as applicable) as a result of fire or other similar disaster;

(d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer, any Subsidiary or any Shareholder (as applicable); or

(e) any other similar force majeure or hindrance which makes it unreasonably difficult to carry on the activities of the Issuer, any Subsidiary or any Shareholder (as applicable).

14.2 In such case the fulfilment of the obligations may be postponed for the period of the existence of the respective circumstances and shall be resumed immediately after such circumstances cease to exist, provided that the Issuer, respective Subsidiary or respective Shareholder (as applicable) shall put all best efforts to limit the effect of the above referred circumstances and to resume the fulfilment of its obligations as soon as possible.

6. **FURTHER ISSUES**

The Issuer may from time to time, without the consent of the Noteholders, create and issue further Notes whether such further Notes form a single series with already issued Notes or not. For the avoidance of doubt, this Clause 15 shall not limit the Issuer's right to issue any other notes.

7. **PURCHASES**

The Issuer and the Related Parties may at any time purchase the Notes in any manner and at any price in the primary market during the Placement Period, as well as in the secondary market. Such Notes may be held, resold or surrendered by the purchaser through the Issuer for cancellation. Notes held by or for the account of the Issuer or any Related Party for their own account will not carry the right to vote at the Noteholders' Meetings or within Written Procedures and will not be taken into account in determining how many Notes are outstanding for the purposes of these Terms and Conditions.

8. **TIME BAR**

In case any payment under the Notes has not been claimed by the respective Noteholder entitled to this payment within 10 (ten) years from the original due date thereof, the right to such payment shall be forfeited by the Noteholder and the Issuer shall be permanently released from such payment.

9. **REPORTING**

18.1 The Issuer undertakes to provide the Noteholders with the following information:

(a) its quarterly reports (including consolidated income statement and balance sheet) by the end of the first month following the Quarter for which the report is prepared, and audited annual reports by the end of the second Quarter following the financial year for which the report is prepared, all prepared in English and signed by the management board of the Issuer;

(b) information if the Issuer is compliant with the financial covenants set out in Clause 11 (*Financial Covenants*) of these Terms and Conditions by the end of the first month following each Quarter, specifying in reasonable detail calculations of the financial covenants;

(c) information on any new debt security issues, within 3 (three) Business Days after the issue;

(d) information on new share issues within 3 (three) Business Days after the issue;

(e) information on changes in the shareholder structure and the management board and supervisory board of the Issuer stating name, surname and professional experience of a new member, within 3 (three) Business Days after such changes;

(f) information on prepayment of the Notes in accordance with Clause 21 (l), not later than 3 (three) Business Days after the relevant transaction.

18.2 The information in Clause 18.1 shall be provided to the Noteholders in accordance with Clause 19 (*Notices*).

18.3 In case the Notes are admitted to trading on Nasdaq Riga, then the reporting requirements provided in the Financial Instruments Market Law and the rules and regulations of Nasdaq Riga shall be also applicable to the Issuer. If in accordance with the Financial Instruments Market Law or the rules and regulations of Nasdaq Riga the Issuer is obliged to provide the information in Clause 18.1 less frequently as set forth in Clause 18.1, then the frequency set forth in Clause 18.1 shall be applied.

18.4 The Issuer shall ensure that the information provided to the Noteholders is true, accurate, correct and complete.

10. **NOTICES**

19.1 For so long as the Notes are not admitted to trading on Nasdaq Riga, all notices and reports to the Noteholders shall be sent to the e-mail addresses of the Noteholders available to the Issuer. Upon purchase of any Notes the Noteholders are obliged within 3 (three) Business Days to provide to the Issuer their e-mail addresses by sending them to the following e-mail address of the Issuer: baiba.onkele@storent.com (or any other e-mail address as notified to the Noteholders by the Issuer). All notices and reports sent to the Noteholders by e-mail shall be deemed to have been received by the Noteholders on the same Business Day, provided that a notice or report sent on a day which is not a Business Day or after normal business hours in the place of receipt shall be deemed to have been received on the next Business Day.

19.2 If the Notes are admitted to trading on Nasdaq Riga, then all notices and reports to the Noteholders shall be published on Nasdaq Riga website and in the Central Storage of Regulated Information, as well as on the website of the Issuer (www.storent.com). Any notice or report published in such manner shall be deemed to have been received on the same Business Day when it is published.

11. REPRESENTATION OF THE NOTEHOLDERS

Rights of the Noteholders to establish and/or authorize an organization/person to represent interests of all or a part of the Noteholders are not contemplated, but on the other hand these are not restricted. The Noteholders should cover all costs/fees of such representative(s) by themselves.

12. DECISIONS OF THE NOTEHOLDERS

21.1 Decisions of the Noteholders

(a) The decisions of the Noteholders (including decisions on amendments to these Terms and Conditions or granting of consent or waiver) shall be passed at a meeting of the Noteholders (the "**Noteholders' Meeting**") or in writing without convening the Noteholder's Meeting (the "**Written Procedure**") at the choice of the Issuer. However, the Issuer shall have a right to amend the technical procedures relating to the Notes in respect of payments or other similar matters without the consent of the Noteholders, if such amendments are not prejudicial to the interests of the Noteholders.

(b) The Issuer shall have a right to convene the Noteholders' Meeting or instigate the Written Procedure at any time and shall do so following a written request from the Noteholders who, on the day of the request, represent not less than one-tenth of the principal amount of the Notes outstanding (excluding the Related Parties).

(c) In case convening of the Noteholders' Meeting or instigation of Written Procedure is requested by the Noteholders, the Issuer shall be obliged to convene the Noteholders' Meeting or instigate the Written Procedure within 1 (one) months after receipt of the respective Noteholders' written request.

(d) Only those who, according to the register kept by the LCD in respect of the Notes, were registered as the Noteholders by the end of 5th (fifth) Business Day prior to convening the Noteholders' Meeting or instigation of the Written Procedure or proxies authorised by such Noteholders, may exercise their voting rights at the Noteholders' Meeting or in the Written Procedure.

(e) Quorum at the Noteholders' Meeting or in respect of a Written Procedure only exists if one or more Noteholders holding 50 (fifty) per cent in aggregate or more of the principal amount of the Notes outstanding:

(i) if at a Noteholder's Meeting, attend the meeting; or

(ii) if in respect of a Written Procedure, reply to the request.

If the Related Parties are the Noteholders, their principal amount of the Notes will be excluded when a quorum is calculated.

(f) If quorum does not exist at the Noteholders' Meeting or in respect of a Written Procedure, the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 21.2 (a)) or instigate a second Written Procedure (in accordance with Clause 21.3 (a)), as the case may be. The quorum requirement in paragraph (e) above shall not apply to such second Noteholders' Meeting or Written Procedure, except for exclusion of the Related Parties from calculation of a quorum.

(g) Consent of the Noteholders holding at least 75 (seventy-five) per cent of the aggregate principal amount of the outstanding Notes attending the Noteholders' Meeting or participating in the Written Procedure is required for the following decisions:

(i) agreement with the Issuer to change the date, or the method of determining the date, for the payment of principal, Interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, Interest or any other amount payable on any date in respect of the Notes or to change the method of calculating the amount of Interest or any other amount payable on any date in respect of the Notes;

(ii) agreement with the Issuer to change the currency of the Notes;

(iii) agreement with the Issuer on any exchange or substitution of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Issuer or any other person;

(iv) in connection with any exchange, substitution or conversion of the type referred to in paragraph (iii) above agreement with the Issuer to amend any of the provisions of these Terms and Conditions describing circumstances in which the Notes may be redeemed or declared due and payable prior to their scheduled maturity;

(v) agreement with the Issuer to amend Clause 3 (*Status and Security*), Clause 10 (*Undertakings*), Clause 11 (*Financial Covenants*), Clause 12 (*Change of Control*), Clause 13 (*Events of Default*), Clause 21 (*Decisions of the Noteholders*) and Clause 24 (*Governing Law and Dispute Resolution*).

(h) Consent of simple majority of the Noteholders attending the Noteholders' Meeting or participating in the Written Procedure is required to the decisions not covered in paragraph (g) above.

(i) Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be provided to the Noteholders in accordance with Clause 19 (*Notices*), provided that a failure to do so shall not invalidate any decision made or voting result achieved.

(j) Decisions passed at the Noteholders' Meeting or in the Written Procedure shall be binding on all Noteholders irrespective of whether they participated at the Noteholders' Meeting or in the Written Procedure.

(k) All expenses in relation to the convening and holding the Noteholders' Meeting or a Written Procedure shall be covered by the Issuer.

(l) The Issuer shall have a right to prepay the Notes to the Noteholders who have voted against the amendments to the Terms and Conditions initiated by the Issuer or against granting of consent or waiver requested by the Issuer within 10 (ten) Business Days following a Noteholders' Meeting or a Written Procedure. The Issuer shall prepay to such Noteholders the principal amount of and the Interest accrued on the Notes, but without any premium or penalty. Interest on the Notes accrues until the prepayment date (excluding the prepayment date).

21.2 Noteholder's Meetings

(a) If a decision of the Noteholders is intended to be passed at the Noteholders' Meeting, then a respective notice of the Noteholders' Meeting shall be provided to the Noteholders in accordance with Clause 19 (*Notices*) no later than 10 (ten) Business Days prior to the meeting. Furthermore, the notice shall specify the time, place and agenda of the meeting, as well as any action required on the part of the Noteholders that will attend the meeting. No matters other than those referred to in the notice may be resolved at the Noteholders' Meeting.

(b) The Noteholders' Meeting shall be held in Riga, Latvia, and its chairman shall be the Issuer's representative appointed by the Issuer.

(c) The Noteholders' Meeting shall be organised by the chairman of the Noteholders' Meeting.

(d) The Noteholders' Meeting shall be held in English.

(e) Minutes of the Noteholders' Meeting shall be kept, recording the day and time of the meeting, attendees, their votes represented, matters discussed, results of voting, and resolutions which were adopted. The minutes shall be signed by the keeper of the minutes, which shall be appointed by the Noteholders' Meeting. The minutes shall be attested by the chairman of the Noteholders' Meeting, if the chairman is not the keeper of the minutes, as well as by one of the persons appointed by the Noteholders' Meeting to attest the minutes. The minutes from the relevant Noteholders' Meeting shall at the request of a Noteholder be sent to it by the Issuer.

21.3 **Written Procedure**

(a) If a decision of the Noteholders is intended to be passed by a Written Procedure then a respective communication of the Written Procedure shall be provided to the Noteholders in accordance with Clause 19 (*Notices*).

(b) Communication in paragraph (a) above shall include:

(i) each request for a decision by the Noteholders;

(ii) a description of the reasons for each request;

(iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;

(iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of a power of attorney;

(v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least 10 (ten) Business Days from the communication pursuant to paragraph (a) above) and a manner of a reply; and

(vi) a statement that if the Noteholder does not reply to the request in the stipulated time period, then it shall be deemed that the Noteholder has voted against each request.

(c) When the requisite majority consents pursuant to paragraphs (g) and (h) of Clause 21 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to paragraphs (g) and (h) of Clause 21.1, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

13. PURCHASE OF THE NOTES

22.1 Initially the Notes will be book-entered in the placement account of AS "SEB banka", registration number: 40003151743, registered address: Meistaru 1, Valdlauči, Ķekava Rural Area, Ķekava Municipality, LV-1076, Latvia (the "**Settlement Agent**") with the LCD.

22.2 The placement period for the Notes commences on 19 June 2017 12 am (Riga time) and ends on 22 June 2017 2 pm (Riga time) (the "**Placement Period**").

22.3 The investors wishing to purchase the Notes shall submit to the Issuer their orders to purchase the Notes (the "**Purchase Orders**") during the Placement Period by completing a form of the Purchase Order provided by the Issuer. The Purchase Order should be signed by the duly authorised representatives of the investor and scanned copy should sent to the following e-mail address of the Issuer: baiba.onkele@storent.com, with a copy to: bonds@redgatecapital.eu. Original copy of the Purchase Order should be sent to the Issuer by mail to the following address: Matrožu iela 15A, Riga, LV-1048, Latvia.

22.4 Total amount of the Notes to be purchased and provided in each Purchase Order shall be for at least Minimum Investment Amount, unless the Issuer in its sole discretion agrees otherwise.

22.5 All Purchase Orders shall be considered as binding and irrevocable commitment of the investors to acquire the allotted Notes.

22.6 By submitting the Purchase Order each investor agrees with and accepts these Terms and Conditions and undertakes to adhere thereto.

22.7 Only those Purchase Orders:

(i) where the purchase amount is for at least Minimum Investment Amount, unless the Issuer in its sole discretion agrees otherwise; and

(ii) which are received within the Placement Period;

shall be considered as valid (the "**Qualifying Purchase Orders**").

22.8 On the next Business Day following the Placement Period the Issuer will decide whether to proceed with the issuance of the Notes or cancel the issuance.

22.9 In case the issuance of the Notes is cancelled, the Issuer will notify each investor who has submitted the Purchase Order.

22.10 In case the Issuer decides to proceed with the issuance of the Notes, the following actions shall be taken on the next Business Day following the Placement Period:

(i) the Issuer shall decide on the allotment of the Notes. The Issuer reserves a right to reject any Qualifying Purchase Order, in whole or in part, for any reason at its sole discretion;

(ii) the Issuer shall send to each investor a confirmation containing information on the extent of satisfaction or rejection of the Purchase Order submitted by the investor, the number of Notes allotted to the investor and the amount (price) payable for the Notes and the Issue Date.

22.11 The settlement for the Notes will be carried out in accordance with the DVP (*Delivery vs Payment*) principle by the Settlement Agent pursuant to the with the applicable rules of the LCD. The settlement will take place on the Issue Date. After the Settlement Agent submits a corresponding DVP instruction via LCD system, an investor, acting through its credit institution or investment brokerage firm with which the investor has opened a securities account, must confirm that instruction immediately (by sending a relevant instruction), but not later that by 4 pm (Riga time) on the same day.

14. AVAILABILITY OF THE TERMS AND CONDITIONS

The copies of these Terms and Conditions are available at the legal address of the Issuer at Matrožu iela 15A, Riga, LV-1048, Latvia on any Business Day within the limits of normal business hours upon request.

15. GOVERNING LAW AND DISPUTE RESOLUTION

24.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of the Republic of Latvia.

24.2 Any disputes relating to or arising in relation to the Notes shall be settled solely by the courts of the Republic of Latvia of competent jurisdiction.

SUPPLEMENT DATED 3 JULY 2017 TO THE TERMS AND CONDITIONS FOR AS STORENT INVESTMENTS UP TO EUR 10,000,00 UNSECURED FIXED RATE NOTES DUE 2020

This document (the “**Supplement”**) constitutes a supplement to the Terms and Conditions for AS Storent Investments up to EUR 10,000,000 Unsecured Fixed Rate Notes due 2020 dated 19 June 2017 (the “**Terms and Conditions**”).

Terms defined in the Terms and Conditions have the same meaning when used in this Supplement. This Supplement is supplemental to, and should be read in conjunction with, the Terms and Conditions.

Purpose of the Supplement

The purpose of this Supplement is to specify exact amount of the Notes issued under the Terms and Conditions.

Amount of the issued Notes

The amount of the Notes issued under the Terms and Conditions is 100,000 (one hundred thousand) for the aggregate principal amount EUR 10,000,000 (ten million euro).

SUPPLEMENT DATED 18 JUNE 2018 TO THE TERMS AND CONDITIONS FOR AS STORENT INVESTMENTS UP TO EUR 10,000,00 UNSECURED FIXED RATE NOTES DUE 2020

This document (the "**Supplement"**) constitutes a supplement to the Terms and Conditions for AS Storent Investments up to EUR 10,000,000 Unsecured Fixed Rate Notes due 2020 dated 19 June 2017 (the "**Terms and Conditions**").

Terms defined in the Terms and Conditions have the same meaning when used in this Supplement. This Supplement is supplemental to, and should be read in conjunction with, the Terms and Conditions.

Purpose of the Supplement

The purpose of this Supplement is to amend the Terms and Conditions to (a) change the name of the Latvian Central Depository to Nasdaq CSD SE in Clause 2.3 and to replace the definition "LCD" with definition "Depository" across all Terms and Conditions, and (b) amend Clauses 4.5 and 5.4. Amendments are being made pursuant to last sentence of Clause 21.1 (a), which stipulates that the Issuer shall have a right to amend the technical procedures relating to the Notes in respect of payments or other similar matters without the consent of the Noteholders, if such amendments are not prejudicial to the interests of the Noteholders. The Issuer considers that the amendments made according to this Supplement are not prejudicial to the interests of the Noteholders.

Amendments to the Terms and Conditions

The following amendments are made to the Terms and Conditions:

1. Clause 2.3 of the Terms and Conditions shall be deleted in its entirety and replaced with the following Clause:

   "2.3. The Notes shall be book-entered with Nasdaq CSD SE (registration number: 40003242879, legal address: Vaļņu iela 1, Riga, LV-1050, Latvia) (the "**Depository**") before the Issue Date and the accounting of the Notes shall be made by the Depository."

2. Definition "**LCD**" shall be replaced with definition "**Depository**" across all Terms and Conditions.

3. Clause 4.5 of the Terms and Conditions shall be deleted in its entirety and replaced with the following Clause:

   "4.5 Interest on the Notes shall be paid through the Depository in accordance with the applicable rules of the Depository to the persons which were registered as the Noteholders by the end of 5th (fifth) Business Day immediately preceding the Interest Payment Date."

4. Clause 5.4 of the Terms and Conditions shall be deleted in its entirety and replaced with the following Clause:

   "5.4. The principal of the Notes shall be paid through the Depository in accordance with the applicable rules of the Depository to the persons which were registered as the Noteholders by the end of Business Day immediately preceding the Maturity Date or the Early Redemption Date, as the case may be."

APPENDIX B – STORENT'S CONSOLIDATED ANNUAL REPORT 2017 AND 2016

JOINT-STOCK COMPANY

STORENT INVESTMENTS

(REGISTRATION NUMBER 40103834303)

CONSOLIDATED ANNUAL REPORT

2017 AND 2016

PREPARED IN ACCORDANCE WITH THE
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION
AND INFEPENDENT AUDITORS' REPORT

Riga, 2018

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) 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 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
Auditor and certified auditor name and address	Deloitte Audits Latvia SIA 4a Gredu Street, Riga Latvia, LV – 1019 License No. 43 Inguna Staša Latvian Certified Auditor Certificate No. 145

Management report

The Group's type of operations

Storent Investments AS (hereinafter – the Group's Parent company or Storent Investments AS) and its subsidiary companies (hereinafter – the Group) was established on 07 October 2014. The first company of the Group - Storent SIA - was established in 2008 by Andris Bisnieks and Andris Pavlovs with an objective to become one of the leading equipment rental companies in the Baltics and nearest European countries. At the end of 2008, a subsidiary Storent UAB was established in Lithuania and one year later a subsidiary Storent OU was launched in Estonia. At the end of year 2012, a subsidiary Storent Oy was established in Finland, in February 2013 a subsidiary Storent AB was founded in Sweden, and in June 2013 a subsidiary Storent AS was established in Norway. In December 2016 Storent Oy completed the acquisition of Leinolift Oy, a Finnish access equipment rental company. On 01 August 2017 Storent finalized the second acquisition, by purchasing Cramo operations in Latvia and Kaliningrad. In summer 2017 Storent started rental operations in Sweden. Currently, only Norwegian entity doesn't conduct economic activity. At the end of the reporting year Group consists of 9 entities with the main parent company Storent Investments AS and 8 subsidiaries in the Baltics and Nordic countries.

The Group's development and financial performance during the reporting year

The reporting year was very good for the company. The consolidated turnover increased by 99% reaching almost 38.7 million euros. Growing construction market in all Baltic and Nordic countries has been one of factors that accelerated company growth. Another important growth driver has been Storent second acquisition – Cramo operations in Latvia and Kaliningrad. The acquisition perfectly fit Storent development strategy and allowed Storent to reach leading market position in Latvia. Storent group is excited to incorporate Cramo professionals and expect synergy effect from additional technical and human capability in order to use growing construction market potential to the fullest and further extent it's offering and quality of service to customers. Russian operation provides new opportunities in a region, which experiences boost due to an upcoming 2018 FIFA World Cup in Kaliningrad.

During reporting period, the Group made almost 8 million investments in fixed assets that allowed to open first rental depot in Sweden, Stockholm and to expand rental fleet in Finland and Baltics. Baltic companies increased turnover by 38% including Cramo Latvia incomes, and Finnish entity increased sales by 100% during reporting year. In 2017, the Group continued to strengthen its position on the market and still keeps stable position among top 3 rental companies in the Baltics.

With latest acquisition, the balance sheet structure of the Group has become stronger. Non-current assets constitute 84% of the total assets. Long-term loans constitute 43% of the total balance sheet. Security for creditors ensured by registered and paid stock capital in value of 33.3 million euros, as well as 6.2 million euros bank account balance at the end of the accounting period. The Group finalized the year 2017 with profit of 43 779 EUR.

The Group management plans to continue investing in development of subsidiaries in Baltics with an objective to acquire bigger part of market share and to become the market leader as well as continue to strengthen its position in Nordic market.

Management report (continued)

The future development of the Group

The Group management expects that active acquisition of EU funds will continue through 2018, which will give a positive effect on the development of construction industry. Rental pricing increase expected to continue through the year. Currently available bank financing represents an additional driver for stable economic growth in the Baltic and Nordic countries, and this brings extra incentive to the construction sector. Taking into consideration the above-mentioned circumstances, the management of the Group plans to increase net sales in 2018 and to increase profitability.

Financial risk management

The Group key principles of finance risk management are presented in the Note 32.

Proposal for the Group loss for the year coverage

It is planned to use reporting period profit to cover losses from previous periods.

Events after the balance sheet date

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 respective subsidiary in amount of EUR 800 000 in March 2018.

As of the last day of the reporting year until the date of signing these consolidated financial statements, there have been no other events requiring adjustment of or disclosure in the consolidated financial statements or notes thereto.

The management report was signed on 14 May 2018 on the Group's behalf by:

Andris Bisnieks
Member of the Board

Andris Pavlovs
Member of the Board

Consolidated annual report is approved in shareholders meeting on 05. June 2018

Statement of management's responsibility

The Group's management confirms that the consolidated financial statements present fairly the Group's financial position at 31 December 2017 and 2016 and its financial performance and cash flows for the years then ended. The consolidated financial statements have been prepared according to the International Financial Reporting Standards adopted by the European Union. During the preparation of the Group's consolidated financial statements the management:

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

The Group's management is responsible for maintaining appropriate accounting records that would provide a fair presentation of the Group's financial position at a particular date and financial performance and cash flows and enable the management to prepare the consolidated financial statements according to the International Financial Reporting Standards adopted by the European Union.

This statement of management's responsibility was signed on 14 May 2018 by:

Andris Bisnieks
Member of the Board

Andris Pavlovs
Member of the Board

Consolidated statement of comprehensive income

	Notes	2017 EUR	2016 EUR	2015 EUR
Net revenue	3	38 670 555	19 426 875	19 142 848
Other operating income	4	190 416	77 892	50 280
Cost of materials and services received	5	(12 734 509)	(6 076 318)	(6 118 753)
Personnel costs	11	(8 555 743)	(4 472 506)	(4 179 518)
Other operating expenses	6	(5 750 588)	(2 864 357)	(3 063 195)
Depreciation and amortization	7	(8 387 318)	(6 384 759)	(5 653 213)
Interest and similar income	8	955	-	-
Interest and similar expenses	9	(3 191 886)	(2 906 095)	(2 587 530)
Profit / (loss) before income tax		**241 882**	**(3 199 268)**	**(2 409 081)**
Income tax expense	10	(181 908)	110 961	115 407
Profit / (loss) for the year		**59 974**	**(3 088 307)**	**(2 293 674)**
Items that may be reclassified subsequently to profit or loss				
Exchange differencies on foreign currency operations		(16 195)	-	1 814
Other comprehensive income for the year		**(16 195)**	**-**	**1 814**
Total comprehensive income for the year		**43 779**	**(3 088 307)**	**(2 291 860)**
Basic earnings per share		0.002	(0.432)	(0.321)

The notes on pages 12 to 52 are an integral part of these consolidated financial statements.
On behalf of the Group these consolidated financial statements were signed on 14 May 2018 by:

Andris Bisnieks
Member of the Board

Andris Pavlovs
Member of the Board

Consolidated statement of financial position

ASSETS

NON-CURRENT ASSETS	Notes	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014. EUR
Intangible assets					
Licences and similar rights		266 526	309 979	134 919	44 239
Other intangible investments		514 513	379 447	321 829	240 839
Customer relationships		65 972	107 639	-	-
Goodwill		15 346 352	14 336 732	13 314 795	13 314 795
TOTAL	12	**16 193 363**	**15 133 797**	**13 771 543**	**13 599 873**
Property, plant and equipment					
Lands and buildings		264 195	-	-	-
Leasehold improvements		125 846	118 825	-	-
Plant and equipment		53 161 512	48 347 736	42 196 822	26 294 546
Other fixed assets		880 885	793 958	707 257	535 558
Construction in progress		686 962	288 700	-	-
TOTAL	13	**55 119 400**	**49 549 219**	**42 904 079**	**26 830 104**
Other non-current assets					
Deferred income tax assets	10	163 863	1 025 475	1 037 474	79 633
Other long-term receivables		-	70 000	70 000	-
Deferred expenses	17	32 393	41 166	-	-
TOTAL		**196 256**	**1 136 641**	**1 107 474**	**79 633**
TOTAL NON-CURRENT ASSETS		**71 509 019**	**65 819 657**	**57 783 096**	**40 509 610**
CURRENT ASSETS					
Inventories	14	1 042 870	692 646	672 180	534 304
Trade and other receivables					
Trade receivables	15	5 162 516	3 458 628	2 488 373	2 717 819
Corporate income tax overpayment		40 249	99 777	69 297	-
Other receivables	16	276 736	263 871	105 680	143 893
Prepaid expenses	17	553 458	160 950	108 239	135 023
TOTAL		**6 032 959**	**3 983 226**	**2 771 589**	**2 996 735**
Cash and cash equivalents	18	6 239 954	4 123 516	4 094 211	9 970 379
TOTAL CURRENT ASSETS		**13 315 783**	**8 799 388**	**7 537 980**	**13 501 418**
TOTAL ASSETS		**84 824 802**	**74 619 045**	**65 321 076**	**54 011 028**

The notes on pages 12 to 52 are an integral part of these consolidated financial statements.
On behalf of the Group these consolidated financial statements were signed on 14 May 2018 by:

Andris Bisnieks
Member of the Board

Andris Pavlovs
Member of the Board

Consolidated statement of financial position

EQUITY AND LIABILITIES

EQUITY	Notes	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014. EUR
Share capital	19	33 316 278	7 142 858	7 142 858	7 142 858
Reserves:					
Foreign currency translation reserve		(14 381)	1 814	1 814	-
Other reserves		26 774	26 774	26 774	10 717
Accumulated loss:					
Previous' years accumulated deficit		(6 565 079)	(3 087 843)	(794 169)	(850 998)
Profit/ (loss) for the year		59 974	(3 088 307)	(2 293 674)	71 957
TOTAL EQUITY		**26 823 566**	**995 296**	**4 083 603**	**6 374 534**
LIABILITIES					
Non-current liabilities					
Loans from credit institutions	21	25 565	42 000	-	-
Issued bonds	22	6 507 402	-	-	-
Loans from related companies	29 c	4 883 870	29 809 346	24 327 022	22 867 210
Finance lease liabilities	23	19 101 594	20 731 423	15 691 588	10 337 390
Other borrowings	24	5 420 741	4 685 687	6 511 908	3 636 653
Provisions	20	539 554	812 315	40 565	-
Deferred income	26	737 816	1 588 679	-	-
Deffered income tax liabilities	10	572 260	1 297 241	903 662	86 806
TOTAL		**37 788 802**	**58 966 691**	**47 474 745**	**36 928 059**
Current liabilities					
Loans from credit institutions	21	16 435	14 000	-	-
Finance lease liabilities	23	9 254 841	8 452 214	8 242 296	5 859 055
Other borrowings	24	2 998 385	1 903 879	1 820 398	1 085 265
Advances from customers		131 811	37 525	42 762	70 452
Trade payables		3 724 111	1 876 368	2 739 141	2 455 130
Corporate income tax liabilities		789	77 276	-	-
Taxes and national mandatory social insurance contributions	25	679 754	448 724	269 059	434 896
Provisions	20	957 940	114 668	94 635	-
Deferred income	26	1 051 644	804 455	-	-
Other liabilities	27	297 754	226 037	192 214	187 772
Accrued liabilities	28	1 098 970	701 912	362 223	615 865
TOTAL		**20 212 434**	**14 657 058**	**13 762 728**	**10 708 435**
TOTAL LIABILITIES		**58 001 236**	**73 623 749**	**61 237 473**	**47 636 494**
TOTAL EQUITY AND LIABILITIES		**84 824 802**	**74 619 045**	**65 321 076**	**54 011 028**

The notes on pages 12 to 52 are an integral part of these consolidated financial statements.
On behalf of the Group these consolidated financial statements were signed on 14 May 2018 by:

Andris Bisnieks
Member of the Board

Andris Pavlovs
Member of the Board

Consolidated statement of cash flows

	Notes	2017 EUR	2016 EUR	2015 EUR
Cash flows from operating activities				
Profit/ (loss) before income tax		241 882	(3 199 268)	(2 409 081)
Adjustments:				
Amortisation of intangible assets and depreciation of property, plant and equipment	12, 13	9 347 320	6 787 168	5 898 619
Net result on disposals of property, plant and equipment		(1 024 502)	(357 303)	280 444
Interest expense	9	3 177 804	2 897 317	2 577 163
Provision increase		570 511	15 397	-
Operating results before changes in working capital		***12 313 015***	***6 143 311***	***6 347 145***
Receivables (increase)		(922 016)	(101 526)	(163 968)
Inventories (increase)		(240 816)	(16 119)	(137 876)
Payables increase/ (decrease)		2 099 452	(297 121)	(914 912)
Cash flows from operating activities		***13 249 635***	***5 728 545***	***5 130 389***
Interest paid		(2 573 383)	(1 333 640)	(1 135 788)
Corporate income tax paid		(340 324)	(168 865)	(114 717)
Net cash flow generated from operating activities		**10 335 928**	**4 226 040**	**3 879 884**
Cash flows from investing activites				
Purchases of property, plant and equipment		(2 397 348)	(1 642 885)	(6 122 433)
Acquisition of subsidiary		(4 560 229)	(2 800 000)	-
Proceeds from sale of property, plant and equipment		251 270	187 771	140 509
Net cash used in investing activities		**(6 706 307)**	**(4 255 114)**	**(5 981 924)**
Cash flows from financing				
Proceeds from borrowings		11 744 652	4 000 000	5 791 249
Proceeds from lease back transactions		1 117 000	5 638 739	-
Loan repayment		(5 145 351)	(2 059 473)	(1 893 292)
Repayment of finance leases		(9 428 162)	(7 693 505)	(7 672 085)
Net cash used in financing activities		**(1 711 861)**	**(114 239)**	**(3 774 128)**
Foreign curreny exchange		**(16 195)**	**-**	**-**
Net cash flow for the year		**1 901 565**	**(143 313)**	**(5 876 168)**
Cash in subsidiary at the acquisition moment		**214 873**	**172 618**	**-**
Cash and cash equivalents at the beginning of the reporting year		4 123 516	4 094 211	9 970 379
Cash and cash equivalents at the end of the reporting year	**18**	**6 239 954**	**4 123 516**	**4 094 211**

During 2017 significant non cash transactions relate to acquisition of property, plant and equipment under finance lease arrangements in the amount of 7 582 164 EUR (2016: 3 440 227 EUR).

The notes on pages 12 to 52 are an integral part of these consolidated financial statements.
On behalf of the Group these consolidated financial statements were signed on 14 May 2018 by:

Andris Bisnieks
Member of the Board

Andris Pavlovs
Member of the Board

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 2013	**5 000 000**	**-**	**290**	**(1 843 702)**	**1 172 320**	**4 328 908**
Share issue	2 142 858	-	-	(167 340)	-	**1 975 518**
Aquisition result	-	-	-	-	(144 908)	**(144 908)**
Profit for the year	-	-	-	-	216 865	**216 865**
Transfer	-	-	10 427	1 160 044	(1 172 320)	**(1 849)**
Balance at 31 December 2014	**7 142 858**	**-**	**10 717**	**(850 998)**	**71 957**	**6 374 534**
Loss for the year	-	-	-	-	(2 293 674)	**(2 293 674)**
Other comprehensive income	-	1 814	-	-	-	**1 814**
Transfer of previous' year profit	-	-	16 057	56 829	(71 957)	**929**
Balance at 31 December 2015	**7 142 858**	**1 814**	**26 774**	**(794 169)**	**(2 293 674)**	**4 083 603**
Loss for the year	-	-	-	-	(3 088 307)	**(3 088 307)**
Transfer of previous' year loss	-	-	-	(2 293 674)	2 293 674	**-**
Balance at 31 December 2016	**7 142 858**	**1 814**	**26 774**	**(3 087 843)**	**(3 088 307)**	**995 296**
Share issue (Note 19)	26 173 420	-	-	(388 929)	-	**25 784 491**
Profit for the year	-	-	-	-	59 974	**59 974**
Other comprehensive income	-	(16 195)	-	-	-	**(16 195)**
Transfer of previous' year loss	-	-	-	(3 088 307)	3 088 307	**-**
Balance at 31 December 2017	**33 316 278**	**(14 381)**	**26 774**	**(6 565 079)**	**59 974**	**26 823 566**

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

The notes on pages 12 to 52 are an integral part of these consolidated financial statements.
On behalf of the Group these consolidated financial statements were signed on 14 May 2018 by:

Andris Bisnieks
Member of the Board

Andris Pavlovs
Member of the Board

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.

The consolidated financial statements for 2017 were approved by the decision of the Management Board of the Group's Parent company on 05 June 2018.

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 31 December 2017 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, except for Leinolift Oy that has financial year from 1 July till 30 June, but for consolidated financial statement purposes financial data are recalculated for the period form 1 January 2017 till 31 December 2017. 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:

	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
1 USD	1.1993	0.94868	0.91853	0.82366
1 GBP	0.88723	1.16798	1.36249	1.28386
1 NOK	0.098403	0.11006	0.10413	0.11060
1 SEK	0.098438	0.10468	0.10882	0.10646
1 RUB	0.69392	0.06430	0.01240	0.01382

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 other comprehensive income.

(d) Consolidation of foreign subsidiaries

Consolidating foreign subsidiaries into the consolidated financial statement, the Group's Parent company translated the monetary and non-monetary assets and liabilities at the European Central Bank 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 year. 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' 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 31 December 2017.

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 31 December 2017. 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 31 December 2017.

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 31 December 2017.

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

Revenue is recognized when it is probable that the economic benefits will flow to the Group and to the extent its amounts can be measured reliably, net of value added tax and trade discounts. Upon recognizing income, the following must be complied with:

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognized by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group.

2. Summary of significant accounting policies (cont.)

(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 and Lithuania)

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

Corporate income tax for the reporting year (Estonia)

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

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.

2. **Summary of significant accounting policies** (cont.)

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.

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.

(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 financial statements, for the year ended 31 December 2017, are the first the Group has prepared in accordance with International Financial Reporting Standards. Group's date of transition to IFRS's is 1 January 2015.

Accordingly, the Group has prepared financial statements which comply with IFRS applicable for periods ending on or after 31 December 2017, together with the comparative period data as at and for the year ended 31 December 2016 and 31 December 2015, as described in the summary of significant accounting policies.

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.

Adoption of new or revised standards and interpretations

There are new standard and amendments to the existing standards adopted by the EU, which are not yet effective for the year ended 31 December 2017 and which have not been applied in preparing these consolidated statements:

- IFRS 9 "Financial Instruments" - adopted by the EU on 22 November 2016 (effective for annual periods beginning on or after 1 January 2018)

  IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.

  Classification and Measurement - IFRS 9 introduces new approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements under IAS 39. The new model also results in a single impairment model being applied to all financial instruments.

  Impairment - IFRS 9 has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.

  Hedge accounting - IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities.

  Own credit - IFRS 9 removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.

  The Group is in process of evaluation of the impact of the issued standard on the Group's financial statements, no reliable calculations are yet available.

- IFRS 15 *Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2018). IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 *Revenue*, IAS 11 *Construction Contracts* and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. The core principle of the new Standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services.

2. Summary of significant accounting policies (cont.)

Adoption of new or revised standards and interpretations (cont.)

The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. The Group currently is evaluating the potential impact of the issued standard on Group's financial statements.

- IFRS 16 *Leases* (effective for annual periods beginning on or after 1 January 2019). Under IFRS 16 a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate. As with IFRS 16's predecessor, IAS 17, lessors classify leases as operating or finance in nature. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease. For finance leases a lessor recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment. A lessor recognises operating lease payments as income on a straight-line basis or, if more representative of the pattern in which benefit from use of the underlying asset is diminished, another systematic basis. The Group currently is evaluating the potential impact of the issued standard on Group's financial statements.
- Amendments to IFRS 2 *Share-based Payment - Classification and Measurement of Share-based Payment Transactions* (effective for annual periods beginning on or after 1 January 2018). The amendments provide requirements on the accounting for: (a) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; (b) share-based payment transactions with a net settlement feature for withholding tax obligations; and (c) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The Group considers that the amendments will have no impact on Group's financial statements.
- Amendments to IFRS *4 Insurance Contracts - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* (effective for annual periods beginning on or after 1 January 2018 or when IFRS 9 "Financial Instruments" is applied first time). The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing the replacement standard that the Board is developing for IFRS 4. The Group does not consider that the amendments would have material impact on Group's financial statements.
- Amendments to IFRS 9 *Financial Instruments - Prepayment Features with Negative Compensation* (effective for annual periods beginning on or after 1 January 2019). The amendments modifies the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. Under the amendments, the sign of the prepayment amount is not relevant, i. e. depending on the interest rate prevailing at the time of termination, a payment may also be made in favour of the contracting party effecting the early repayment. The calculation of this compensation payment must be the same for both the case of an early repayment penalty and the case of a early repayment gain. The Group considers that the amendments will have no impact on Group's financial statements.
- *Clarifications to IFRS 15 Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2018). The amendments address implementation questions on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property (IP), and transition. The amendments are also intended to help ensure a more consistent application when entities adopt IFRS 15 and decrease the cost and complexity of applying it. The Group does not consider that the clarifications would have material impact on Group's financial statements.

2. Summary of significant accounting policies (cont.)

Adoption of new or revised standards and interpretations (cont.)

- Amendments to IAS 40 *Investment Property - Transfers of Investment Property* (effective for annual periods beginning on or after 1 January 2018; not yet adopted by the EU). The amendments state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. Amendments also state that the list of evidence in paragraph 57 was designated as non-exhaustive list of examples instead of the previous exhaustive list. The Group does not consider that the amendments would have material impact on Group's financial statements.
- Amendments to various standards *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 (amendments to IFRS 1 and IAS 28 are to be applied for annual periods beginning on or after 1 January 2018). Changes include: (i) deletion of the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose, (ii) clarification of the scope of the IFRS 12 by specifying that the disclosure requirements in IFRS 12, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", (iii) clarification of the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition. The Group does not consider that the amendments would have material impact on Group's financial statements.
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (effective for annual periods beginning on or after 1 January 2018). Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Group does not consider that the interpretation would have material impact on Group's financial statements.

2. Summary of significant accounting policies (cont.)

A number of new standards, amendments to standards and interpretations not yet adopted by the EU as at 31 December 2017, have not been applied in preparing these consolidated statements:

- IFRS 14 *Regulatory Deferral Accounts* (effective for annual periods beginning on or after 1 January 2016; not adopted by the EU, as the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard). This Standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS. The issued standard will have no impact on Group's financial statements.
- IFRS 17 *Insurance Contracts* (effective for annual periods beginning on or after 1 January 2021; not adopted by the EU). The new standard requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 "Insurance Contracts" and related interpretations while applied. The issued standard will have no impact on Group's financial statements.
- 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 issued by IASB on 11 September 2014* (on 17 December 2015 IASB deferred indefinitely effective date; not adopted by the EU). The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The Group does not consider that the amendments would have material impact on Group's financial statements.
- Amendments to IAS 19 *Employee Benefits* - Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019, not adopted by the EU). The amendments require to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. The Group does not consider that the amendments would have material impact on Group's financial statements.
- Amendments to IAS 28 *Investments in Associates and Joint Ventures* - Long-term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2019; not adopted by the EU). Amendments were introduced to clarify that an entity applies IFRS 9 including its impairment requirements, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. Amendments also delete paragraph 41 because the Board felt that it merely reiterated requirements in IFRS 9 and had created confusion about the accounting for long-term interests. The Group considers that the amendments will have no impact on Group's financial statements.
- Amendments to various standards due to *Improvements to IFRSs (cycle 2015-2017)* (effective for annual periods beginning on or after 1 January 2019; not adopted by the EU). Amendments to various standards 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. The amendments clarify that: a company remeasures its previously held interest in a joint operation when it obtains control of the business (IFRS 3); a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business (IFRS 11); a company accounts for all income tax consequences of dividend payments in the same way (IAS 12); and a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale (IAS 23). The Group considers that the amendments will have no impact on Group's financial statements.
- IFRIC 23 *Uncertainty over Income Tax Treatments* (effective for annual periods beginning on or after 1 January 2019; not adopted by the EU). It may be unclear how tax law applies to a particular transaction or circumstance, or whether a taxation authority will accept a company's tax treatment. IAS 12 Income Taxes specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. The Group does not consider that the interpretation would have material impact on Group's financial statements.

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	2017 EUR	2016 EUR	2015 EUR
Rental revenue	30 191 410	15 793 247	15 692 772
Transport and related services revenue	7 769 417	3 108 110	2 912 449
Revenue from sale of inventories	641 831	519 910	469 208
Revenue from sale of property, plant and equipment used for renting	119 168	60 729	140 509
Cash discounts to customers	(51 271)	(55 121)	(72 090)
TOTAL:	**38 670 555**	**19 426 875**	**19 142 848**

Net revenue per geographical location	2017 EUR	2016 EUR	2015 EUR
Finland	11 277 868	-	-
Latvia	11 159 693	6 743 608	7 020 774
Lithuania	9 463 249	7 896 647	8 149 401
Estonia	6 110 368	4 785 094	3 972 673
Russia, Kaliningrad	385 794	-	-
Sweden	273 583	1 526	-
TOTAL:	**38 670 555**	**19 426 875**	**19 142 848**

Property, plant and equipment per geographical location	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR
Finland	10 353 280	9 953 721	-
Baltics (Latvia, Estonia and Lithuania)	44 424 807	39 595 498	42 904 079
Russia, Kaliningrad	180 892	-	-
Sweden	160 422	-	-
TOTAL:	**55 119 400**	**49 549 219**	**42 904 079**

Intangible assets (including goodwill) per geographical location	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR
Finland	1 092 977	1 129 576	10 000
Baltics (Latvia, Estonia and Lithuania)	14 770 184	14 004 221	13 761 543
Russia, Kaliningrad	329 585	-	-
Sweden	617	-	-
TOTAL:	**16 193 363**	**15 133 797**	**13 771 543**

4. Other operating income

By type	2017 EUR	2016 EUR	2015 EUR
Insurance reimbursements received	102 752	23 994	24 255
Cost compensation	21 146	43 508	24 784
Other income	66 518	10 390	1 241
TOTAL:	**190 416**	**77 892**	**50 280**

5. Cost of services and goods sold

a) Cost of goods sold

	2017 EUR	2016 EUR	2015 EUR
Cost of goods sold	430 190	297 631	278 704
Cost of sold property, plant and equipment used for renting	127 243	129 688	201 338
Renting equipment corrected due to stock count	3 120	(34 519)	(41 851)
TOTAL:	**560 553**	**392 800**	**438 191**

b) Other external costs

	2017 EUR	2016 EUR	2015 EUR
Transport and assembly services	5 665 805	2 617 861	2 489 960
Equipment rent related costs	4 417 423	1 970 773	2 286 542
Repairs and maintenance services	2 090 728	1 094 884	904 060
TOTAL:	**12 173 956**	**5 683 518**	**5 680 562**

6. Other operating expenses

	2017 EUR	2016 EUR	2015 EUR
Rent of offices and areas and maintenance costs	1 963 067	1 167 737	996 634
Other administrative expenses	788 369	297 471	423 680
Written-off doubtful debts	339 835	380 645	168 075
Administration transport costs	818 100	431 743	445 407
IT expenses	505 845	265 436	245 237
Insurance costs	319 705	226 583	212 185
Marketing expenses	339 430	133 564	290 499
Consulting and other services	210 079	-	-
Legal services	327 292	-	-
Communication expenses	136 549	96 573	94 725
Allowance (recovery) for doubtful debts	2 317	(135 395)	186 753
TOTAL:	**5 750 588**	**2 864 357**	**3 063 195**

7. Depreciation and amortization

	2017 EUR	2016 EUR	2015 EUR
Property, plant and equipment depreciation	8 993 773	6 527 481	5 465 061
Amortization of intangible assets	352 971	259 687	188 152
Recognized deferred income (Note 26)	(959 426)	(402 409)	-
TOTAL:	**8 387 318**	**6 384 759**	**5 653 213**

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

	2017 EUR	2016 EUR	2015 EUR
Depreciation of property, plant and equipment used for renting	8 579 633	6 225 290	5 223 433
Depreciation of property, plant and equipment used for own needs	414 140	302 191	241 628
TOTAL:	**8 993 773**	**6 527 481**	**5 465 061**

8. Interest and similar income

	2017 EUR	2016 EUR	2015 EUR
Interest income	955	-	-
TOTAL:	**955**	**-**	**-**

9. Interest and similar expenses

	2017 EUR	2016 EUR	2015 EUR
Interest on borrowings	1 481 515	1 746 012	1 570 234
Interest related to finance lease	1 286 307	1 068 746	919 037
Interest related to bonds	268 811	-	-
Amortization of incurred incremental costs	126 125	78 042	77 828
Interest on factoring	15 046	4 517	10 065
Net foreign exchange losses	2 140	655	2 700
Other expenses	11 942	8 123	7 666
TOTAL:	**3 191 886**	**2 906 095**	**2 587 530**

Interest expenses presented above are incurred by financial instruments presented in the group Financial liabilities at amortized cost in accordance with IAS 39.

10. Income tax expense

	2017 EUR	2016 EUR	2015 EUR
Corporate income tax calculated for the year	(42 175)	(591)	(25 578)
Deferred income tax changes due to temporary differences	(139 733)	111 552	140 985
Corporate income tax recognized in consolidated statement of comprehensive income:	**(181 908)**	**110 961**	**115 407**

Deferred income tax:

	Consolidated statement of financial position			
	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Deferred income tax liabilities				
Accelerated depreciation for tax purposes	1 774 645	3 374 360	2 815 142	2 521 611
Gross deferred income tax liabilities	**1 774 645**	**3 374 360**	**2 815 142**	**2 521 611**
Deferred income tax assets				
Tax losses carried forward	(1 362 434)	(3 315 723)	(2 739 118)	(2 303 892)
Accrued vacation reserve	(2 459)	(43 064)	(12 151)	(51 671)
Other	(1 355)	256 193	(197 685)	(158 875)
Gross deferred income tax asset	**(1 366 248)**	**(3 102 594)**	**(2 948 954)**	**(2 514 438)**
Net deferred income tax asset	**(163 863)**	**(1 025 475)**	**(1 037 474)**	**(79 633)**
Net deferred income tax liabilities	**572 260**	**1 297 241**	**903 662**	**86 806**

The Group's management believes that in future years when deferred income tax liabilities crystallize they will be set off against the above referred deferred income tax assets.

Reconciliation of the actual corporate income tax with calculated theoretical tax:

	2017 EUR	2016 EUR	2015 EUR
Profit/ (loss) before income tax	241 882	(3 199 268)	(2 409 081)
Reversed loss incurred by subsidiary in Estonia	-	(702 821)	(1 264 209)
Profit/ (loss) before income tax, subject to corporate income tax	**241 882**	**(2 496 447)**	**(1 144 872)**
The calculated theoretical corporate income tax – at 15%	36 282	(374 467)	(171 731)
Permanent differences:			
Expenses not related to business	1 494	572	1 039
Other permanent differences	144 132	262 934	55 285
The actual corporate income tax for the reporting year:	**181 908**	**(110 961)**	**(115 407)**
Effective corporate income tax rate	**75.21%**	**3.47%**	**4.79%**

11. Personnel expenses and number of employees

	2017 EUR	2016 EUR	2015 EUR
Salaries	5 730 054	3 309 137	3 144 798
State social security mandatory contributions	1 814 981	904 775	779 775
Other personnel costs	845 446	155 997	201 419
Remuneration to contractors	165 262	102 597	53 526
TOTAL:	**8 555 743**	**4 472 506**	**4 179 518**

Executive management remuneration:	2017 EUR	2016 EUR	2015 EUR
Board members			
Salaries	484 512	314 338	315 520
State social security mandatory contributions	114 089	73 936	74 147
TOTAL:	**598 601**	**388 274**	**389 667**

	2017	2016	2015
Average number of employees during the reporting year	285	226	166
TOTAL:	**285**	**226**	**166**

Personnel costs by function:	2017 EUR	2016 EUR	2015 EUR
Sales	3 214 124	1 680 180	1 635 443
Customer services	3 482 256	1 820 346	1 292 886
Administration and finance staff	1 859 363	971 980	1 251 189
TOTAL:	**8 555 743**	**4 472 506**	**4 179 518**

12. Intangible assets

	Licenses and similar rights	Other intangible assets	Customer relationships	Goodwill	TOTAL
	EUR	EUR	EUR	EUR	EUR
FY 2014					
Net carrying value, opening	66 663	244 476	-	-	311 139
Additions	-	167 848	-	13 314 795	13 482 643
Amortisation	(22 424)	(171 485)	-	-	(193 909)
Net carrying value, closing	44 239	240 839	-	13 314 795	13 599 873
At 31 December 2014					
Historical cost	90 885	545 750	-	13 314 795	13 951 430
Accumulated amortisation	(46 646)	(304 911)	-	-	(351 557)
Net carrying value	**44 239**	**240 839**	**-**	**13 314 795**	**13 599 873**
FY 2015					
Net carrying value, opening	44 239	240 839	-	13 314 795	13 599 873
Additions	163 953	500 107	-	-	664 060
Disposals, net	(40 503)	(202 381)	-	-	(242 884)
Amortisation	(32 770)	(216 736)	-	-	(249 506)
Net carrying value, closing	134 919	321 829	-	13 314 795	13 771 543
At 31 December 2015					
Historical cost	250 409	1 197 122	-	13 314 795	14 762 326
Accumulated amortisation	(115 490)	(875 293)	-	-	(990 783)
Net carrying value	**134 919**	**321 829**	**-**	**13 314 795**	**13 771 543**
FY 2016					
Net carrying value, opening	134 919	321 829	-	13 314 795	13 771 543
Additions	214 968	277 397	-	-	492 365
Additions due to acquisition	-	-	107 639	1 021 937	1 129 576
Amortisation	(39 908)	(219 779)	-	-	(259 687)
Net carrying value, closing	309 979	379 447	107 639	14 336 732	15 133 797
At 31 December 2016					
Historical cost	465 376	1 474 513	125 000	14 336 732	16 401 621
Accumulated amortisation	(155 397)	(1 095 066)	(17 361)	-	(1 267 824)
Net carrying value	**309 979**	**379 447**	**107 639**	**14 336 732**	**15 133 797**
FY 2017					
Net carrying value, opening	309 979	379 447	107 639	14 336 732	15 133 797
Additions	32 947	366 532	-	-	399 479
Additions due to acquisition *	2 320	1 118	-	1 009 620	1 013 058
Amortisation	(78 720)	(232 584)	(41 667)	-	(352 971)
Net carrying value, closing	266 526	514 513	65 972	15 346 352	16 193 363
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**

* Regarding Goodwill increase in relatation to acquisition please see Note 38.

12. Intangible assets (cont.)

Property, plant and equipment and intangible assets are tested for impairment for each reporting date. For the purpose of impairment testing on property, plant and equipment and intangible assets, recoverable amount - value in use - is determined by discounting the future cash flows generated from the continuing use of assets and was based on the following key assumptions: Cash flows were projected based on a 5 year business plan. Cash flows were extrapolated using the compound annual revenue growth rates from 7% to 8% in the Baltics, 40% in the Kaliningrad region of Russia and 17% for Finland. The compound annual growth rates for costs were from 5% to 7% in the Baltics, 41% in Russia and 15% for Finland. A post-tax discount rate of 10% was applied in determining the recoverable amount of assets. The discount rate was estimated based on an industry average weighted average cost of capital. No impairment has been identified. The recoverable value of non-current assets significantly depends on the assumptions used in valuation with respect to sales growth and timing of this growth as well as Group management's ability to realize those assumptions and overall development of Baltic and Nordic construction market. Any adverse changes to these assumptions caused by volatility of the market the Group operates in, may negatively influence the carrying value of non-current assets presented in the Group's balance sheet as of 31 December 2017.

13. Property, plant and equipment

	Land and buildings EUR	Leasehold improvements EUR	Plant and equipment EUR	Other fixed assets EUR	Construction in progress EUR	TOTAL EUR
FY 2014						
Net carrying value, opening	-	-	23 622 441	342 578	-	23 965 019
Additions	-	-	6 461 925	388 331	-	6 850 256
Disposals, net	-	-	(229 098)	(38 308)	-	(267 407)
Depreciation	-	-	(3 560 722)	(157 043)	-	(3 717 765)
Net carrying value, closing	-	-	26 294 546	535 558	-	26 830 104
at 31 December 2014						
Historical cost	-	-	38 346 087	1 108 288	-	39 454 375
Accumulated depreciation	-	-	(12 051 541)	(572 730)	-	(12 624 271)
Net carrying value	**-**	**-**	**26 294 546**	**535 558**	**-**	**26 830 104**
FY 2015						
Net carrying value, opening	-	-	26 294 546	535 558	-	26 830 104
Additions	-	-	21 353 034	477 957	-	21 830 991
Disposals, net	-	-	(227 325)	(64 630)	-	(291 955)
Depreciation	-	-	(5 223 433)	(241 628)	-	(5 465 061)
Net carrying value, closing	-	-	42 196 822	707 257	-	42 904 079
at 31 December 2015						
Historical cost	-	-	58 993 083	1 362 199	-	60 355 282
Accumulated depreciation	-	-	(16 796 261)	(654 942)	-	(17 451 203)
Net carrying value	**-**	**-**	**42 196 822**	**707 257**	**-**	**42 904 079**
FY 2016						
Net carrying value, opening	-	-	42 196 822	707 257	-	42 904 079
Additions	-	-	506 484	149 750	-	656 234
Additions due to acquisition	-	118 825	9 295 189	251 007	288 700	9 953 721
Value increase*	-	-	2 795 541	-	-	2 795 541
Disposals, net	-	-	(221 010)	(11 865)	-	(232 875)
Depreciation	-	-	(6 225 290)	(302 191)	-	(6 527 481)
Net carrying value, closing	-	118 825	48 347 736	793 958	288 700	49 549 219
at 31 December 2016						
Historical cost	-	148 531	74 246 227	1 841 953	288 700	76 525 411
Accumulated depreciation	-	(29 706)	(25 898 491)	(1 047 995)	-	(26 976 192)
Net carrying value	**-**	**118 825**	**48 347 736**	**793 958**	**288 700**	**49 549 219**
FY 2017						
Net carrying value, opening	-	118 825	48 347 736	793 958	288 700	49 549 219
Additions	-	19 746	8 502 376	407 291	398 262	9 327 675
Additions due to acquisition	269 882	20 538	4 709 035	67 842	-	5 067 297
Value increase*	-	-	355 752	-	-	355 752
Disposals, net	-	-	(173 132)	(13 062)	-	(186 194)
Depreciation	(5 687)	(33 263)	(8 580 255)	(375 144)	-	(8 994 349)
Net carrying value, closing	264 195	125 846	53 161 512	880 885	686 962	55 119 400
at 31 December 2017						
Historical cost	306 883	273 035	93 168 597	2 594 232	686 962	97 029 709
Accumulated depreciation	(42 688)	(147 189)	(40 007 085)	(1 713 347)	-	(41 910 309)
Net carrying value	**264 195**	**125 846**	**53 161 512**	**880 885**	**686 962**	**55 119 400**

13. Property, plant and equipment (cont.)

* Value increase is related to leaseback transactions with fixed assets in 2016 and 2017. Respective increase is also disclosed in deferred income that is amortised over lease term.

Carrying value of assets acquired under finance lease

The cost value of assets acquired under finance lease is stated as follows:

	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Plant and equipment	66 511 194	41 053 310	36 085 725	24 568 298
Other fixed assets	399 454	10 875 314	5 940 662	5 316 233
TOTAL:	**66 910 648**	**51 928 624**	**42 026 387**	**29 884 531**

The leased assets have been pledged as a security for the respective finance lease liabilities. See Note 23 and 24.

Fully depreciated property, plant and equipment

A number of fully depreciated property, plant and equipment are still used for the Group's business operations. The total historical cost of such property, plant and equipment was EUR 5 767 003 at the end of the reporting year (EUR 1 945 824 in 2016; EUR 908 932 in 2015; EUR 1 138 000 in 2014).

14. Inventories

	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Goods for sale (at cost)	438 143	328 301	280 631	318 755
Consumables (at cost)	604 727	364 345	391 549	215 549
TOTAL:	**1 042 870**	**692 646**	**672 180**	**534 304**

15. Trade receivables

	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Trade receivables	7 254 412	5 131 785	4 291 456	4 334 149
Allowance for doubtful debts	(2 091 896)	(1 673 157)	(1 803 083)	(1 616 330)
TOTAL:	**5 162 516**	**3 458 628**	**2 488 373**	**2 717 819**

Interest is not charged on late payment of receivables. Generally, trade receivables are due within 15 - 45 days. Allowance for doubtful debts are made upon individual assessment of individual balances. There are no collectively assessed allowances for doubtful debts. Trade receivables are not secured or collaterized, except customers which use factoring.

15. Trade receivables (cont.)

Changes in the allowance for doubtful debts **(Individually assessed)**	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
At the beginning of the year	**1 673 157**	**1 803 083**	**1 616 330**	**1 127 091**
Allowance increase	402 983	245 250	377 582	824 803
Additions due to acquisition	388 822	-	-	-
Written-off	(373 066)	(375 176)	(190 829)	(335 564)
TOTAL:	**2 091 896**	**1 673 157**	**1 803 083**	**1 616 330**

Receivables aging analysis:

			Payment term is overdue, no impairment recognised				
	Total EUR	Not overdue, no impairment identified EUR	Less than 30 days EUR	31 - 60 days EUR	61 - 90 days EUR	91 -180 days EUR	More than 180 days EUR
31.12.2014:	**2 717 819**	1 452 709	777 795	249 842	103 770	91 833	41 870
31.12.2015:	**2 488 373**	1 373 278	740 227	233 413	83 205	48 654	9 596
31.12.2016:	**3 458 628**	2 376 528	738 586	204 598	59 597	40 766	38 553
31.12.2017:	**5 162 516**	3 095 780	1 423 495	354 288	136 733	130 578	21 642

16. Other receivables

	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Guarantee deposit	91 709	123 296	63 416	114 380
Advances made to suppliers	72 812	79 585	30 683	25 756
Accrued earnings	55 907	-	-	-
Other receivables	21 567	28 418	7 839	2 238
Refundable value-added tax	28 658	3 319	2 449	1 232
Advances made to employees	6 083	29 253	1 293	287
TOTAL:	**276 736**	**263 871**	**105 680**	**143 893**

17. Prepaid expenses

	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Payments to lease companies in January	241 741	-	-	-
Other deferred expenses	344 110	202 116	108 239	135 023
Total:	**585 851**	**202 116**	**108 239**	**135 023**
Total Non-current prepaid expenses:	32 393	41 166	-	-
Total Current prepaid expenses:	553 458	160 950	108 239	135 023

18. Cash and cash equivalents

	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Cash in bank and cash, EUR	5 944 677	4 111 533	4 089 406	9 794 275
Cash in bank and cash, LTL	-	-	-	171 207
Cash in bank and cash, RUB	242 072	-	-	-
Cash in bank and cash, SEK	52 502	7 165	2 898	3 623
Cash in bank and cash, NOK	703	4 818	1 907	1 274
TOTAL:	**6 239 954**	**4 123 516**	**4 094 211**	**9 970 379**

19. 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 31.12.2017 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.

The registered share capital of the Group's Parent company on 31.12.2016 and on 31.12.2015 is EUR 7 142 858, divided into 7 142 858 shares. The nominal value of a share is EUR 1. All shares have equal voting right and dividend entitlement.

As at 31 December 2016 and 2015 the equity value is reduced by EUR 167 340 – due to capitalized loan financing expenses, and by the mentioned amount was increased accumulated deficit of previous years.

As at 31 December 2017 the equity value is reduced by EUR 556 269 – due to capitalized loan financing expenses, and by the mentioned amount was increased accumulated deficit of previous years.

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. Residual incremental costs as of 31 December 2016 amounted to EUR 388 929 (31.12.2015: EUR 466 971) and are disclosed in Note 29 c.

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 2016, 31 December 2015 and 31 December 2014:

Shareholder	Numbers of shares	Amount EUR	Participating interest (%)
Levina Investments S.A.R.L. (Luxembourg)	4 000 000	4 000 000	56%
Perle Cunsultancy LTD (Cyprus)	1 571 429	1 571 429	22%
TORRINI LTD (Cyprus)	1 571 429	1 571 429	22%
TOTAL:	**7 142 858**	**7 142 858**	**100%**

Parent company's shareholders as of 31 December 2017:

Shareholder	Numbers of shares	Amount EUR	Participating interest (%)
Levina Investments S.A.R.L. (Luxembourg)	24 320 882	24 320 882	73%
Perle Cunsultancy LTD (Cyprus)	4 497 698	4 497 698	13.5%
TORRINI LTD (Cyprus)	4 497 698	4 497 698	13.5%
TOTAL:	**33 316 278**	**33 316 278**	**100%**

20. Provisions

	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Contingent consideration related to acquisition	776 385	776 385	-	-
Provisions for employee bonuses	685 180	110 033	90 000	-
Other provisions	35 929	40 565	45 200	-
Total:	**1 497 494**	**926 983**	**135 200**	**-**
Total Non-current provisions:	539 554	812 315	40 565	-
Total Current prepaid provisions:	957 940	114 668	94 635	-

Changes in the provisions :	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
At the beginning of the year	**926 983**	**135 200**	**-**	**-**
Provision increase	570 511	791 783	135 200	-
TOTAL:	**1 497 494**	**926 983**	**135 200**	**-**

21. Loans from credit institutions

In 2016 Leinolift Oy received loan from Danske Bank Oyj

	Maturity	Amount EUR	Actual interest rate (%)	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Danske Bank Oyj	31.12.2020.	70 000	2.029%	42 000	56 000	-	-
			Total Non-current liabilities:	**25 565**	**42 000**	**-**	
			Total Current liabilities	**16 435**	**14 000**	**-**	

22. Issued bonds

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

	Maturity	Amount EUR	Actual interest rate (%)	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Loans against bonds	30.06.2020	6 942 000	8	6 644 597	-	-	-
Incremental cost allocation		(137 195)		(137 195)	-	-	-
			Total:	**6 507 402**	**-**	**-**	**-**

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

Total loans origination fees and costs amounted to 137 195 EUR. The Group treated these fees and costs as incremental costs related to attracted finance under IAS 39. 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.

23. Finance lease liabilities

By asset type	Maturity	Amount EUR	*Actual interest rate, (%)*	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR	Balance sheet value of leased assets on 31.12.2017 EUR
Leasing companies (various asset types)	Various (2017-2022)	20 637 993	1.8-5.5% +3 MEURIBOR	18 615 029	19 465 841	17 595 833	9 926 243	43 261 781
Hire purchase agreements (various assets type)	22.08.2021	3 316 242	1.5%	2 374 994	3 470 442	-	-	5 349 941
Trucks & Truck-mounted cranes	30.06.2021.	869 714	3.91%-8.67%	1 667 156	712 174	-	-	1 010 207
Special cranes & equipment	31.03.2021	722 240	2.2%-3.71%	1 173 742	418 702	-	-	2 015 998
Lifts finance lease	03.11.2017.	640 709	12%	916 189	483 117	161 420	238 091	2 503 156
Equipment finance lease	31.07.2017.	164 195	2%-5%	134 674	164 195	490 209	111 447	231 314
Tractor equipment finance lease	30.09.2019.	1 425 036	6%-7%	616 044	1 425 036	1 913 365	3 005 645	1 058 107
Scaffolding	30.09.2018.	2 811 953	5%-6%	1 983 222	2 811 937	3 682 209	2 878 593	8 338 538
Car leasing	20.06.2019.	90 848	3.13% - 3.79%	566 971	54 273	90 848	36 426	790 539
Other	30.09.2021.	722 240	2.2%-9.236%	308 414	177 920	-	-	405 194
			Total:	**28 356 435**	**29 183 637**	**23 933 884**	**16 196 445**	**64 964 775**
			Total Non-current liabilities:	19 101 594	20 731 423	15 691 588	10 337 390	
			Total Current liabilities:	9 254 841	8 452 214	8 242 296	5 859 055	

All financial liabilities are denominated in EUR.

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

	31.12.2017		31.12.2016		31.12.2015		31.12.2014	
	Minimum payments EUR	Current value of the payments EUR	Minimum payments EUR	Current value of the payments EUR	Minimum payments EUR	Current value of the payments EUR	Minimum payments EUR	Current value of the payments EUR
Within 1 year	10 406 472	9 254 841	9 586 876	8 452 214	9 152 255	8 242 295	6 562 237	5 859 055
After 1 year not exceeding 5 years	20 882 182	19 101 594	26 919 917	20 731 423	16 785 927	15 691 589	11 286 466	10 337 390
Total minimum lease payments	31 228 654	28 356 435	36 506 793	29 183 637	25 938 182	23 933 884	17 848 703	16 196 445
Less financing costs	(2 872 219)	-	(7 323 156)	-	(2 004 298)	-	(1 652 258)	-
Present value of minimum lease payments	**28 356 435**	**28 356 435**	**29 183 637**	**29 183 637**	**23 933 884**	**23 933 884**	**16 196 445**	**16 196 445**

24. Other borrowings

In 2013 the Group has qualified for supplier credit from leading lift producer in Europe – Haulotte Group AB. Total supplier loan amount is EUR 1 712 546 with interest rate per annum of 3%. Final due date of the borrowing is 02.12.2018.

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 loand 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.

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 (%)	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Haulotte Group SA	02.12.2018	1 900 000	3	343 344	686 712	1 030 082	1 373 576
Haulotte Group SA	04.11.2019	3 999 740	3	1 449 260	2 173 890	2 898 520	3 623 323
Haulotte Group SA	01.10.2020	5 500 000	2.49	2 995 856	4 000 016	4 997 799	-
Haulotte Group SA	01.12.2021	1 003 836	3.94	803 069	-	-	-
Haulotte Group SA	01.12.2021	1 994 007	3.94	1 694 746	-	-	-
Haulotte Group SA	01.12.2020	1 006 969	4	805 575	-	-	-
Yanmar Construction Equipment Europe S.A.S	01.12.2020	995 703	4	796 564	-	-	-
Incremental cost allocation		(1 058 151)		(550 018)	(451 967)	(594 095)	(274 981)
Aston Baltic SIA	31.12.2018	109 575	-	80 730	109 575	-	-
Turun Hydrauliikka-asennus Oy				-	38 000	-	-
Niemi Palvelut Oy				-	13 500	-	-
Volvo Finland AB				-	19 840	-	-
			Total:	**8 419 126**	**6 589 566**	**8 332 306**	**4 721 918**
			Total Non-current liabilities:	5 420 741	4 685 687	6 511 908	3 636 653
			Total Current liabilities:	2 998 385	1 903 879	1 820 398	1 085 265

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:

	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
At the beginning of the year	**451 967**	**594 095**	**311 449**	**302 893**
Incremental cost increase	336 341	-	366 370	-
Written off as adjustment to effective interest rate	(238 290)	(142 128)	(83 724)	(27 912)
TOTAL:	**550 018**	**451 967**	**594 095**	**274 981**

25. Tax and national social insurance mandatory contributions

	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Personal income tax	464 095	122 997	55 262	90 849
State social security mandatory contributions	173 046	121 040	99 829	169 705
Value added tax	36 800	199 308	108 069	134 352
Risk duty	3 104	3 044	2 718	2 980
Pension insurance	2 709	2 335	2 291	2 190
Environmental tax	-	-	890	1 174
Corporate income tax	-	-	-	33 646
TOTAL:	**679 754**	**448 724**	**269 059**	**434 896**

26. Deferred income

	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Profit from leaseback transactions	1 789 460	2 393 134		
Total:	**1 789 460**	**2 393 134**	**-**	**-**
Total Non-current deferred income:	737 816	1 588 679	-	-
Total Current deferred income:	1 051 644	804 455	-	-

Leaseback transactions

In 2017 and 2016 the Group conducted leaseback transactions that resulted in sales proceeds exceeding the carrying amount of these assets in 2017 by EUR 355 752 and in 2016 by EUR 2 795 541.

Changes in the deferred income:	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
At the beginning of the year	**2 393 134**	**-**	**-**	**-**
Profit from leaseback transactions	355 752	2 795 541	-	-
Amortised and included in income of reporting year (See Note 7)	(959 426)	(402 407)	-	-
TOTAL:	**1 789 460**	**2 393 134**	**-**	**-**

27. Other liabilities

	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Salaries	278 142	225 034	187 490	179 465
Other payables	19 612	1 003	4 724	8 307
TOTAL:	**297 754**	**226 037**	**192 214**	**187 772**

28. Accrued liabilities

	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Provisions for unused employee vacations	665 927	538 551	327 900	344 476
Accruals for marketing campaign	-	-	18 206	-
Other accrued liabilities	433 043	163 361	16 117	271 389
TOTAL:	**1 098 970**	**701 912**	**362 223**	**615 865**

29. 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. Residual incremental costs amount as of 31 December 2016 is EUR 388 929 (31.12.2015: EUR 466 971) and are presented as a reduction from total financing amounts disclosed below.

29. Related party transactions (cont.)

29. (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	2014	-	(13 110 726)
	2015	-	(13 890 727)
	2016	-	(18 728 478)
	2017	-	(4 293 052)
Companies with significant influence over the Group's activities:			
TORRINI Ltd	2014	-	(5 150 642)
	2015	-	(5 451 633)
	2016	-	(5 734 899)
	2017	-	(295 409)
Perle Consultancy Ltd	2014	-	(5 150 642)
	2015	-	(5 451 633)
	2016	-	(5 734 898)
	2017	-	(295 409)
The companies controlled by the Group's officers or their relatives: *			
Meistari ZS	2014	(18 878)	(2 634)
	2015	(24 089)	(406)
	2016	(19 864)	(406)
	2017	(5 452)	(406)
Supremo SIA	2014	(12 411)	-
	2015	(18 756)	-
	2016	(19 890)	
	2017	(19 890)	-
Bomaria SIA	2017	(19 890)	-
	Total 2014:	**(31 289)**	**(23 414 644)**
	Total 2015:	**(42 845)**	**(24 794 399)**
	Total 2016:	**(39 754)**	**(30 198 681)**
	Total 2017:	**(45 232)**	**(4 884 276)**

* 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 31 December 2017 (2016: EUR 406; 2015: EUR 406 and 2014: EUR 2 634).

29. Related party transactions (cont.)

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

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

29. (c) Loans from related companies

	Maturity	Interest rate %	31.12.2017. EUR	31.12.2016. EUR	31.12.2015. EUR	31.12.2014 EUR
Levina Investments S.A.R.L	31.12.2021.	6	-	14 719 776	13 890 727	13 110 726
Levina Investments S.A.R.L.	31.12.2021.	7	4 293 052	4 008 702	-	-
TORRINI Ltd	31.12.2021.	6	295 409	5 734 899	5 451 633	5 150 642
Perle Consultancy Ltd	31.12.2021.	6	295 409	5 734 898	5 451 633	5 150 642
Incremental cost allocation			-	(388 929)	(466 971)	(544 800)
		Total Non-current liabilities:	**4 883 870**	**29 809 346**	**24 327 022**	**22 867 210**

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

30. Operating lease and contingent liabilities

The Group has entered into a number of operating lease agreements as a lessee. The annual lease payments amounted to EUR 385 444 in 2017 (2016: EUR 122 845; 2015: EUR 128 480). At 31 December 2017 the total minimum lease payments pursuant to operating lease agreements may be stated as follows:

	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Less than 1 year	462 563	140 037	174 286	172 370
1 - 5 years	514 885	55 654	195 894	201 075
TOTAL:	**977 448**	**195 691**	**370 180**	**373 445**

31. 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	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Loans and receivables held at amortised cost				
- Trade receivables	5 162 516	3 458 628	2 488 373	2 717 819
- Other receivables	276 736	263 871	105 580	143 893
- Cash and cash equivalents	6 239 954	4 123 516	4 094 211	9 970 379
TOTAL financial assets:	**11 679 206**	**7 846 015**	**6 688 164**	**12 832 091**

Financial liabilities	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Financial liabilities held at amortized cost				
- Loan from credit institution	42 000	56 000	-	-
- Loans against bonds	6 507 402	-	-	-
- Loans from related companies	4 883 870	29 809 346	24 327 022	22 867 210
- Finance lease liabilities	28 356 435	29 183 637	23 933 884	16 196 445
- Other borrowings	8 419 126	6 589 566	8 332 306	4 721 918
- Trade payables	3 724 111	1 876 368	2 739 141	2 960 478
- Other payables	297 754	226 037	192 214	187 772
TOTAL financial liabilities:	**52 230 698**	**67 740 954**	**59 524 567**	**46 933 823**

32. 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 31 December 2017 and 2016 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 31 December 2017 was EUR 11 594 875 (31.12.2016: EUR 8 015 792; 31.12.2015: EUR 6 827 561).

32. Financial risk management (cont)

Liquidity risk

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

The Group's management considers that the Group will have sufficient cash resources and its liquidity will not be compromised. At 31 December 2017, the Group's liquidity ratio was 0.66. As at 31 December 2016, the Group's liquidity ratio was 0.6 (31.12.2015: 0.55).

At 31 December 2017 and 2016 the maturity of the financial payables of the Group, based on undiscounted payments provided for in the agreements can be disclosed as follows:

31.12.2017.	< 3 months EUR	3 - 12 months EUR	1 - 7 years EUR	Total EUR
Loan from credit institution	3 500	14 000	24 500	**42 000**
Issued bonds	1 647 961*	411 600	5 609 490	**7 669 051**
Borrowings from related parties	-	636 476	6 352 834	**6 989 311**
Finance lease liabilities	1 289 168	9 135 549	20 803 937	**31 228 654**
Other borrowings	769 517	2 486 029	5 844 964	**9 100 510**
Trade payables	3 617 820	106 291	-	**3 724 111**
Other financial liabilities at amortized cost	1 110 108	-	-	**1 110 108**
TOTAL:	**8 438 074**	**12 789 945**	**38 635 725**	**59 863 744**

* Contractual maturities adjusted to include Bond repurchase of 1.5 m EUR in January 2018

31.12.2016.	< 3 months EUR	3 - 12 months EUR	1 - 7 years EUR	Total EUR
Loan from credit institution	3 500	14 000	38 500	**56 000**
Borrowings from related parties	-	-	30 407 494	**30 407 494**
Finance lease liabilities	1 587 178	9 620 391	25 299 224	**36 506 793**
Other borrowings	532 101	2 119 857	6 529 026	**9 180 984**
Trade payables	1 791 522	84 846	-	**1 876 368**
Other financial liabilities at amortized cost	789 562	-	-	**789 562**
TOTAL:	**4 703 863**	**11 839 094**	**62 274 245**	**78 817 201**

At 31 December 2015 and 2014 the maturity of the financial payables of the Group, based on discounted payments provided for in the agreement can be disclosed as follows:

31.12.2015.	< 3 months EUR	3 - 12 months EUR	1 - 7 years EUR	Total EUR
Borrowings from related parties	-	-	24 327 022	**24 327 022**
Finance lease liabilities	771 098	7 471 198	15 691 588	**23 933 884**
Other borrowings	-	2 103 527	6 228 779	**8 332 306**
Trade payables	2 074 403	664 738	-	**2 739 141**
Other financial liabilities at amortized cost	504 035	-	-	**504 035**
TOTAL	**3 349 536**	**10 239 463**	**46 247 389**	**59 836 388**

32. Financial risk management (cont)

Liquidity risk (continued)

31.12.2014.	< 3 months EUR	3 - 12 months EUR	1 - 7 years EUR	Total EUR
Borrowings from related parties	-	-	22 867 210	**22 867 210**
Finance lease liabilities	724 390	5 134 665	10 337 390	**16 196 445**
Other borrowings	-	1 085 265	3 636 653	**4 721 918**
Trade payables	2 737 662	186 293	36 523	**2 960 478**
Other financial liabilities at amortized cost	187 772	-	-	**187 772**
TOTAL	**3 649 824**	**6 406 223**	**36 877 776**	**46 933 823**

In 2014 Group has signed factoring contract with Nordea Bank AB, which improved liquidity of the Group. The management of the Group treats this contract as factoring without rights of regress since customers debts under factoring agreements are insured. Contingent liabilities from this contract amounts to EUR 82 015 (31.12.2016: EUR 82 448; 31.12.2015: EUR 56 438). In 2017 maturity of these contracts has been prolonged till 30.11.2018.

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 21, 22, 23, 24 and 29 c. The Group doesn't use derivative financial instruments to manage its exposure to interest rate risk.

The sensitivity of the Group's profit before tax (as a result of the finance lease liabilities (see Note 21) with a floating interest rate) to potentially possible interest rate changes other variables remaining constant.

	2017		2016		2015		2014	
	Increase/ decrease of base rate	Effect on profit before tax EUR	Increase/ decrease of base rate	Effect on profit before tax EUR	Increase/ decrease of base rate	Effect on profit beforetax EUR	Increase/ decrease of base rate	Effect on profit before tax EUR
Euro - EURIBOR	+0,5%	81 945	+0,5%	97 179	+0,5%	87 980	+0,5%	49 631
	-0,5%	(81 945)	-0,5%	(97 179)	-0,5%	(87 980)	-0,5%	(49 631)

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 2017 resulted from contracts denominated in the Russian rubles (RUB) (2016: 0%). Therefore, during the reporting year the Group's exposure to foreign currency risk was not significant.

33. 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.

34. 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 2017 and 2016 there were no changes introduced to purposes, policy or processes related to management of the capital.

	31.12.2017 EUR	31.12.2016 EUR	31.12.2015 EUR	31.12.2014 EUR
Interest bearing loans and borrowings	48 208 833	65 638 549	56 593 212	43 785 573
Trade and other payables	4 021 865	2 102 405	2 931 355	3 148 250
Less cash and cash equivalents	(6 239 954)	(4 123 516)	(4 094 211)	(9 970 379)
Net debt	**45 990 744**	**63 617 438**	**55 430 356**	**36 963 444**
Equity	26 823 566	995 296	4 083 603	6 374 534
Net debt to equity ratio:	**1.71**	**63.92**	**13.57**	**5.80**

35. Contingent liabilities - issued guarantees

28.08.2016 Storent SIA issued guarantee to Luminor Lizingas UAB due to factoring contract between Storent UAB and Luminor Lizingas UAB. The amount of the guarantee is 400 000 EUR and guarantee is valid till 17.06.2019. At the preparation of the consolidated report there are no indications that guarantee is required to settle the obligation resulting in an outflow of economic benefits from the Group.

27.06.2017 Storent Investments issued guarantee to Luminor Liising AS due to factoring contract between Storent OU and Luminor Liising AS. The amount of the guarantee is 400 000 EUR and guarantee is valid till full liability repayment. At the preparation of the consolidated report there are no indications that guarantee is required to settle the obligation resulting in an outflow of economic benefits from the Group.

In 2016 and 2017 Storent Investments AS issued guarantees to Luminor Līzings SIA due to concluded financial lease contracts between Storent SIA and Luminor Līzings SIA. The amount of the guarantee is 13 158 362 EUR and guarantee is valid till 31.08.2023. At the preparation of the consolidated report there are no indications that guarantee is required to settle the obligation resulting in an outflow of economic benefits from the Group.

In 2014 Storent Investments AS issued guarantees to Luminor Līzings SIA due to concluded factoring contracts between: Storent SIA and Luminor Līzings SIA, the amount of the guarantee is liability amount and guarantee is valid till full liability repayment. At the preparation of the consolidated report there are no indications that guarantee is required to settle the obligation resulting in an outflow of economic benefits from the Group.

In 2016 Storent Investments AS issued guarantees to Luminor Līzings SIA due to concluded operating lease contracts between: Storent SIA and Luminor Līzings SIA, the amount of the guarantee is 84 681 EUR and guarantee is valid till 31.01.2021. At the preparation of the consolidated report there are no indications that guarantee is required to settle the obligation resulting in an outflow of economic benefits from the Group.

35. Contingent liabilities - issued guarantees (cont)

In 2016 and 2017 Storent Investments AS issued guarantees to UniCredit Leasing SIA due to concluded financial lease contracts between Storent SIA and UniCredit Leasing SIA. The amount of the guarantee is 5 104 606 EUR and guarantee is valid till 30.09.2023. At the preparation of the consolidated report there are no indications that guarantee is required to settle the obligation resulting in an outflow of economic benefits from the Group.

In 2009 and in 2011 Leinolift Oy issued guarantees to Danske Bank Oyj due to concluded loan agreement between Leinolift Oy and Danske Bank Oyj. The amount of guarantee is 300 000 eur and guarantee is valid till loan will be repaid.

~~35.~~36. First-time adoption of IFRS

Group's date of transition to IFRS's is 1 January 2015, with its first IFRS financial statements prepared for the year ended 31 December 2017.

The Group in the previous reporting periods did not present consolidated financial statements which would be fully compliant with IFRS or local GAAP.

The adoption of IFRS's did not lead to any substantial changes in accounting policies of the Group entities.

The Group has used exemption applicable related to calculation of the goodwill as of the date of transition to IFRS. The deemed cost of goodwill equals the difference at the date of transition to IFRSs between: (i) the parent's interest in assets and liabilities of the subidiaries; and (ii) the cost in the parent's separate financial statements of its investment in the subsidiaries.

~~35.~~37. Business combinations

~~36.~~37. (a) Subsidiaries acquired

	Principal activity	Date of acquisition	Proportion of voting equity interests aquired	Consideration transferred
Aquired in 2016				
- Leinolift Oy	Renting and leasing of construction machinery and equipment	21.12.2016	100%	3 576 386
			TOTAL:	**3 576 386**

	Principal activity	Date of acquisition	Proportion of voting equity interests aquired	Consideration transferred
Aquired in 2017				
- Crent SIA	Renting and leasing of construction machinery and equipment	31.07.2017	100%	3 977 292
- Storent OOO	Renting and leasing of construction machinery and equipment	31.07.2017	100%	582 937
			TOTAL:	**4 560 229**

37. Business combinations (cont.)

37. (b) Assets acquired and liabilities recognized at the date of acquisition

Aquired in 2016

	Leinolift Oy EUR	Total EUR
Current assets		
- Cash and cash equivalents	172 618	172 618
- Trade and other receivables	978 669	978 669
- Inventories	4 347	4 347
Non-current assets		
- Property, pland and equipment	10 061 360	10 061 360
- Deferred tax assets	-	-
Current liabilities		
- Trade and other payables	(976 246)	(976 246)
Non-current liabilities		
- Deferred tax liabilities	(517 130)	(517 130)
- Loans	(7 169 170)	(7 169 170)
Total net assets acquired:	**2 554 448**	**2 554 448**

Aquired in 2017

	Crent SIA EUR	Storent OOO EUR	Total EUR
Current assets			
- Cash and cash equivalents	119 939	94 934	214 873
- Trade and other receivables	1 022 561	85 911	1 108 472
- Inventories	87 084	22 324	109 408
Non-current assets			
- Property, pland and equipment	4 845 514	225 221	5 070 735
- Deferred tax assets	-	1 463	1 463
Current liabilities			
- Trade and other payables	(747 095)	(109 973)	(857 068)
Non-current liabilities			
- Deferred tax liabilities	-	(489)	(489)
- Loans	(2 030 746)	(66 039)	(2 096 785)
Total net assets acquired:	**3 297 257**	**253 352**	**3 550 609**

37. Business combinations (cont.)

37. (c) Goodwill arising on acquisition

	Leinolift Oy EUR	Total EUR
Consideration transferred	2 800 000	2 800 000
Contingent consideration	776 385	776 385
Less: fair value of identifiable net assets acquired	(2 554 448)	(2 554 448)
Goodwill arising on acquisition:	**1 021 937**	**1 021 937**

	Crent SIA EUR	Storent OOO EUR	Total EUR
Consideration transferred	3 977 292	582 937	4 560 229
Less: fair value of identifiable net assets acquired	(3 297 257)	(253 352)	(3 550 609)
Goodwill arising on acquisition:	**680 035**	**329 585**	**1 009 620**

Goodwill arose in the acquisition of Crent SIA, Storent OOO and Leinolift Oy because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Crent SIA, Storent OOO and Leinolift Oy. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

37. Business combinations (cont.)

37. (d) Impact of acquisitions on the results of the Group

On 21 December 2016 the Group acquired all of the shares in Leinolift Oy for total fee EUR 3 576 386, which was settled with bank payment. Leinolift Oy main business activity was rental of industrial equipment in Finland.

The consolidated results of the Group for 2016 do not include revenues and expenses generated by Leinolift Oy in 2016. The below is presented the adjusted results for the Group including Leinolift Oy comprehensive income statement for 2016. The Group management considers these numbers to provide a reference point for comparison in future periods.

	Consolidated statement of comprehensive income 2016 EUR	**Adjustments EUR**	**Adjusted results of the Group 2016 EUR**
Net revenue	19 426 875	9 402 857	28 829 732
Other operating income	77 892	9 435	87 327
Cost of materials and services received	(6 076 318)	(3 033 911)	(9 110 230)
Personnel costs	(4 472 506)	(2 883 496)	(7 356 003)
Other operating expenses	(2 864 357)	(997 579)	(3 861 936)
Depreciation and amortization	(6 384 759)	(1 225 054)	(7 609 813)
Interest and similar income	-	2 704	2 704
Interest and similar expenses	(2 906 095)	(217 475)	(3 123 570)
(Loss)/ profit before taxes	**(3 199 268)**	**1 057 481**	**(2 141 787)**
Income tax expense (recovery)	110 961	(224 564)	(113 603)
(Loss)/ profit for the year	**(3 088 307)**	**832 917**	**(2 255 390)**
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	**(3 088 307)**	**832 917**	**(2 255 390)**

On 1 August 2017 the Group acquired all of the shares in Cramo SIA (after acquisition renamed to Crent SIA and as of 1 December 2017 merged to Storent SIA) and Cramo OOO (currently exists as separate entity with current title Storent OOO) for total fee EUR 4 560 229, which was settled with bank payment. Cramo OOO main business activity is rental of industrial equipment in Russia, Kaliningrad. Crent SIA main business activity was rental of industrial equipment in Latvia.

The revenue included in the consolidated statement of comprehensive income since 1 August 2017 contributed by Storent OOO and Crent SIA in total was EUR 1 946 503. Storent OOO and Crent SIA also contributed profit in total of EUR 152 228 over the same period.

37. Business combinations (cont.)

The consolidated results of the Group for 2017 do not include revenues and expenses generated by Cramo SIA and Cramo OOO for the period 1 January 2017 till 31 July 2017. The below is presented the adjusted results for the Group including Cramo SIA and Cramo OOO comprehensive income statement for the period 1 January 2017 till 31 July 2017. The Group management considers these numbers to provide a reference point for comparison in future periods.

	Consolidated statement of comprehensive income 2017 EUR	Adjustments EUR	Adjusted results of the Group 2017 EUR
Net revenue	38 670 555	3 002 876	41 673 431
Other operating income	190 416	131 249	321 665
Cost of materials and services received	(12 734 509)	(773 969)	(13 508 478)
Personnel costs	(8 555 743)	(620 192)	(9 175 935)
Other operating expenses	(5 750 588)	(698 803)	(6 449 391)
Depreciation and amortization	(8 387 318)	(605 599)	(8 992 917)
Interest and similar income	955	4 053	5 008
Interest and similar expenses	(3 191 886)	(49 175)	(3 241 061)
Profit before taxes	**241 882**	**390 440**	**632 322**
Income tax expense	(181 908)	(51 015)	(232 923)
Profit for the year	**59 974**	**339 425**	**399 399**
Other comprehensive income for the year	(16 195)	-	(16 195)
Total comprehensive income for the year	**43 779**	**339 425**	**383 204**

38. Going concern of the Group

Group's performance in the reporting year was profit of EUR 59 974 (2016: loss EUR 3 088 307; 2015: loss EUR 2 293 674), which have resulted due to growth of revenue. At the end of the year the Group's current liabilities exceeded its current assets by EUR 6 896 651 (31.12.2016: current liabilities exceeded its current assets by EUR 5 857 670; 31.12.2015: current liabilities exceeded its current assets by EUR 6 224 748), that was mainly driven by the Group's entity in Latvia Storent SIA signing refinancing financial leasing contracts in 2017. The liquidity is planned to be covered by cash flow from operating activities in the coming years.

The Group's management expects that starting from 2018 more active acquisition of EU funds will take place, which will give a positive effect on the development of construction industry, and stabilization of rental prices is expected, especially in Latvia and Lithuania. The currently available bank financing gives an additional incentive for stable economic growth in the Baltic States, which will also give extra incentive to the construction sector. Taking into consideration the above mentioned circumstances, the management plans to increase net sales in 2018 and to finalize the year with profit.

The financial statements 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.

39. Post balance sheet events

In January 2018 the Group has repurchased 1.5 m EUR of issued bonds (Note 22).

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 respective subsidiary in amount of EUR 800 000 in March 2018.

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.

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Deloitte.

Deloitte Audits Latvia SIA
Gredu street 4a
Riga LV-1019
Latvia

Tel.: +371 6707 4100
Fax: +371 6707 4103
www.deloitte.com/lv

INDEPENDENT AUDITORS` REPORT

To the shareholder of Storent Investments AS

Our Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Storent Investments AS and its subsidiaries (further "the Group") set out on pages 7 to 52 of the accompanying consolidated annual report, which comprise:

- the consolidated statement of financial position as at 31 December 2017 and 31 December 2016,
- the consolidated statement of comprehensive income for the years then ended,
- the consolidated statement of changes in equity for the years then ended,
- the consolidated statement of cash flows for the years then ended, and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2017 and 31 December 2016, and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Basis for Opinion

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

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

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

Emphasis of matter

We draw attention to Note 12 of these consolidated financial statements in which the management discloses the assumptions applied while calculating recoverable value of non-current assets of the Group. The recoverable value was determined based on estimated future cash flows from main operating activities of the Group. As described in Note 12, the recoverable value of non-current assets significantly depends on the assumptions used in valuation with respect to sales growth and timing of this growth as well as the Group management's ability to realize those assumptions and overall development of Baltic and Scandinavian construction market. Any adverse changes to these assumptions caused by volatility of the market the Group operates in, may negatively influence the carrying value of non-current assets presented in the Group's consolidated statements of financial position as of 31 December 2017 and 31 December 2016. Our opinion is not qualified in respect of this matter.

Reporting on Other Information

The Group's management is responsible for the other information. The other information comprises the Management Report, as set out on page 4 and 5 of the accompanying consolidated Annual Report.

Deloitte Audits Latvia SIA
Gredu street 4a
Riga LV-1019
Latvia

Tel.: +371 6707 4100
Fax: +371 6707 4103
www.deloitte.com/lv

INDEPENDENT AUDITORS' REPORT (continued)

Reporting on Other Information (continued)

Our opinion on the consolidated financial statements does not cover the other information included in the consolidated Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the Other reporting responsibilities in accordance with the legislation of the Republic of Latvia section of our report.

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

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

Other reporting responsibilities in accordance with the legislation of the Republic of Latvia

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

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

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

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

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

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

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

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

Deloitte Audits Latvia SIA
Gredu street 4a
Riga LV-1019
Latvia

Tel.: +371 6707 4100
Fax: +371 6707 4103
www.deloitte.com/lv

Deloitte.

INDEPENDENT AUDITORS` REPORT (continued)

Auditor's Responsibility for the Audit of the Consolidated Financial Statements (continued)

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

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

Deloitte Audits Latvia SIA
Licence No. 43

Inguna Staša
Board member
Certified auditor
Certificate No 145

Riga, Latvia
14 May 2018

THE ISSUER
AS “Storent Investments”
Matrožu iela 15A
Riga, LV-1048
Latvia

FINANCIAL ADVISOR TO THE ISSUER
Redgate Capital AS
Pärnu mnt 10
Tallinn 10148
Estonia

LEGAL ADVISOR TO THE ISSUER
Attorneys at Law COBALT
Marijas iela 13 k-2
Riga, LV-1050
Latvia