



## SIA "Storent Holdings"

(incorporated with limited liability and registered in the Republic of Latvia with registration number 40203174397)

### Programme for the Issuance of Notes in the Amount of EUR 15,000,000

Under this Programme for the Issuance of Notes in the Amount of EUR 15,000,000 (the "**Programme**") described in this base prospectus (the "**Base Prospectus**") SIA "Storent Holdings", a private limited company (in Latvian – *sabiedrība ar ierobežotu atbildību*) incorporated in and operating under the laws of the Republic of Latvia, registered with the Commercial Register of the Republic of Latvia under registration number: 40203174397 and having its legal address at Matrožu iela 15A, Riga, LV-1048 (the "**Issuer**" or the "**Company**"), may issue and offer from time to time in one or several series (the "**Series**") non-convertible unsecured and guaranteed (conditionally) notes denominated in EUR, having maturity up to 5 (five) years and with fixed interest rate (the "**Notes**"). Each Series may comprise one or more tranches of Notes (the "**Tranches**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not at any time exceed EUR 15,000,000.

Any Notes issued under the Programme on or after the date of this Base Prospectus are issued in accordance with the provisions described herein.

To the extent not set forth in this Base Prospectus, the specific terms of any Notes will be included in the relevant final terms (the "**Final Terms**") (a form of which is contained herein). This Base Prospectus should be read and construed together with any supplement hereto and with any other documents incorporated by reference herein, and, in relation to any Tranche of Notes and with the Final Terms of the relevant Tranche of Notes.

This Base Prospectus has been prepared in connection with the offering and listing of the Notes pursuant to the requirements of the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), the Financial Instruments Market Law (in Latvian - *Finanšu instrumentu tirgus likums*) and the Commission Delegated Regulation No 2019/980/EU (the "**Delegated Regulation**"), in particular the Annexes 6, 14 and 21 thereof. The Bank of Latvia (in Latvian – *Latvijas Banka*), as competent authority under the Prospectus Regulation, has approved this Base Prospectus and has notified the approval of the Base Prospectus to the competent authority in Lithuania (the Bank of Lithuania (in Lithuanian - *Lietuvos Bankas*) and Estonia (the Estonian Financial Supervision Authority (in Estonian – *Finantsinspeksiioon*)). The Bank of Latvia only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of any Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

This Base Prospectus is valid for a period of twelve months from the date of approval. The obligation to supplement the Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Base Prospectus is no longer valid.

Application will be made to Akciju sabiedrība "Nasdaq Riga", registration number: 40003167049, legal address: Valņu 1, Riga, LV- 1050, Latvia ("**Nasdaq Riga**") for admitting each Tranche to listing and trading on the official bond list (the Baltic Bond List) of Nasdaq Riga according to the requirements of Nasdaq Riga not later than within 3 (three) months after the Issue Date of the respective Tranche. Nasdaq Riga is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended ("**MiFID II**").

The Notes shall be issued in the bearer dematerialised form and registered with Nasdaq CSD SE, registration number: 40003242879, legal address: Valņu 1, Riga, LV-1050, Latvia (the "**Depository**") in book-entry form. Investors may hold the Notes through participants of the Depository, including credit institutions and investment brokerage firms.

The Notes have not been, and will not be, registered under the U.S. Securities Act 1933 (as amended) (the "**Securities Act**"), or with any securities regulatory authority of any state of the United States. This Base Prospectus or the Final Terms are not to be distributed to the United States or in any other jurisdiction where it would be unlawful. The Notes may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States or to, for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (the "**Regulation S**"), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

Investment in the Notes to be issued under the Programme involves certain risks. Prospective investors should carefully acquaint themselves with such risks before making a decision to invest in the Notes. The principal risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes are discussed in Section "**Risk Factors**" below.

**The date of this Base Prospectus is 25 May 2023**

## TABLE OF CONTENTS

RESPONSIBILITY STATEMENT.....	3
IMPORTANT INFORMATION.....	4
DISTRIBUTION OF THE BASE PROSPECTUS AND SELLING RESTRICTIONS.....	5
PRESENTATION OF FINANCIAL AND OTHER INFORMATION.....	6
FORWARD-LOOKING STATEMENTS.....	7
OVERVIEW OF THE PROGRAMME.....	8
RISK FACTORS.....	10
GENERAL TERMS AND CONDITIONS OF THE NOTES.....	22
FORM OF FINAL TERMS.....	33
OFFERING OF THE NOTES.....	35
USE OF PROCEEDS.....	42
INFORMATION ABOUT THE GROUP.....	43
INFORMATION ABOUT THE GROUP'S BUSINESS OPERATIONS.....	47
ORGANISATIONAL STRUCTURE.....	49
ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES.....	51
SHAREHOLDERS.....	53
SELECTED CONSOLIDATED FINANCIAL INFORMATION.....	54
FINANCIAL AND TREND INFORMATION.....	62
ADDITIONAL INFORMATION.....	64
INFORMATION ABOUT THE GUARANTEE AND THE GUARANTOR.....	65
TAXATION.....	71
GENERAL INFORMATION.....	73
INFORMATION INCORPORATED BY REFERENCE.....	75
ANNEXES.....	76
ANNEX I – GUARANTEE.....	78

## RESPONSIBILITY STATEMENT

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation and for the purpose of giving information with regard to the Issuer, the Issuer and its direct and indirect subsidiaries taken as a whole (the “**Group**”) and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer.

The Issuer, represented by the members of its Management Board, accepts responsibility for the information contained in this Base Prospectus and in any Final Terms which complete this Base Prospectus for each Tranche of Notes issued hereunder and declares that, to the best of its knowledge, the information contained in this Base Prospectus is in accordance with the facts and that the Base Prospectus does not omit anything likely to affect the import of such information.

Management Board of SIA “Storent Holdings”:

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Chairman of the Management Board

Andris Pavlovs

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Member of the Management Board

Erī Esta

AS “Storent Investments”, a public limited company (in Latvian – *akciju sabiedrība*) incorporated in and operating under the laws of the Republic of Latvia, registered with the Commercial Register of the Republic of Latvia under registration number 40103834303 and having its legal address at Matrožu iela 15A, Riga, LV-1048, represented by its member of the Management Board, consents to exchange of the existing notes of AS “Storent Investments” (ISIN: LV0000802411 with maturity on 19 October 2023) with the Notes, as specified in the Section “*Offering of the Notes*” of this Base Prospectus.

Management Board of AS “Storent Investments”:

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Member of the Management Board

Andris Pavlovs

*This document is signed electronically with secure electronic signatures containing time stamps.*

## IMPORTANT INFORMATION

No person is authorised to give any information or to make any representation not contained in this Base Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Base Prospectus, any Final Terms nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer that any recipient of this Base Prospectus, any Final Terms or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer, to any person to subscribe for or to purchase any Notes.

Each potential investor in the Notes must make their own assessment as to the suitability of investing in the Notes. In particular, each potential investor should:

- (i) have 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 in this Base Prospectus;
- (ii) 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;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes are governed by Latvian law and any disputes arising in relation to the Notes shall be settled exclusively by the courts of the Republic of Latvia in accordance with Latvian law.

## DISTRIBUTION OF THE BASE PROSPECTUS AND SELLING RESTRICTIONS

The distribution of this Base Prospectus and any Final Terms may in certain jurisdictions be restricted by law, and this Base Prospectus and any Final Terms may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No actions have been taken to register or qualify the Notes, or otherwise to permit a public offering of the Notes, in any jurisdiction other than the Republic of Latvia, the Republic of Lithuania and the Republic of Estonia. The Issuer expects persons into whose possession this Base Prospectus or any Final Terms comes to inform themselves of and observe all such restrictions. The Issuer does not accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of the Notes is aware of such restrictions. In particular, this Base Prospectus and any Final Terms may not be sent to any person in the United States, Australia, Canada, Japan, Hong Kong, Singapore, Russia, Belarus or any other jurisdiction in which it would not be permissible to deliver the Notes, and the Notes may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into any of these countries.

Furthermore, this Base Prospectus and any Final Terms may not be addressed to any person who are Russian or Belarusian nationals or natural persons residing in Russia or Belarus or any legal persons, entities or bodies established in Russia or Belarus. The latter shall not apply to nationals of a Member State of the European Union, of a country member of the EEA or of Switzerland, or to natural persons having a temporary or permanent residence permit in a Member State of the European Union, in a country member of the EEA or in Switzerland within the meaning of Council Regulation (EU) No 833/2014 of 31 July 2014 (as amended), and nationals of a Member State of the European Union or natural persons having a temporary or permanent residence permit in a Member State of the European Union within the meaning of Council Regulation (EC) No 765/2006 of 18 May 2006 (as amended).

The Notes have not been, and will not be, registered under the U.S. Securities Act 1933 (as amended) (the “**Securities Act**”), or with any securities regulatory authority of any state of the United States. This Base Prospectus or the Final Terms are not to be distributed to the United States or in any other jurisdiction where it would be unlawful. The Notes may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States or to, for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (the “**Regulation S**”), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

The Bank of Latvia (in Latvian – *Latvijas Banka*), as competent authority under the Prospectus Regulation, has approved this Base Prospectus and has notified the approval of the Base Prospectus to the competent authority in Lithuania (the Bank of Lithuania (in Lithuanian - *Lietuvos Bankas*) and Estonia (the Estonian Financial Supervision Authority (in Estonian – *Finantsinspeksioon*)). However, in relation to each member state of the European Economic Area (the “**EEA**”) (except the Republic of Latvia, the Republic of Lithuania and the Republic of Estonia), the Issuer represents that it has not made and will not make any public offer of Notes prior to that EEA member state’s authority receiving a certificate of approval of the Bank of Latvia attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation together with a copy of the Base Prospectus.

Accordingly, any person making or intending to make an offer within the EEA of Notes which are the subject of an offering contemplated by this Base Prospectus and the relevant Final Terms (other than the offer of Notes in the Republic of Latvia, the Republic of Lithuania and the Republic of Estonia) may only do so in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

**IMPORTANT – EEA RETAIL INVESTORS:** The Notes have a fixed rate of interest and the redemption amount is fixed as described in the Base Prospectus. Accordingly, no key information document pursuant to Regulation (EU) No 1286/2014 (the “**PRIPs Regulation**”) has been prepared by the Issuer.

## **PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

### **Rounding**

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### **Currencies**

In this Base Prospectus, financial information is presented in euro (EUR), the official currency of the European Union Member States in the Eurozone.

### **Date of information**

This Base Prospectus is drawn up based on information which was valid as of the date of the Base Prospectus. Where not expressly indicated otherwise, all information presented in this Base Prospectus (including the consolidated financial information of the Group, the facts concerning its operations and any information on the markets in which it operates) must be understood to refer to the state of affairs as of the aforementioned date. Where information is presented as of a date other than the date of the Base Prospectus, this is identified by specifying the relevant date.

### **Certain publicly available information**

Certain statistical data and other information appearing in this Base Prospectus have been extracted from public sources identified in this Base Prospectus. The Issuer does not accept responsibility for the factual correctness of any such statistics or information, but the Issuer accepts responsibility for accurately extracting and transcribing such statistics and information and believes, after due inquiry, that such statistics and information represent the most current publicly available statistics and information from such sources at the dates and for the periods with respect to which they have been presented. The Issuer confirms that all such third-party information has been accurately reproduced and, so far as the Issuer is aware and has been able to ascertain from that published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **Websites**

Information contained in any website referred to herein does not form part of this Base Prospectus.

## FORWARD-LOOKING STATEMENTS

This Base Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Base Prospectus and include, but are not limited to, statements regarding the Group’s or the Issuer’s intentions, beliefs or current expectations concerning, among other things, the Group’s results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the financial position and results of operations of the Group, and the development of the markets and the industries in which members of the Group operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Base Prospectus. In addition, even if the Group’s results of operations and financial position, and the development of the markets and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Base Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements. See Section “*Risk Factors*” below.

These forward-looking statements are made only as of the date of this Base Prospectus. Except to the extent required by law, the Issuer is not obliged to, and does not intend to, update or revise any forward-looking statements made in this Base Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to the Issuer, or persons acting on the Issuer’s behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Base Prospectus. As a result of these risks, uncertainties and assumptions, a prospective purchaser of the Notes should not place undue reliance on these forward-looking statements.

## OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the General Terms and Conditions of any particular Tranche of Notes, the applicable Final Terms. This overview must be read as an introduction in conjunction with the other parts of the Base Prospectus (including any documents incorporated therein). Any decision to invest in the Notes should be based on a consideration by the investor of the Base Prospectus as a whole.

Words and expressions defined in the General Terms and Conditions of the Notes below or elsewhere in this Base Prospectus have the same meanings in this overview.

This overview constitutes a general description of the Programme for the purposes of Article 25(1) of the Delegated Regulation.

<b>Issuer:</b>	SIA "Storent Holdings"
<b>Legal Entity Identifier (LEI):</b>	984500D9LC6F3BB9F323
<b>Programme Limit:</b>	Up to EUR 15,000,000 aggregate nominal amount of Notes outstanding at any one time.
<b>Risk Factors:</b>	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed in Section "Risk Factors" below.
<b>Method of Issue:</b>	The Notes shall be issued in Series. Each Series may comprise one or more Tranches of Notes. The Notes of each Tranche will all be subject to identical terms, except that the Issue Dates and the Issue Prices thereof may be different in respect of different Tranches.
<b>Form of the Notes:</b>	The Notes will be issued in dematerialized form and book-entered with Nasdaq CSD SE.
<b>Status and Security:</b>	The Notes constitute direct, unsecured and guaranteed (conditionally) obligations of the Issuer ranking <i>pari passu</i> without any preference among each other and with all other unsecured, guaranteed and unsubordinated indebtedness of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.
<b>Guarantee:</b>	For the purpose of guaranteeing due and timely payment, discharge and performance of the Notes, a conditional guarantee will be established in favour of the Noteholders by the Subsidiary of the Issuer, SIA "Storent", a limited liability company registered with the Register of Enterprises of the Republic of Latvia under registration number 40103164284.
<b>Currency:</b>	EUR
<b>Denomination:</b>	The nominal amount of each Note shall be specified in the Final Terms.
<b>Issue Price:</b>	The Notes may be issued at their nominal amount or at a discount or a premium to their nominal amount.
<b>Minimum Investment Amount:</b>	The Notes will be offered for subscription for a minimum investment amount that will be specified in the Final Terms.
<b>Interest:</b>	The Notes will bear interest at a fixed annual interest rate as specified in the Final Terms.
<b>Maturity:</b>	The Notes shall be repaid in full at their nominal amount on the date which will be specified in the Final Terms. Each Series of Notes may have a maturity up to 5 (five) years.
<b>Listing:</b>	Application will be made to Nasdaq Riga for admitting each Tranche to listing and trading on the official bond list (the Baltic Bond List) according to the requirements of Nasdaq Riga not later than within 3 (three) months after the Issue Date of the respective Tranche.
<b>Taxation:</b>	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.

**Rating:** 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.

**Governing Law:** Latvian law.

**Dispute Resolution:** 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.

**Selling Restrictions:** For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of the Base Prospectus in the United States of America, the EEA, UK, the Republic of Latvia, the Republic of Lithuania, the Republic of Estonia and other jurisdictions, see Section “*Distribution of the Base Prospectus and Selling Restrictions*”.

## RISK FACTORS

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

*The Issuer believes that if one or more of the risk factors described herein emerges, it could have a negative effect on the Issuer's business operations, financial position and/or business results and, thereby, the Issuer'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 could lose all or part of their investment.*

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

*Most of these risk factors are contingencies which may or may not occur and the Issuer is not in a position to assess or express a view on the likelihood of any such contingency occurring.*

*The most material risk factors have been presented at the beginning in each category. The order of presentation of the remaining risk factors in each category in this Base Prospectus is not intended as an indication of the probability of their occurrence or of their potential effect on the Issuer's ability to fulfil its obligations under the Notes.*

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

### **Macroeconomic and Political Risks**

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

Although the Group's results of operations have increased over the last years, the Group could, nevertheless, be impacted by the uncertainty in the global economy. Although the Group's management believes that the Group's capital structure and credit facilities will provide sufficient liquidity, there can be no assurance that the 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 the 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 the Group's business, financial condition, results of operations and future prospects and thereby, on the Group's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is high.

#### ***Exposure of business results to geopolitical events***

On 24 February 2022, Russia launched a military assault on Ukraine. This has led to significant volatility in the global credit markets and on the global economy.

The Baltics are former members of the Soviet Union and members of NATO and the European Union. There is speculation that they may become targets of Russian military action. Latvia may be at particular risk given its large ethnic Russian minority (24.5 per-cent of the total population of Latvia as at the beginning of 2021, according to the government of Latvia's 2021 Demography Report) and its borders with Russia and Belarus.

In addition, the Russia's invasion of Ukraine could lead to disruption, instability and volatility in global markets and industries. The U.S. government and other governments across the rest of the world have imposed severe economic sanctions and export controls against Russia and Russian interests and Belarus, several of the Russia's largest banks have been removed from the SWIFT system, and additional sanctions may be imposed as the situation in Ukraine progresses. The impact of these measures, as well as potential responses to them by Russia, is unknown.

Although, as of the date of this Base Prospectus, the restrictive measures imposed have had no material impact on the Group's performance - no operations have been suspended and no significant direct losses related to the restrictive measures have been incurred. To mitigate further potential risks relating to exposure of the Group's business to Russia, the Group is currently contemplating to sell or otherwise dispose all equity interest owned by AS "Storent Investments" in Storent OOO, a Group company that is registered in and operates only in Kaliningrad region, a Russian exclave between Poland and Lithuania, and in 2022 made approximately EUR 964,960 in sales (2 per-cent of total sales of the Group). The Group has not entered into any significant agreement with companies in Russia, Belarus, or Ukraine, which could have a material negative impact on the Group's operations. However, as new packages of sanctions are being imposed, that could possibly lead to the inclusion of the Group's existing partners or their shareholders in the sanctions list, there is still a risk, that implementation of some contracts is suspended.

An additional impact on the Group's financial results could be caused by the general deterioration of the economic situation.

There is also a risk, that due to the rapidly changing environment other aspects related to geopolitical events may arise that are not currently identified but may affect the Group's business results.

The Group's estimate of the risk is high.

#### ***Construction and industrial equipment rental market growth depends on related industries***

The Group operates in the construction and industrial equipment rental services markets which is subject to continuous development in the 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 the 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 the Group's business, financial condition, results of operations and future prospects and thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is medium.

#### **Risks Related to Business Operations**

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

The 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 the Group's business operations may limit the 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 the Group's business, financial condition, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is medium.

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

The Group's expansion and business development are partly based on corporate acquisitions. Unless the 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, the Group aims to mitigate the risks related to corporate acquisitions through careful advance preparations and systematic monitoring, it cannot be guaranteed that the 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 the Group's business, financial position, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is medium.

***Increased competition in the equipment rental industry may have an adverse effect on the profitability of the 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 the 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 the Group's sales or profitability or increase costs, which may in turn have a material adverse effect on the Group's business, financial position, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is medium.

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

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

The Group's estimate of the risk is medium.

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

The Group's business largely depends on the activity of the construction markets, which are sensitive to seasonal fluctuations. The 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 the Group's business, financial position, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is medium.

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

The Group's enterprise resource planning, rental operations, fleet management, financial, human resources and risk management functions are highly dependent on information systems and on the Group's ability to operate them efficiently and to introduce new technologies, systems as well as safety and back-up systems. The 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 the 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 the 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 Group's own staff. Material interruptions or serious errors in the operation of the information systems may considerably impair and weaken the Group. The 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 the Group's business, financial position, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate for the risk is medium.

***Brand risks***

The Group's name holds a great significance for both, its business operations and implementation of its strategies. Maintenance and positioning of the Group's brands are highly dependent on the success of marketing and promotional activities, as well as the 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 the 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 brand names of the Group or negative publicity may have a material adverse effect on the Group's business, financial position, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is medium.

***The 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 the Group's operations***

The Group purchases and leases rental equipment both from domestic and foreign suppliers. The 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, the Group is exposed to risks relating to purchasing and leasing, particularly, from foreign entities, which include, among other things, financial and political instability in the 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 the Group's business, financial condition, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is medium.

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

In order to operate efficiently, the Group must maintain sufficient equipment fleet. However, the 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, the 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 the 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 the Group's need for additional investments. Although, the 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 the Group's business, financial position, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is medium.

***Expansion and operations abroad may cause cultural and other difficulties***

The Group primarily operates in several European jurisdictions. The 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 the Group manages efficiently the above and other risks, such as challenges in different languages. Devaluation of currencies of the countries in which the Group operates, may have adverse effects on the Group's operations in such countries. For instance, customers' inclination and ability to use the Group's services may decline. If any of the risks described above materialise, this may have a material adverse effect on the Group's business, financial condition, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is low.

***The 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 the 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 the Group's control. In addition, even if the Group succeeds in implementing its business strategy, this may not improve its results of operations. The Group may also decide to amend its business strategy and/or adapt it in response to changes in its operating environment. If the 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 the Group's business, financial position, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate for of risk is low.

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

The Group's products and services are designed to meet the expectations of the customers as regards their standard and quality. The 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 the Group will in all circumstances meet all of the aforementioned expectations and/or requirements.

The Group's estimate of the risk is low.

***Lack of sufficient insurance cover***

Extensive insurance coverage forms an integral part of the Group's risk management. The equipment rented by the Group is covered by a statutory product liability. Even though the Group especially takes into account product safety and quality control of its products by means of, among other things, audits 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 the Group and reduce the value of the Group's brand.

The 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. The 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 the 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 the Group's business, financial position, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is low.

### ***Management of agreements***

The 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 the Group's business, financial position, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is low.

### **Financial Risks**

#### ***The Group's continuously growing and developing operations require careful capital expenditure planning and working capital management***

Expansion of operations and increase in demand for the 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 the 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 the Group's business, financial position, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is high.

#### ***Interest rate risk***

The Group is exposed to interest rate risk mainly through its interest-bearing debt. The interest rate risk exposure represents the uncertainty of profit of the 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 the Group. The 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 the Group's business, financial position, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is medium.

#### ***Financing risk***

Uncertainty in the financial market may mean that the price of the financing needed to carry out the Group's business may increase and that financing may be less readily available. The 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, the 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 the 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 the 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 the Group's business, financial position, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is medium.

#### ***Liquidity risk***

Liquidity risk is the risk that existing funds and borrowing facilities become insufficient to meet the Group's business needs or high extra costs are incurred for arranging them. The Group's liquidity risk is mitigated by efficient cash management procedures and cash management structures.

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

The Group's estimate of the risk is medium.

#### ***Credit and financial counterparty risk***

Credit risk is defined as the possibility of a customer not fulfilling its commitments towards the Group. The 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 the Group's trade receivables are generated by a large number of customers. The 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. The 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 the 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. The Group cooperates only with counterparties judged to be capable of meeting their undertakings to the Group.

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

The Group's estimate of the risk is medium.

#### ***Related party risks may negatively affect the Issuer***

The Group's operations include dealings with related parties, which may include shareholders, their family members and shareholders' controlled legal entities. Although the Company strives to apply arm's length principle in transactions with related parties, there may be situation when a potential transaction has terms more in favour of the related party rather than the Group. In order to minimize any potential harm to the Group, the Company follows requirements of any applicable legal acts, as well as applies best practice principles.

The Group's estimate of the risk is medium.

#### ***Foreign exchange rate risk***

The 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 the Group is exposed to foreign exchange rate risks mainly caused by the fluctuations of the Swedish Krona (SEK) and the Russian Rouble (RUB).

Fluctuations in currency exchange rates can affect the 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. The 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 the Group's business, financial position, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is low.

#### ***Future changes in accounting standards may affect the Group's financial position***

Future changes in the IFRS accounting standards could lead to increase in the reported gearing and decrease in the reported equity ratio of the Group. Therefore, potential future changes in IFRS accounting standards, as well as changes in other financial reporting standards, could have a substantial effect on the reported gearing and equity ratio of the Group. The amended standards may have a material adverse effect on the Group's

business, financial position, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is low.

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

The 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 the Group's tax burden to a significant degree, which could have a material adverse effect on the Group's financial position, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is low.

***Pandemic risks may continue to negatively affect the Group***

Covid-19 or other pandemic outbreaks in the future may limit operations if the Group in one or several countries. Limitations imposed by governments to curb pandemics may also lead to inability of the Group to service its clients which would lead to loss in revenue and profitability.

The Group's estimate of the risk is low.

**Legal and regulatory risks**

***Sanctions risk***

The Group should comply with the Law on National Sanctions of the Republic of Latvia, as well as international sanctions (UN, EU, US). Russia's invasion of Ukraine has led to unprecedented EU and US government sanctions against Russian and Belarusian companies and individuals. As EU and US continue to impose new sanctions in response to Russia's military attack on Ukraine, it could possibly lead to the inclusion of the Group's existing partners or their shareholders in the sanctions list and subsequently some economic loss due to suspended contracts or projects. There is also a risk that something may go unnoticed due to the rapidly changing environment, as well as there is a risk that introduced additional checks performed by the banks may prolong the execution time of payments and jeopardize the concluded contractual obligations.

Failure to comply with Latvian national sanctions or international sanctions (UN, EU, US) could have serious legal and reputational consequences for the Group, including exposure to fines as well as criminal and civil penalties. To mitigate this risk the Group has developed internal control system – a package of measures including activities to be taken to ensure compliance with sanctions requirements.

The Group's estimate for the risk is high.

***The Group's operations may involve legal and regulatory risks***

The 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 the 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, the 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 the Group be ordered to sanctions, it may have a material adverse effect on the Group's business, financial position, results of operations and future prospects and, thereby, on the Company's ability to fulfil its obligations under the Notes, as well as the market price and value of the Notes.

The Group's estimate of the risk is low.

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

The 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, the Group may become liable to restore the condition of a real property

which was contaminated by the 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 Group's operations on the environment are continuously monitored by means of internal monitoring and control programs. However, there can be no assurance that the 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 the Group. If the Group were to be found guilty of an environmental offence, a fine could be imposed on the Group. Potential financial liability as a result of damage caused to the environment by the Group would depend on the severity of the actual damage.

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

The Group's estimate of the risk is low.

## **Risks related to the Notes**

### ***Possibility to forfeit interest and principal amount invested***

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

### ***No security***

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

### ***Risk that the Guarantee will be subject to certain limitation on enforcement and may be limited by the applicable law or subject to certain defenses that may limit its validity and enforceability***

The Guarantee (as defined in the General Terms and Conditions of the Notes) provide the Noteholders with a claim against the relevant Guarantor (as defined in the General Terms and Conditions of the Notes). However, the Guarantee will be limited to the maximum amount that can be guaranteed by the relevant Guarantor without rendering the respective Guarantee voidable or otherwise ineffective under the applicable law, and enforcement of the respective Guarantee would be subject to certain generally available defenses.

In addition, the Guarantee will be conditional, i.e. it will become effective (i) in case under this Programme the Issuer issues the Notes at the aggregate principal amount of EUR 15,000,000 (fifteen million euros), and (ii) as of the date when the obligations under the existing notes of AS "Storent Investments", registration number 40103834303, (ISIN: LV0000802411 with maturity on 19 October 2023) are fully discharged, but no later than as of 19 July 2023.

Enforcement of the Guarantee against the Guarantor will be subject to certain defenses available to the Guarantor in accordance with the applicable law. In general, laws and defenses include those that relate to corporate purpose or benefit, fraudulent conveyance or transfer, voidable preference, insolvency or bankruptcy challenges, financial assistance, preservation of share capital, thin capitalization, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, the Guarantor may have no liability or decreased liability under the Guarantee depending on the amounts of its other obligations and applicable law.

There is also a possibility that the entire Guarantee may be set aside, in which case the entire liability may be extinguished. If a court decides that the Guarantee was a preference, fraudulent transfer or conveyance and voids the Guarantee, or holds it unenforceable for any other reason, the Noteholders may cease to have any claim in respect of the Guarantor and would be a creditor solely of the Issuer and.

The Notes will be guaranteed by the Guarantor which is organized and incorporated under the laws of the Republic of Latvia. In the event of an insolvency or similar event of the Guarantor, insolvency or similar proceedings could be initiated against the Guarantor according to the laws of the Republic of Latvia.

***The enforcement of the Guarantee will be subject to the procedures and limitations set out in the General Terms and Conditions of the Notes***

Even when the Guarantee is enforceable, the enforcement is subject to the procedures and limitations agreed in the General Terms and Conditions. Any enforcement of the Guarantee may be delayed due to the provisions of the General Terms and Conditions of the Notes.

***Adverse change in the financial condition or prospects of the Issuer***

Any adverse change in the financial condition or prospects of the Issuer 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 General Terms and Conditions of the Notes from time to time.

***No limitation on issuing additional debt***

The Issuer is not prohibited from issuing further debt and create a security interest in favour of a third parties. If the Issuer incurs significant additional debt of higher or equivalent seniority with the Notes, it will increase the number of claims that would have a priority or would be equally entitled to receive the proceeds, including those related to the Issuer's possible insolvency.

***Refinancing risk***

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

***Since the Notes bear interest at a fixed interest rate, movements in market interest rates can adversely affect the value of the Notes***

The Notes bear interest on their outstanding principal amount at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the value of such security could fall as a result of changes in the market interest rate. While the nominal compensation rate of the Notes is fixed during the life of the Notes, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. If the market interest rate increases, the value of a security such as the Notes typically falls, until the yield of such security is approximately equal to the market interest rate. If the market interest rate falls, the value of a security such as the Notes typically increases, until the yield of such a security is approximately equal to the market interest rate. Consequently, Noteholders should be aware that movements of the market interest rate can adversely affect the value of the Notes and can lead to losses for the Noteholders if they sell their Notes.

***The market price of the Notes may be volatile***

The market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of the Notes, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Notes without regard to the Group's results of operations, prospects or financial condition. Factors including increased competition or the Group's operating results, the regulatory environment, general market conditions, natural disasters, pandemics, terrorist attacks and war may have an adverse effect on the market price of the Notes.

***An active market for the Notes may not develop***

Although application(s) will be made for the Notes to be admitted to trading on Nasdaq Riga stock exchange, there is no assurance that such application(s) will be accepted and the Notes will be admitted to trading. In addition, 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 the Issuer is not under any obligation to maintain such market. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. A lack of liquidity may have a material adverse effect on the market 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***

The Issuer 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 Base Prospectus. Hence, such change may have a material adverse effect on the Issuer's business, financial condition, results of operations and/or future prospects and, thereby, the Issuer'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.

### ***No voting rights***

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

### ***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.

## GENERAL TERMS AND CONDITIONS OF THE NOTES

### 1. Principal amount and issuance of the Notes

- 1.1. Under this programme for the issuance of notes (the “**Programme**”) the Issuer may issue notes up to an aggregate principal amount of EUR 15,000,000 (fifteen million euros) (the “**Notes**”).
- 1.2. The Notes shall be issued in series (the “**Series**”).
- 1.3. Each Series may comprise one or more tranches of Notes (the “**Tranches**”). The Notes of each Tranche will all be subject to identical terms, except that the Issue Dates (as defined below) and the Issue Prices (as defined below) thereof may be different in respect of different Tranches.
- 1.4. In order to identify each Series and Tranches, the Final Terms (as defined below) shall stipulate a serial number of the respective Series and a serial number of the respective Tranche.
- 1.5. The terms and conditions of each Tranche shall consist of these general terms and conditions of the Notes (the “**General Terms and Conditions**”) and the final terms (the “**Final Terms**”). The General Terms and Conditions shall apply to each Tranche.
- 1.6. Each Final Terms will be approved by the management board of the Issuer, published on the Issuer’s website [www.storent.lv](http://www.storent.lv) and submitted to the Bank of Latvia, which will forward them to the Bank of Lithuania (in Lithuanian - *Lietuvos Bankas*) and the Estonian Financial Supervision Authority (in Estonian – *Finantsinspeksioon*).
- 1.7. The aggregate principal amount of a Tranche shall be specified in the Final Terms. Prior to allocation of the Notes to the holders of the Notes (the “**Noteholders**”) and subject to supplements or amendments to the Final Terms, the Issuer may increase or decrease the aggregate principal amount of a Tranche as set out in the Final Terms.
- 1.8. The nominal amount of each Note will be specified in the Final Terms.
- 1.9. The Notes will be offered for subscription for a minimum investment amount that will be specified in the Final Terms (the “**Minimum Investment Amount**”).

### 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 and can be pledged. 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 laws, including the United States, Australia, Japan, Canada, Hong Kong, South Africa, Singapore, Russia, Belarus and certain other jurisdictions. 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.
- 2.3. The Notes shall be book-entered with Nasdaq CSD SE (registration number: 40003242879, legal address: Valņa 1, Riga, LV-1050, Latvia) (the “**Depository**”).
- 2.4. A separate ISIN will be assigned to each Series, which will be different from ISIN of other Series.
- 2.5. Before commencement of the offering of the Notes of the first Tranche of each Series, the Depository upon request of the Issuer will assign ISIN to the respective Series. Where a further Tranche is issued, which is intended to form a single Series with an existing Tranche at any point after the Issue Date of the existing Tranche, a temporary ISIN may be assigned to the Notes of such further Tranche, which is different from ISIN assigned to the relevant Series, until such time as the Tranches are consolidated and form a single Series.
- 2.6. ISIN of the respective Series and a temporary ISIN of the respective Tranche, if applicable, will be specified in the Final Terms.

### 3. Status and security

- 3.1. The Notes constitute direct, unsecured and guaranteed (conditionally) 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.

- 3.2. In case of insolvency of the Issuer, the Noteholders will be entitled to recover their investment on the same terms as other creditors in the respective claims' group according to the applicable laws. Save for mandatory provisions of the applicable laws, there are no contracts or other transaction documents that would subordinate the claims of the Noteholders to other secured or unsecured liabilities of the Issuer.

#### 4. **Guarantee**

- 4.1. In case under this Programme the Issuer issues the Notes at the aggregate principal amount of EUR 15,000,000 (fifteen million euros), then due and timely payment, discharge and performance of the Notes by the Issuer shall be guaranteed to the Noteholders by the Issuer's Subsidiary SIA "Storent", a limited liability company registered with the Register of Enterprises of the Republic of Latvia under registration No. 40103164284, legal address: Zolitūdes iela 89, Rīga, LV-1046, the Republic of Latvia (the "**Guarantor**"), as of the date when the obligations under the existing notes of AS "Storent Investments", registration number 40103834303, (ISIN: LV0000802411 with maturity on 19 October 2023) are fully discharged, but no later than as of 19 July 2023 (the "**Guarantee**").
- 4.2. The Noteholders have right to enforce the Guarantee pursuant to Clause 18 (*Enforcement of the Guarantee*) of these General Terms and Conditions.

"**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.

#### 5. **Currency of the Notes**

The Notes will be issued in EUR.

#### 6. **Issue price and yield**

- 6.1. The Notes may be issued at their nominal amount or at a discount or a premium to their nominal amount (the "**Issue Price**"). The Issue Price shall be determined by the Issuer and specified in the Final Terms.
- 6.2. The yield of each Tranche set out in the applicable Final Terms will be calculated as of the relevant Issue Date on an annual basis using the relevant Issue Price. It is not an indication of future yield.

#### 7. **Underwriting**

None of the Tranches will be underwritten.

#### 8. **Issue date**

The issue date of each Tranche (the "**Issue Date**") shall be specified in the Final Terms.

#### 9. **Interest**

- 9.1. The Notes shall bear interest at fixed interest rate (the "**Interest**") which shall be determined by the Issuer and specified in the Final Terms.
- 9.2. The Interest shall be paid on the dates specified in the Final Terms (the "**Interest Payment Date**") until the Maturity Date (as defined below).
- 9.3. 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.
- 9.4. 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.

- 9.5. Interest on the Notes shall be paid through the Depository in accordance with the applicable rules of the Depository. The Noteholders list eligible to receive the interest on the Notes will be fixed at the end of the 5<sup>th</sup> (fifth) Business Day immediately preceding the Interest Payment Date
- 9.6. 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 the Depository system open and operational.

#### **10. Maturity date and principal payment**

- 10.1. The Notes shall be repaid in full at their nominal amount on the date which will be specified in the Final Terms (the “**Maturity Date**”), unless otherwise provided in these General Terms and Conditions.
- 10.2. The principal of the Notes shall be paid through the Depository in accordance with the applicable rules of the Depository. The Noteholders list eligible to receive the principal of the Notes will be fixed at the end of the Business Day immediately preceding the payment of the principal of the Notes.
- 10.3. Should the Maturity 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.

#### **11. Default interest**

If the Issuer fails to pay to the Noteholders any amount payable by it under these General 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.

#### **12. 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.

#### **13. Admission to trading**

- 13.1. The Issuer shall submit an application regarding inclusion of each Tranche in the Baltic Bond List of Akciju sabiedrība “Nasdaq Riga”, registration number: 40003167049, legal address: Vaļņu 1, Riga, LV-1050, Latvia (“**Nasdaq Riga**”). An application shall be prepared according to the requirements of Nasdaq Riga and shall be submitted to Nasdaq Riga within 3 (three) months after the Issue Date of the respective Tranche.
- 13.2. The Issuer shall use its best efforts to ensure that the Notes remain listed in the Baltic Bond List of Nasdaq Riga or, if such listing is not possible, to obtain or maintain, listed or traded on another regulated market in any other country of the European Economic Area. The Issuer shall, following a listing or admission to trading, take all reasonable actions on its part required as a result of such listing or trading of the Notes.
- 13.3. The Issuer will cover all costs which are related to the admission of the Notes to the relevant regulated market.

#### **14. Representations and warranties**

The Issuer represent and warrant to the Noteholders that at the Issue Date and for as long as any Notes are outstanding:

- (i) the Issuer and the Guarantor are duly incorporated and validly existing as legal entities in their jurisdiction of incorporation, and operating under the laws of jurisdiction of their incorporation;

- (ii) all obligations of the Issuer assumed under these General 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;
- (iii) all obligations of the Guarantor assumed under the Guarantee 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;
- (iv) the Issuer has all the rights and sufficient authorisations to issue the Notes and to enter into these General Terms and Conditions and fulfil obligations arising from the Notes and these General Terms and Conditions, and the Issuer has performed all the formalities required for issuing the Notes;
- (v) the Guarantor has all the rights and sufficient authorisations to provide the Guarantee and fulfil obligations arising from the Guarantee;
- (vi) 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;
- (vii) the Issuer and the Guarantor are solvent, able to pay their debts as they fall due, there are no liquidation, compulsory execution, reorganisation (except for any sale, disposal, merger, demerger, amalgamation, reorganization or restructuring between the Subsidiaries within the Group), or bankruptcy proceedings pending or initiated against the Issuer or the Guarantor;
- (viii) there are no court or arbitration proceedings pending or initiated against the Issuer or the Guarantor 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 Guarantor.

The “**Group**” means the Issuer and its Subsidiaries from time to time.

## 15. Undertakings

The undertakings in this Clause 15 (*Undertakings*) remain in force from the Issue Date and for as long as any Notes are outstanding. In addition to the undertakings specified in this Clause 15 (*Undertakings*), the Issuer may provide other undertakings in the Final Terms which will remain in force from the Issue Date and for as long as any Notes are outstanding.

### 15.1. 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 Guarantee provided in accordance with Clause 4 (*Guarantee*) of these General Terms and Conditions, under the Notes;
  - (iii) any Indebtedness granted by the Issuer to the Issuer’s shareholders in total not exceeding EUR 3,000,000 (three million euro) with a repayment term not later than 12 (twelve) months.

“**Indebtedness**” means any indebtedness (whether principal, premium, interest or other amounts) in respect of any borrowed money.

### 15.2. 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, including, for avoidance of doubt, any merger, demerger, amalgamation, reorganization or restructuring between the Subsidiaries within the Group, provided that it does not affect the Issuer's ability to perform and comply with its payment obligations under these General Terms and Conditions;
- (b) the sale or other disposal of equity interest in any Subsidiary, other than the Guarantor, SIA "SELECTIA", registration number: 50103573441, and SIA "SELECTIA PLUS", registration number: 40203130161, or of all or substantially all of the assets or operations of any Subsidiary, other than the Guarantor, SIA "SELECTIA", registration number: 50103573441, and SIA "SELECTIA PLUS", registration number: 40203130161;
- (c) 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;
- (d) 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;
- (e) 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 shall be included in the calculation of the financial covenant set out in Clause 16 (*Financial Covenants*);
- (f) 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; or
- (g) without double counting, the sale or other disposal of assets in a single transaction or series of related transactions that involves assets having the Fair Market Value of less than EUR 7 500 000 (seven million five hundred thousand euro), calculated on annual basis.

**"Fair Market Value"** means, with respect to any asset, the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress of either party, determined in good faith by the senior management of the Issuer.

### 15.3. Dividends

The Issuer shall have a right to declare and pay dividends to its shareholders, provided that before and after such declaration and payment of dividends the Issuer complies with all financial covenants set out in Clause 16 (*Financial Covenants*).

### 15.4. 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).

### 15.5. Related party transactions

The Issuer and its Subsidiaries may engage in transactions with Related Parties only on arm's length basis. Any transactions made with the Related Parties shall be disclosed in an audited annual report.

**"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.

### 15.6. Reorganization

In case under this Programme the Issuer issues the Notes at the aggregate principal amount of EUR 15,000,000 (fifteen million euros), the Issuer shall ensure that within 12 (twelve) months SIA "SELECTIA", registration number: 50103573441, and SIA "SELECTIA PLUS", registration number: 40203130161, by way of reorganisation is acquired by the Guarantor, as a result of which all assets and liabilities of SIA "SELECTIA" and SIA "SELECTIA PLUS" are transferred to the Guarantor.

## 16. 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. In addition to the financial covenants specified in this Clause 16 (*Financial covenants*), the Issuer may undertake to comply with other financial covenants as specified in the Final Terms from the Issue Date and for as long as any Notes are outstanding.

### 16.1. Shareholders Equity to Assets

Shareholders Equity to Assets Ratio may not be lower than 35 (thirty-five) per-cent at the end of each Quarter.

“**Shareholders Equity to Assets Ratio**” means the Issuer’s total shareholders’ equity increased by the Subordinated Debt 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.

“**Subordinated Debt**” means unsecured debt of the Group in the form of loans from shareholders with maturity after the Maturity Date which is subordinated to the Notes with respect to claims on assets or earnings and is fully or partly repayable (including interest payments) only if settlement of all obligations under the Notes are made.

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

### 16.2. Net Debt/EBITDA

The Issuers Net Debt/EBITDA Ratio for the for the previous 12 (twelve) months may not be higher than 2.5:

- (a) as at the end of each Quarter determined on the basis of the Issuer’s consolidated monthly financial statements for the previous 12 (twelve) months; and
- (b) as at 31 December each year, as determined on the consolidated basis on the basis of each of the Issuer’s annual financial reports.

“**Net Debt/EBITDA Ratio**” means the ratio of interest-bearing liabilities (excluding Subordinated Debt) – (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.

## 17. Events of Default

17.1. The Noteholders representing at least 10 (ten) per-cent of the principal amount of all outstanding Notes may in accordance with Clause 24 (*Notices*) notify the Issuer about the occurrence of an Event of Default. Subject to Clause 17.2, within 45 (forty-five) days after receipt of notification regarding 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).

17.2. If the Issuer is unable to make payments in accordance with Clause 17.1 of the General Terms and Conditions, the Issuer shall immediately, but in any case not later than within 20 (twenty) Business Days following receipt of notification regarding occurrence of an Event of Default, notify the Noteholders in accordance with Clause 24 (*Notices*) thereof.

17.3. If the Issuer has failed to prepay all Noteholders the outstanding principal amount of the Notes and the Interest accrued on the Notes within a term specified in Clause 17.1 of the General Terms and Conditions or within a term specified in Clause 17.2 of the General Terms and Conditions and has notified the Noteholders that it is unable to make payments in accordance with Clause 17.1. of the General Terms and Conditions, the Noteholders may act in accordance with Clause 18 (*Enforcement of the Guarantee*).

17.4. Each of the following events shall constitute an event of default (an “**Event of Default**”):

- (a) **Non-Payment:** 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 16 (*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 does not comply with the General 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 becoming aware of the non-compliance;
- (d) **Cessation of Business:** The Issuer, the Guarantor, SIA "SELECTIA", registration number: 50103573441, or SIA "SELECTIA PLUS", registration number: 40203130161, 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, 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, the Guarantor, SIA "SELECTIA", registration number: 50103573441, or SIA "SELECTIA PLUS", registration number: 40203130161, other than, in case of the Guarantor, SIA "SELECTIA", registration number: 50103573441, or SIA "SELECTIA PLUS", registration number: 40203130161: (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, the Guarantor, SIA "SELECTIA", registration number: 50103573441, or SIA "SELECTIA PLUS", registration number: 40203130161, is declared insolvent or bankrupt by a court of competent jurisdictions or admits inability to pay its debts; (ii) the Issuer, the Guarantor, SIA "SELECTIA", registration number: 50103573441, or SIA "SELECTIA PLUS", registration number: 40203130161, 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, the Guarantor, SIA "SELECTIA", registration number: 50103573441, or SIA "SELECTIA PLUS", registration number: 40203130161, or any other proceedings for the settlement of the debt of the Issuer, the Guarantor, SIA "SELECTIA", registration number: 50103573441, or SIA "SELECTIA PLUS", registration number: 40203130161, is submitted to the court by the Issuer, the Guarantor, SIA "SELECTIA", registration number: 50103573441, or SIA "SELECTIA PLUS", registration number: 40203130161.

17.5. 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.

## 18. Enforcement of the Guarantee

- 18.1. If an Event of Default has been declared pursuant to Clauses 17 (*Events of Default*), the Issuer within 20 (twenty) Business Days shall have the right to submit the proposed action plan in respect to the claim settlement to the Noteholders ("**Action Plan**"). The Issuer shall act in accordance with Clause 26 (*Decisions of the Noteholders*) and the Noteholders shall vote for the approval of the Action Plan.
- 18.2. If the Noteholders have not approved the Action Plan, the Noteholders shall vote on whether to enforce the Guarantee.
- 18.3. The Issuer is required to publish the Action Plan on its website [www.storent.lv](http://www.storent.lv) and on Nasdaq Riga information system (after the Notes are listed).
- 18.4. In case of enforcement of the Guarantee, the Guarantor shall transfer any amounts arising out of the Guarantee for payment of the claims of the Noteholders arising under these General Terms and Conditions, including, but not limited to, the claims arising from the Notes.

## 19. Force majeure

- 19.1. The Issuer shall be entitled to postpone the fulfilment of its 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 and that materially affect operations of the Issuer;
- (c) any interruption of or delay in any functions or measures of the Issuer 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; or
- (e) any other similar force majeure or hindrance which makes it unreasonably difficult to carry on the activities of the Issuer.

19.2. 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 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.

## **20. 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 20 (*Further issues*) shall not limit the Issuer's right to issue any other notes.

## **21. 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 Subscription 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 General Terms and Conditions.

## **22. 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.

## **23. Reporting**

23.1. 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 16 (*Financial Covenants*) of these General 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 26.1 (l), not later than 3 (three) Business Days after the relevant transaction.

- 23.2. The information in Clause 23.1 shall be provided to the Noteholders in accordance with Clause 24 (*Notices*).
- 23.3. As of the date when Notes are admitted to trading on Nasdaq Riga the reporting requirements provided in the Financial Instruments Market Law, Regulation (EU) No 596/2014 (Market Abuse Regulation) and the rules and regulations of Nasdaq Riga shall be also applicable to the Issuer. If in accordance with the Financial Instruments Market Law, Regulation (EU) No 596/2014 (Market Abuse Regulation) or the rules and regulations of Nasdaq Riga the Issuer is obliged to provide the information in Clause 23.1 less frequently as set forth in Clause 23.1, then the frequency set forth in Clause 23.1 shall be applied.
- 23.4. The Issuer shall ensure that the information provided to the Noteholders is true, accurate, correct and complete.

#### **24. Notices**

- 24.1. For so long as the Notes are not admitted to trading on Nasdaq Riga, all notices and reports to the Noteholders shall be published on the website of the Issuer ([www.storent.lv](http://www.storent.lv)). Any notice or report published in such manner shall be deemed to have been received on the same Business Day when it is published.
- 24.2. As of the day when the Notes are admitted to trading on Nasdaq Riga, all notices and reports to the Noteholders shall be published on Nasdaq Riga information system, as well as on the website of the Issuer ([www.storent.lv](http://www.storent.lv)). Any notice or report published in such manner shall be deemed to have been received on the same Business Day when it is published.

#### **25. 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.

#### **26. Decisions of the Noteholders**

##### **26.1. General provisions**

- (a) The decisions of the Noteholders (including decisions on amendments to these General Terms and Conditions or the Final Terms of the Tranches of the relevant Series or granting of consent or waiver) shall be passed at a meeting of the Noteholders (the "**Noteholders' Meeting**") or in writing without convening the Noteholders' 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 or the principal amount of the Notes of the relevant Series outstanding (as applicable) (excluding the Issuer and the Related Parties).
- (c) In case convening of the Noteholders' Meeting or instigation of the 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) month after receipt of the respective Noteholders' written request.
- (d) Only those who were appearing in the Depository as the Noteholders by the end of the 5<sup>th</sup> (fifth) Business Day prior to convening the Noteholders' Meeting (in case of the Noteholders' Meeting is convened) and only those who were appearing in the Depository as the Noteholders by the end of the 5<sup>th</sup> (fifth) Business Day after publishing an announcement on instigation of the Written Procedure (in case the Written Procedure is instigated) or proxies authorised by such Noteholders, may exercise their voting rights at the Noteholders' Meeting or in the Written Procedure. The voting rights of the Noteholders will be determined on the basis of the principal amount of the Notes held.
- (e) Quorum at the Noteholders' Meeting or in respect of the 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 or the principal amount of the Notes of relevant Series outstanding (as applicable):

- (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 Issuer or 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 26.2(a)) or instigate a second Written Procedure (in accordance with Clause 26.3(a)), as the case may be. The quorum requirement in paragraph (d) above shall not apply to such second Noteholders' Meeting or Written Procedure, except for exclusion of the Issuer and 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 agreement with the Issuer to amend Clause 3 (*Status and security*), Clause 4 (*Guarantee*), Clause 15 (*Undertakings*), Clause 16 (*Financial covenants*), Clause 17 (*Events of Default*), Clause 18 (*Enforcement of the Guarantee*), Clause 26 (*Decisions of the Noteholders*) and Clause 27 (*Governing law and dispute resolution*):
- (h) Consent of at least 75 (seventy-five) per-cent of the aggregate principal amount of the outstanding Notes of the respective Series attending the Noteholders' Meeting or participating in the Written Procedure (i.e. replying to the request) 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 relevant Series, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the relevant Series or to change the method of calculating the amount of interest or any other amount payable on any date in respect of the relevant Series;
  - (ii) agreement with the Issuer to change the currency of the relevant Series;
  - (iii) approval of the Action Plan;
  - (iv) enforcement of the Guarantee.
- (i) Consent of simple majority of all Noteholders or the Noteholders of the respective Series (as applicable) attending the Noteholders' Meeting or participating in the Written Procedure (i.e. replying to the request) is required to the decisions not covered in paragraph (g) or (h) above (as applicable).
- (j) The Issuer shall have a right to increase the aggregate principal amount of the Notes to be issued under the Programme without the consent of the Noteholders.
- (k) 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 24 (*Notices*), provided that a failure to do so shall not invalidate any decision made or voting result achieved.
- (l) Decisions passed at the Noteholders' Meeting or by way of the Written Procedure shall be binding on all Noteholders irrespective of whether they participated at the Noteholders' Meeting or in the Written Procedure.
- (m) All expenses in relation to the convening and holding the Noteholders' Meeting or a Written Procedure shall be covered by the Issuer.

## 26.2. Noteholders' 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 24 (*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 with translation into Latvian, unless the Noteholders present in the respective Noteholders' Meeting unanimously decide that the respective Noteholders' Meeting shall be held only in Latvian or 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.

### 26.3. 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 24 (*Notices*).
- (b) Communication in paragraph (a) above shall include:
  - (h) each request for a decision by the Noteholders;
  - (i) a description of the reasons for each request;
  - (j) 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;
  - (k) 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; and
  - (l) 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.
- (c) When the requisite majority consents pursuant to paragraphs (g), (h) or (i) (as applicable) of Clause 26.1 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to paragraphs (g), (h) or (i) (as applicable) of Clause 26.1, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## 27. Governing law and dispute resolution

- 27.1. These General 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.
- 27.2. 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.

## FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Base Prospectus

**IMPORTANT – EEA RETAIL INVESTORS:** The Notes have a fixed rate of interest and the redemption amount is fixed as described in the Base Prospectus. Accordingly, no key information document pursuant to Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) has been prepared by the Issuer.

**Final Terms dated [●]**

**SIA “Storent Holdings”**

**Issue of [Aggregate Nominal Amount of Tranche] Notes due [●]**

**under the Programme for the issuance of Notes in the amount of EUR 15,000,000**

**[to be consolidated and form a single series with [●]]**

Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions set forth in the Base Prospectus dated 25 May 2023 (the “**Base Prospectus**”) for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”).

This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus.

The Base Prospectus has been published on the Issuer’s website [www.storent.lv](http://www.storent.lv).

A summary of the individual issue is annexed to these Final Terms.

1. Issuer: SIA “Storent Holdings”
2. Series Number: [●]
3. Tranche Number: [●]
4. ISIN: [[●]]/[Temporary ISIN: [●]. Upon admission of the Notes to the regulated market the Notes will be consolidated and form a single series with [●] and will have a common ISIN [●]]
5. Aggregate principal amount: [EUR [●] [in addition to [●]]]
6. Nominal amount of the Note: EUR [●]
7. Issue Date: [●]
8. Annual Interest Rate: [[●].]/[The annual interest rate will be set within the range of [●] to [●] per-cent. The final annual interest rate will be determined in accordance with the Section “*Offering of the Notes*” of the Base Prospectus.]
9. Interest Payment Dates: [●]
10. Maturity Date: [●]
11. Minimum Investment Amount: [●]
12. Issue Price: [●]
13. Yield: [●]  
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.
14. Additional undertakings: [[●]]/[Not applicable.]
15. Additional financial covenants: [[●]]/[Not applicable.]
16. Subscription Period: [●]

17. Procedure for submission of the Subscription Orders: [●]
18. Procedure for allocation of the Notes and settlement: [●]
19. Information about exchange of the Existing Notes with the Notes: [[The Investor shall indicate in the Subscription Order the number of the Existing Notes used for the exchange with the Notes and duly inform the relevant custodian (a credit institution or an investment brokerage firm holding the Existing Notes on behalf of the Investor) on approval to the proposed exchange of the Existing Notes, which in turn shall inform the Depository on the total number of Existing Notes to be exchanged with the Notes and Investors who requested the exchange.
- The exchange of the Existing Notes with the Notes will be carried out as a corporate event in accordance with the applicable rules of the Depository within the Subscription Period.]/[Not applicable.]]
20. Existing Notes: [[Notes of AS "Storent Investments", registration number 40103834303, (ISIN: LV0000802411 with maturity on 19 October 2023).]/[Not applicable.]]
21. Estimated total expenses of the issue of the Notes: [●]
22. Estimated net amount of the proceeds from the issue of the Notes: [●]
23. Name of the Settlement Agent: [●], registration number: [●], legal address: [●].
24. Name of the Sales Agent: Redgate Capital AS, registration number: 11532616, legal address: Pärnu mnt 10, Tallinn, 10148, the Republic of Estonia.
25. Rating: The Notes to be issued have not been rated.
26. Information about the securities of the Issuer that are already admitted to trading: [[●]/[Not applicable.]]

These Final Terms have been approved by the Management Board of the Issuer at its meeting on [date] [month] [year].

Riga, [date] [month] [year]

[●]

## OFFERING OF THE NOTES

Words and expressions defined in the General Terms and Conditions of the Notes above or elsewhere in the Base Prospectus have the same meanings in this Section of the Base Prospectus.

### 1. General structure of the offering of Notes

- 1.1. The Programme consists of (i) a public offering of the Notes to retail investors and institutional investors (each an “**Investor**”) in the Republic of Latvia, the Republic of Lithuania and in the Republic of Estonia, and/or (ii) private placement of the Notes to institutional Investors and retail Investors in certain Member States of the European Economic Area (“**EEA**”) and to other selected Investors in each case pursuant to an exemption under Article 1 of the Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”).
- 1.2. 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.
- 1.3. For the purposes of the public offering, only such prospective Investors will be eligible to participate in the offering who at or by the time of placing their orders have opened securities accounts with entities of their choice, which are licensed to provide such services within the territory of the Republic of Latvia, of the Republic of Lithuania or of the Republic of Estonia and are members of Nasdaq Riga or have relevant arrangements with a member of Nasdaq Riga.
- 1.4. The offering of Notes is not addressed to Investors who are Russian or Belarusian nationals or natural persons residing in Russia or Belarus or any legal persons, entities or bodies established in Russia or Belarus. The latter shall not apply to nationals of a Member State of the European Union, of a country member of the EEA or of Switzerland, or to natural persons having a temporary or permanent residence permit in a Member State of the European Union, in a country member of the EEA or in Switzerland within the meaning of Council Regulation (EU) No 833/2014 of 31 July 2014 (as amended), and nationals of a Member State of the European Union or natural persons having a temporary or permanent residence permit in a Member State of the European Union within the meaning of Council Regulation (EC) No 765/2006 of 18 May 2006 (as amended).
- 1.5. The public offering of each of the Tranche may be carried out through an auction facilitated by Nasdaq Riga (the “**Auction**”).

### 2. Subscription for the Notes

- 2.1. The subscription period (the “**Subscription Period**”) for each Tranche shall be specified in the Final Terms. The Issuer may decide on shortening or lengthening the Subscription Period.
- 2.2. The Investors wishing to subscribe for and purchase the Notes shall submit their orders to acquire the Notes (the “**Subscription Orders**”) at any time during the Subscription Period.
- 2.3. At the time of placing a Subscription Order, each Investor shall make a binding instruction for depositing the Notes in a securities account maintained in its name and opened with a credit institution or an investment brokerage firm of their choice which are licensed to provide such services within the territory of the Republic of Latvia, the Republic of Lithuania and the Republic of Estonia and are members of Nasdaq Riga or have relevant arrangements with a member of Nasdaq Riga.
- 2.4. Upon submission of the Subscription Order the Investor shall authorise the Depository, Nasdaq Riga and the Issuer to process, forward and exchange information on the identity of the Investor and the contents of respective Investor’s Subscription Order before, during and after the Subscription Period.
- 2.5. An Investor shall be allowed to submit a Subscription Order either personally or via a representative whom the Investor has authorised (in the form required by the applicable law) to submit the Subscription Order. An Investor shall ensure that all information contained in the Subscription Order is correct, complete and legible.
- 2.6. The Issuer reserves the right to reject any Subscription Order that is incomplete, incorrect, unclear or ineligible or that has not been completed and submitted and/or has not been supported by the necessary additional documents, requested by the Issuer, during the Subscription Period and in accordance with all requirements set out in the General Terms and Conditions of the Notes.
- 2.7. Any consequences of form of a Subscription Order for the Notes being incorrectly filled out will be borne by the Investor.

### 3. Interest rate

- 3.1. The Issuer may offer the Notes for a fixed annual interest rate as already specified in the Final Terms or within a range as specified in the Final Terms.
- 3.2. In case the Issuer offers the Notes for a fixed annual interest rate within a range as specified in the Final Terms, each Investor undertakes to specify the investment amount(s) Investor is willing to invest at one or more annual interest rate levels within the available annual interest rate range as indicated by the Issuer. For the avoidance of doubt, the Investor may subscribe to the Notes on different preferred annual interest rate levels.
- 3.3. By submitting the Subscription Order, the Investor acknowledges that, in case the Issuer offers the Notes for a fixed annual interest rate within a range as specified in the Final Terms, each investment amount to be invested per each offered preferred annual interest rate has to be not less than Minimum Investment Amount as specified in the Final Terms. Otherwise, the relevant part of the Subscription Order for subscribing to the Notes with the less than Minimum Investment Amount shall not be considered valid and shall not be processed.
- 3.4. By submitting the Subscription Order, the Investor acknowledges that, in case the Issuer offers the Notes for a fixed annual interest rate within a range as specified in the Final Terms, the final interest rate of the Notes shall be determined upon the discretion of the Issuer within the range indicated in the Final Terms, taking into consideration, among other factors, the volume and price level of the Subscription Orders received from the Investors. The Investors will be informed about the final annual fixed interest rate upon allocation the Notes to the Investors by publishing the relevant supplements or amendments to the Final Terms.

### 4. Exchange of the Notes

- 4.1. Within the Subscription Period of each Tranche the Issuer may offer to all Investors holding the existing notes of AS "Storent Investments", registration number 40103834303, (ISIN: LV0000802411 with maturity on 19 October 2023) (the "**Existing Notes**") to exchange the Existing Notes with the Notes, as specified in the Final Terms.
- 4.2. The Subscription Period for exchange of the Existing Notes with the Notes shall not be shorter than 10 (ten) Business Days.
- 4.3. The exchange ratio shall be one-to-one and any number of the Existing Notes may be used for the exchange.
- 4.4. The Investor shall indicate in the Subscription Order the number of the Existing Notes used for the exchange with the Notes and duly inform the relevant custodian (a credit institutions or an investment brokerage firm holding the Existing Notes on behalf of the Investor) on approval to the proposed exchange of the Existing Notes, which in turn shall inform the Depository on the total number of the Existing Notes to be exchanged with the Notes and Investors who requested the exchange.
- 4.5. By submitting a Subscription Order for the exchange of the Existing Notes with the Notes, each Investor shall authorise and instruct the credit institution or investment brokerage firm operating the Investor's securities account to immediately block the total number of the Existing Notes to be exchanged with the Notes on the Investor's securities account until the settlement for the transaction is completed or until the Existing Notes are released.
- 4.6. The number of the Existing Notes on the Investor's securities account to be blocked shall be equal to the total number of the Existing Notes to be exchanged with the Notes. An Investor may submit a Subscription Order only when there is a sufficient number of the Existing Notes on the Investor's securities account. If the number of the Existing Notes which are blocked is insufficient, the Subscription Order shall be deemed valid only in respect to the amount of a sufficient number of the Existing Notes that are on the Investor's securities account.
- 4.7. Every Investor participating in the exchange is entitled to a fee of 0.50% (zero point fifty) per-cent of nominal value of the Existing Notes that the Investor has exchanged with the Notes. The record date for the fee is the Issue Date, the fee is payable within 10 Business Days following the Issue Date. For tax purposes the fee is treated as interest payment and the Issuer will make a payment net of applicable withholding taxes.
- 4.8. Provisions set out in this Section "*Offering of the Notes*" of the Base Prospectus relating to the Subscription Orders and Sub-Section 10 (*Allocation of the Notes*) and Sub-Section 12 (*Settlement of*

*the offering of the Notes*) shall be applicable *mutatis mutandis* to the exchange of the Existing Notes with the Notes.

## **5. Place of the subscription**

- 5.1. Initially the Notes will be book-entered in the subscription account of the Depository participant (the **"Settlement Agent"**) which shall be specified in the Final Terms.
- 5.2. The subscription to the Notes shall be made on the Subscription Orders which may be requested from the Sales Agent and/or in accordance with specific rules for the Subscription of Nasdaq Riga or the Depository's participants located in the Republic of Latvia, of the Republic of Lithuania or of the Republic of Estonia.
- 5.3. For the purposes of public offering, the Subscription Orders may be submitted through any credit institution or an investment brokerage firm that is licensed to provide such services within the territory of the Republic of Latvia, the Republic of Lithuania or the Republic of Estonia, or to Redgate Capital AS, registration number: 11532616, registration address: Pärnu mnt 10, Tallinn, 10148, the Republic of Estonia (the **"Sales Agent"**). In case of the Auction, the Final Terms may prescribe that Subscription Orders may only be submitted through financial institutions that are participants of the Depository.
- 5.4. The total amount of the Notes to be acquired and indicated in each Subscription Order shall be for at least the Minimum Investment Amount. The procedure of submission of the Subscription Orders shall be specified in the Final Terms if any additional information shall be provided.
- 5.5. All Subscription Orders shall be binding and irrevocable commitments to acquire the allotted Notes, with the exceptions stated below. The Subscription Orders shall not be considered valid and shall not be processed in case the purchase amount indicated in the Subscription Orders is less than the Minimum Investment Amount or the Subscription Orders were received after the Subscription Period. The Issuer has no obligation to inform the Investors about the fact that their Subscription Orders are invalid.

## **6. Private placement**

- 6.1. In respect of private placement of the Notes Investors wishing to purchase the Notes may submit Subscription Orders through a credit institution or an investment brokerage firm that is licensed to provide such services in accordance with applicable laws.
- 6.2. Institutional Investors shall submit their own Subscription Orders or Subscription Orders received from other Investors, if any, to the Sales Agent.
- 6.3. Institutional Investors shall be entitled to place multiple Subscription Orders.
- 6.4. Institutional Investors shall contact the Sales Agent for information on detailed rules governing the placement of Subscription Orders, in particular the documents required if an order is placed by a statutory representative, proxy or any other person acting on behalf of an Investor.

## **7. Withdrawal of the Subscription Orders**

- 7.1. An Investor may withdraw a Subscription Order for the Notes of the respective Tranche by submitting a written statement to the credit institution or investment brokerage firm where the subscription was made at any time until the end of the Subscription Period of the respective Tranche:
  - (a) if any supplement or amendment to the Base Prospectus is made public concerning an event or circumstances occurring before the allocation of the Notes, of which the Issuer became aware prior to allocation of the Notes, within 2 (two) Business Days as from the date of the publication of the supplement or amendment to the Base Prospectus; or
  - (b) if the issuance of the Tranche of the relevant Series is suspended or postponed in accordance with Sub-Section 11.3 of this Base Prospectus, within 2 (two) Business Days as from the date of the announcement of suspension or postponement of the issuance of the Tranche of the relevant Series.
- 7.2. The right of an Investor to withdraw a Subscription Order in accordance with Sub-Section 7.1 of this Base Prospectus shall only apply to the relevant Tranche and not to any other Tranches of the Notes under this Base Prospectus.
- 7.3. An Investor shall be liable for payment of all fees and costs charged by a credit institution or an investment brokerage firm used by the Investor for the Subscription of the Notes in connection with the withdrawal or amendment of the Subscription Order.

7.4. Following withdrawal of a Subscription Order, the repayments shall be made (or blocked funds shall be released) in accordance with the Subscription Order within 3 (three) Business Days following submission of a statement regarding withdrawal of the Subscription Order.

#### **8. No assignment or transfer**

The rights arising out of this Base Prospectus in relation to the subscription for the Notes (including, without limitation, rights arising from any Subscription Orders or any acceptance thereof) are not assignable, tradable or transferable in any way and any assigned or transferred rights will not be recognised by the Issuer and will not be binding on the Issuer.

#### **9. Payment for the Notes**

9.1. By submitting a Subscription Order, each Investor shall authorise and instruct the credit institution or investment brokerage firm operating the Investor's current account connected to the Investor's securities account to immediately block the whole subscription amount on the Investor's current account until the payment for the allotted Notes is completed or until the funds are released.

9.2. The subscription amount to be blocked shall be equal to the Issue Price multiplied by the number of the Notes the respective Investor wishes to subscribe for. In case the Issuer offers the Notes for a fixed annual interest rate within a range as specified in the Final Terms, the transaction amount to be blocked will be equal to the largest investment amount (EUR) payable per Investor's offered preferred annual interest rate level. For illustrative purposes only, assuming the Investor has placed the following Subscription Orders:

Preferred annual interest rate (%) of the Notes in a range of x% - z%	Investment amount (EUR) (per each offered interest rate)
x%	EUR 50,000
y%	EUR 80,000
z%	EUR 100,000

If the Investor has selected to subscribe for the Notes on different preferred annual interest rate levels, accordingly the amount of EUR 100,000 shall be the transaction amount and it will be blocked on the Investor's cash account until the settlement is completed or funds are released.

9.3. An Investor may submit a Subscription Order only when there are sufficient funds on the Investor's current account. If the blocked funds are insufficient, the Subscription Order will be deemed null and void to the extent funds are insufficient.

9.4. The Investors who have not been allotted any Notes, including in case of withdrawal of Subscription Orders in accordance with Sub-Section 7.1 of this Base Prospectus and subject to requirements set forth in Sub-Section 7.3 of this Base Prospectus, or whose subscriptions have been reduced will receive reimbursements of the payment made upon placing the Subscription Order (or the blocked funds will be released) in accordance with instructions provided by each such Investor, as required under the procedures applicable within the credit institution or an investment brokerage firm with which the Subscription Order was placed. The reimbursement will take place (or the blocked funds will be released) within 10 (ten) Business Days as from the end of the Subscription Period or withdrawal of a Subscription Order in accordance with Sub-Section 7.1 of this Base Prospectus. The payments shall be returned (or the blocked funds will be released) without any reimbursement for costs incurred by the Investors in the course of subscribing for the Notes and shall be net of all transfer expenses and without interest.

9.5. In respect of private placement of the Notes the Investor shall consent to the obligation to ensure the subscription amount on the settlement date on the Issue Date in accordance with the DVP (*Delivery vs Payment*) principle pursuant to the applicable rules of the Depository. Payments for the Notes are interest free.

#### **10. Allocation of the Notes**

10.1. On the next Business Day following the Subscription Period the Issuer shall decide whether to proceed with the issuance of the Tranche of the relevant Series or cancel the relevant issuance.

10.2. In case the Issuer decides to proceed with the issuance of the Tranche of the relevant Series the following actions shall be taken within the next 3 (three) Business Days following the Subscription Period:

(a) **Allocation of the Notes to the Investors**

- (i) The Issuer will establish the exact amount of the Notes to be allotted with respect to each Subscription Order.
- (ii) In case the subscription amount for the Tranche of the relevant Series is equal to or exceeds the aggregate principal amount of the relevant Tranche, the Issuer may decide to allocate the total available number of the Notes to each Investor proportionally to the aggregate principal amount of the relevant Tranche and the amount subscribed by such Investor, provided that such proportional allocation applies equally to all Investors;
- (iii) In case the subscription amount for the Tranche of the relevant Series is below the aggregate principal amount of the relevant Tranche, the Issuer may decide to cancel the issuance of the Tranche of the relevant Series or, subject to supplements or amendments to the Final Terms, to adjust the aggregate principal amount of the relevant Tranche corresponding to the subscription amount of the Tranche.
- (iv) In case any additional provisions apply to allocation of a separate Tranche of the Notes, these will be specified in the Final Terms for the relevant Tranche.
- (v) The Issuer shall not be obliged to allocate any Notes to any investors participating in the offering of the Notes. Furthermore, there will be no target minimum individual allocation of the Notes to the Investors.
- (vi) In case the Issuer offers the Notes for a fixed annual interest rate within a range as specified in the Final Terms, only the Subscription Orders which are at or below the set final annual interest rate will be subject to allocation. If more than one preferred annual interest rate levels indicated in the Subscription Order are subject to allocation, the largest Subscription Order amount will be used for allocation purpose. Nonetheless, the final number of Notes to be issued and the final size of the Tranche will be decided by the Issuer, based on the level of subscriptions. In addition, the number of Notes to be allocated to each Investor shall be determined upon the discretion of the Issuer. Accordingly, the Investors who subscribe the Notes may not receive all of the Notes they have subscribed for and it is possible they may not receive any. In case the Investor has not been allocated any Notes or allocation is less than the number of subscribed Notes, the relevant amount shall be released to the Investors. All Investors who have been allocated the Notes shall pay the same price and receive the same fixed annual interest rate for the Notes.

For illustrative purposes only, assuming the Investor has placed the following Subscription Orders, below are a set of illustrative examples of various subscription alternatives and potential outcomes. The list is not exhaustive and there may be other potential outcomes:

Example 1:

Preferred annual interest rate (%) of the Notes in a range of x% - z%	Investment amount (EUR) (per each offered interest rate)
x%	EUR 50,000
y%	EUR 80,000
z%	EUR 100,000

If the Issuer decides to set the final annual interest rate at y per-cent and there is no oversubscription and Issuer does not decrease the aggregate principal amount of the relevant Tranche (i.e. each Investor receives full allocation of the Notes), then in the case above the Investor receives EUR 80,000 of the Notes.

Example 2:

Preferred annual interest rate (%) of the Notes in a range of x% - z%	Investment amount (EUR) (per each offered interest rate)
x%	-
y%	EUR 80,000
z%	EUR 100,000

If the Issuer decides to set the final annual interest rate at x per-cent, then in the case above the Investor does not receive any allocation of the Notes.

Example 3:

Preferred annual interest rate (%) of the Notes in a range of x% - z%	Investment amount (EUR) (per each offered interest rate)
x%	EUR 50,000
y%	-
z%	-

In case the Issuer decides to set the final annual interest rate at z per-cent and there is no oversubscription and Issuer does not decrease the aggregate principal amount of the relevant Tranche (i.e. each investor receives full allocation of the Notes), then in the case above the Investor receives EUR 50,000 of the Notes.

Example 4:

Preferred annual interest rate (%) of the Notes in a range of x% - z%	Investment amount (EUR) (per each offered interest rate)
x%	EUR 100,000
y%	EUR 50,000
z%	EUR 150,000

In case the Issuer decides to set the final annual interest rate at y per-cent and there is no oversubscription and Issuer does not decrease the aggregate principal amount of the relevant Tranche (i.e. each investor receives full allocation of the Notes), then in the case above the Investor receives EUR 100,000 of the Notes.

(b) **Confirmations**

After completion of the allocation of the Notes, an Investor shall receive a notification about partial or full satisfaction or rejection of the Subscription Order submitted by the Investor and the number of Notes allocated to the Investor, if any. A confirmation shall be provided by a respective credit institution or investment brokerage firm where an Investor has submitted his/her/its Subscription Order.

(c) **Information about the results of the offering of the Notes**

Information about the results of the offering of each Tranche (amount of the Notes issued and an aggregate principal amount of the respective Tranche) shall be published on the Issuer's website [www.storent.lv](http://www.storent.lv) as well as at [www.nasdaqbaltic.com](http://www.nasdaqbaltic.com).

**11. Cancellation, suspension or postponement of the offering of the Notes**

- 11.1. Subject to Sub-Section 10.1 of this Base Prospectus, the Issuer may cancel the issuance of any Tranche of the relevant Series at any time prior to the settlement of the offering of the Notes without disclosing any reason for doing so. The Issuer may also change the dates of opening and closing of the Subscription Period, or decide that the issuance of the Tranche of the relevant Series will be postponed and that new dates of the issuance of the Tranche of the relevant Series will be provided by the Issuer later.

- 11.2. The Issuer may cancel the issuance of the Tranche of the relevant Series prior to the settlement of the offering of the Notes if the Issuer considers it impracticable or inadvisable to proceed with the issuance of the Tranche of the relevant Series. Such reasons include, but are not limited to:
- (a) suspension or material limitation of trading in securities;
  - (b) sudden and material adverse change in the economic or political situation in Latvia or worldwide;
  - (c) a material loss or interference with the Issuer's or its Subsidiaries' business; or
  - (d) any material change or development in or affecting the general affairs, management, financial position, shareholders' equity or results of the Issuer's operations or the operations of the Subsidiaries. In such an event, subscriptions for the Notes that have been made will be disregarded, and any Subscription payments made will be returned (or the blocked funds will be released) without interest or any other compensation.
- 11.3. If the issuance of the Tranche of the relevant Series is suspended or postponed, the Issuer may decide that the Subscription Orders made and payments made (or the blocking of funds) will be deemed to remain valid until the settlement of the offering of the Notes.
- 11.4. In case the issuance of the Tranche of the relevant Series is cancelled, suspended or postponed, the Issuer shall notify the Settlement Agent and the Depository accordingly, and publish an announcement on its website [www.storent.lv](http://www.storent.lv) thereof.

## **12. Settlement of the offering of the Notes**

- 12.1. The settlement for the offering of the Notes will be carried out in accordance with the DVP (*Delivery vs Payment*) principle by the Settlement Agent pursuant to the applicable rules of the Depository. After the Settlement Agent submits a corresponding DVP instruction via the Depository system, an Investor, acting through its credit institution or investment brokerage firm with which the investor has opened a securities account, shall confirm that instruction immediately (by sending a relevant instruction), but not later than by 4 pm (Riga time) on the same day.
- 12.2. The Notes allocated to the Investors shall be transferred to their securities accounts in accordance with the DVP (*Delivery vs Payment*) principle pursuant to the applicable rules of the Depository simultaneously with the transfer of payment for such Notes.
- 12.3. The title to the Notes shall pass to the relevant Investors upon transfer of the Notes to their securities accounts.
- 12.4. If an Investor has submitted several Subscription Orders through several securities accounts, the Notes allocated to such Investor shall be transferred to all such securities accounts proportionally to the number of the Notes indicated in the Subscription Orders submitted for each account, rounded up or down as necessary.
- 12.5. The settlement of the offering of the Notes shall take place on the Issue Date. All paid up or exchanged Notes shall be treated as issued.

## **USE OF PROCEEDS**

The net proceeds from the issue of each Series of Notes will be used by the Issuer in the following order:

- (1) for repayment of loans issued by Levina Investments S.à r.l., a Luxembourg private limited liability company with Business Identity Code B189856,
- (2) for redemption of notes of AS “Storent Investments”, registration number 40103834303, (ISIN: LV0000802411 with maturity on 19 October 2023), and
- (3) for general corporate purposes and any possible future acquisitions.

The estimated total expenses of the issue of the Notes of each Tranche and the estimated net amount of the proceeds from the issue of the Notes of each Tranche will be provided in the Final Terms.

## INFORMATION ABOUT THE GROUP

### General information

The legal and commercial name of the Issuer is SIA "Storent Holdings". The Issuer is a limited liability company (in Latvian – *sabiedrība ar ierobežotu atbildību*) incorporated pursuant to the laws of the Republic of Latvia on 11 October 2018. The Issuer is registered with the Register of Enterprises of the Republic of Latvia and operates in accordance with the laws of the Republic of Latvia.

The Issuer is a parent (holding) company of the Group. All business operations of the Group are mainly conducted by the Issuer's direct and indirect subsidiaries.

The Group operates in the construction and industrial equipment rental business primarily in the Baltic countries, Finland and Sweden. As of 31 December 2022, the Issuer had 26 depots in five countries.

The equipment offered for rent by the Group consists of industrial and construction brands of leading global manufacturers (Bosch, Husqvarna, Bobcat, CAT, HILTI, Karcher, Halotte, JCB, and many others). The Group offers 25 different product groups for rent, the major being aerial lifts and working platforms, earthmoving equipment and scaffolding.

The Group rents both their own equipment and equipment owned by third-parties via the Issuer's rental platform.

In addition, the Group also provides assembly and removal, tractor machinery operator, transportation and sale services.

### Basic information

Registration number:	40203174397
Registered address:	Matrožu iela 15A, Rīga, LV-1048, Latvia
Website:	<a href="http://www.storent.lv">www.storent.lv</a>
Telephone number:	+371 29 340 012
E-mail:	<a href="mailto:investor.relations@storent.com">investor.relations@storent.com</a>

### History and development of the Group

**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. 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](http://www.storent.com) (currently – [www.storent.lv](http://www.storent.lv)) 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 ("**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, and the Group at the time consisted 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 the 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 the Group'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 reorganisation 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 the Group (AS “Storent Investments” and 7 subsidiaries in the Baltics and Scandinavia) consisted of 8 entities.

**2017** – In August 2017, the Group finalized the second acquisition by purchasing Cramo operations in Latvia and Kaliningrad. The acquisition perfectly fit the Group's development strategy and allowed the Group to reach leading market position in Latvia. In summer 2017, the Group started rental operations in Sweden. At that point only Norwegian entity did not conduct economic activity. At the end of 2017 the Group consisted of 9 entities with the AS “Storent Investments” and 8 subsidiaries in the Baltics, Russia (Kaliningrad region) and Scandinavia. In June 2017, AS “Storent Investments” made its debut bond issue thus attracting financing from capital markets.

**2018** – The debut bond issue was listed on Nasdaq Baltic Bond List.

**2020** – The Group launched digital transformation to achieve better efficiency of operations and improve customer satisfaction.

**2022** – In 2022 the Group made a decision to divest from their operations in Russia (Kaliningrad region). In December 2022, AS “Storent Investments” business was combined with SIA “SEL investments”, its long-term partner's operations, thus significantly improving financial standing of the new holding. With this transaction SIA “SUPREMO”, 100 per-cent owned by Andris Pavlovs, and SIA EEKI, 100 per-cent owned by Eri Esta, became the shareholders of the Issuer.

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

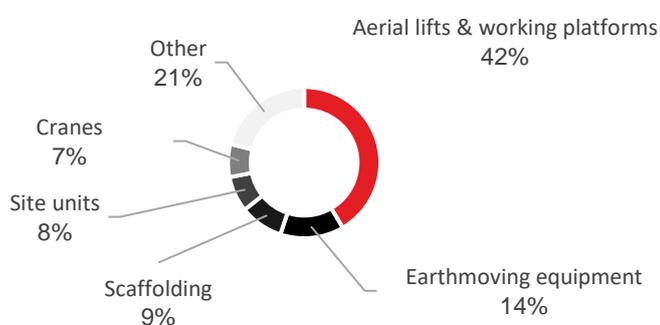
## Investments

During financial year 2022, the Group made approximately EUR 8 million investments in fixed assets that allowed to maintain operations in the Baltics, Finland and Sweden. The Group management plans to continue investing in development of subsidiaries in Baltics with an objective to acquire larger part of market share and to become the market leader, as well as continue to strengthen its position in Nordic market.

Since 31 December 2022 the Group has made investments in total amount of EUR 1 million. The investments were primarily made to expand the rental fleet. The Group's management estimates that investments in 2023 will be financed primarily through cash flow from operations and credit facilities.

As of the date of this Base Prospectus, the Group's management has not made any firm, irreversible investment commitments.

The Group's investments in fixed assets are distributed as follows:



## **Geographical markets**

Latvia is the Group's largest market and it provided 35 per-cent of its annual 2022 revenue. The Group is diversified geographically, and the second largest share of revenue came from the Nordic market- Finland constituted 27 per-cent of 2022 turnover. It was preceded by 22 per-cent revenue from Lithuania. The net book value of property, plant and equipment amounted to EUR 28 million at the end of 2022. Its largest market Latvia held 36 per-cent of the fixed assets book value, while Finland followed with a 25 per-cent share of the assets.

## **Clients**

The Company has a highly diversified customer base, with around 44,000 customer contracts in total, with 27,000 customers who have been active since 2019. Key customers include construction companies with different profiles (general construction, electrical works, roads, and infrastructure), industrial operators, port operators, etc. Clients representing residential construction do not constitute a large turnover for the company, as the machinery is more tailored for larger projects. The average client size is relatively small, as the top 10 clients constituted only 9 per-cent of total revenue in 2021, giving the Company a substantial bargaining power. This can be seen, as the Company managed to slightly increase the prices of equipment rental and other services in the latest quarters, in line with the general rise in prices in construction and the economy as a whole.

## **The Group's strategy**

### ***Development strategy***

The Company's management has identified three crucial areas that will have a significant impact on the Group's future development. These domains encompass digitalization, increased profitability and efficiency, as well as customer loyalty and retention.

Digitalization and online rental sales are the top priority for the Group. The Group plans to continue developing its digital rental infrastructure and introduce new IT solutions to support its digital strategy. Thus, the Group aims to enhance efficiency and lower costs by partly automating and efficient delivery and return transactions.

The Group's strategy for increased profitability and efficiency involves expanding its digital background and online platform usage in both customer-facing transactions and internal operations. User-friendly solutions will enable sales volume growth without significant increases in labour or other costs, thereby increasing margins. The Group aligns the customer service and sales team's performance incentives with the promotion of online transactions to secure the implementation of the digitalization strategy.

Finally, the Group aims to improve customer loyalty and retention by launching a customer reward program with significant benefits for online orders. Depending on the reward level, customers can earn up to 5 per-cent of the rental price in Rental Coins, which can be used to pay for the Group's services. Automated solutions will free up customer service and sales to focus on key accounts and new lead generation.

Overall, the Group's development strategy aims to improve operational efficiency, reduce costs, and increase profitability while enhancing customer loyalty and retention through innovative and customer-centric initiatives.

### ***Financing strategy***

The Group's primary focus is to maximize the growth of the business by effectively utilizing all available sources. Over the years, the Group has relied on a variety of financing sources, including funds provided by shareholders in the form of share capital and loans, local leasing companies, leasing provided by equipment manufacturers, and publicly listed notes. The Company's management team is committed to exploring all possible financing options to support the growth of the business of the Group in the long term.

The Group's financing strategy involves assessing each potential source of funding based on its long-term benefits and value to the business. The aim is to ensure access to the right financing at the right time, while also optimizing the cost of financing to achieve the best possible results for the Group.

The Group is committed to maintaining a strong and healthy balance sheet that can support growth while managing the associated risks. By maintaining a diversified funding base and carefully managing the use of capital, the Group is well-positioned to fund its operations and capitalize on future growth opportunities.

### ***Sustainability strategy***

The Group is operating in equipment rental industry, which by its own nature is a part of the circular economy. Customers who choose to rent necessary equipment rather than buy it help to sustain environment. The Issuer and its subsidiaries keep equipment in good shape by regularly cleaning and adhering to manufacturers'

maintenance schedules, which helps to prolong useful life of machinery and tools. The Group's vision is to offer customers high quality services that minimize idle time of each piece of equipment.

## INFORMATION ABOUT THE GROUP'S BUSINESS OPERATIONS

### Market position and key strengths of the Group

Since its establishment in 2008, the Group has pursued a growth strategy through organic expansion as well as acquisitions. As a result of this strategy, the Group has become a major player in the market, with key strengths as follows.

The Group has an impressive portfolio of 25 product groups that cover the majority of customers' daily equipment needs. This breadth of product offerings provides the Group with a competitive advantage in terms of the variety of solutions it can offer customers.

The Group has made significant investments in digitalization, enabling streamlined internal processes and enhancing customer relations. For example, the Group has minimized paper-based contracts by shifting to digitally signed ones, making the rental process more efficient for both the Group and its customers.

The strategically located depots of the Group allow for rapid equipment delivery to customers. This is a major selling point in the industry where customers often require equipment on short notice.

Overall, these strengths have contributed to the Group's success in the market and its ability to meet the evolving needs of its customers.

### Business processes of the Group

The Group operates its rental equipment business under three different approaches. Firstly, they have their own equipment that generates all income for the company while bearing all associated costs and risks.

The Group's own assets generate most of the Group's revenues. Secondly, the Group attracts partners to provide equipment to be rented out using the Group's depot infrastructure. This split-rent model allows the Group to grow rapidly without significant capital expenditures, as the Group receives a share of the revenue without being obligated to provide a minimum revenue level to the asset owner. Finally, whenever a customer requests equipment that the Group does not have, the Group re-rents it from elsewhere, still satisfying the customer needs.

Digitalization of business processes not only reduces costs but also allows for faster and more efficient transactions. The favourable location of depots is also a key strength of the group, allowing for the delivery of equipment to customers in a short timeframe. Overall, the combination of these strengths and strategies has allowed the Group to establish a strong market position in the rental equipment industry.

### IT systems

The Group considers a modern IT system a crucial element in its operations. The Group aims to fully digitalize its external and internal rental operations, and its IT system is built upon a powerful proprietary digital platform designed for both mobile and desktop use. The Group's team possesses unique expertise in driving online sales, digitalizing internal processes, and leading digital transformation for client solutions.

The proprietary client platform enables customer registration, automated equipment delivery and return process, as well as rental agreement signing. The platform significantly improves operational efficiency and profitability by facilitating rental process for both the customer and the Group.

Since its public digitalization efforts started in 2020, the Group has achieved significant results. In the Baltics, 50 per-cent of all rental transactions by volume are conducted online, while 15 per-cent of rental transactions are conducted online in the Nordics. Moreover, 90 per-cent of all documents in the Baltics are signed digitally, while 20% of documents are digitally signed in the Nordics.

### Management team

The Issuer has a two-member management board. Both ultimate beneficial owners – Andris Pavlovs and Ēri Esta serve as the management board members of the Issuer and are authorized to represent the Issuer individually.

The Group's management team also includes:

- Guntis Grīnbergs, Head of Sales and Development, joined the Group 12 years ago;
- Baiba Onkele, Chief Financial Officer, joined the Group 14 ago;
- Māris Bisnieks, Fleet Development and Purchasing Manager, joined the Group 14 years ago;
- Edvards Reliņš, Repair and Maintenance Technical Manager, joined the Group 3 years ago.

- Jānis Spalle, Fleet Management, joined the Group 9 years ago.

Each country has a local management team which focuses on operations within respective market. Experienced and professional management team serves as a strong foundation for successful growth of the Group in the future.

### **Employees**

All employees within Group companies are performing roles either in the head office (located in Riga, Latvia), financial and administrative, sales, technical or as operators.

The Group employs 90 people in Latvia, 55 people in Finland, 47 in Lithuania, 36 people in Estonia and 11 people in Sweden.

Work relationships with employees are based on standard employment agreements, employees are paid average market or above market salaries, generally based on fixed salary and fixed allowances. Different remuneration principles are defined across departments. All new employees have an onboarding plan with training (internal and external) necessary for their position.

### **Related party transactions**

The Group companies have various intra group transactions on regular basis. This allows the Group to operate more efficiently.

There are also transactions between the Group and its shareholders or legal entities controlled by the shareholders. Historically the most significant transactions were the Group's borrowings from companies controlled by shareholders of the Group. Interest rates and other terms and conditions of the loans are based on market principles.

Since February 2023, SIA "Preferrent Investments", registration number: 44103125936, legal address: Maskavas iela 240 - 3, Riga, LV-1063, Latvia, a company operating an online marketplace for rental companies, has become a sister company of the Group, as its shareholders, among others, include SIA EEKI and SIA "SUPREMO", and the ultimate beneficial owners are Erī Esta (through SIA EKKI) and Andris Pavlovs (through SIA "SUPREMO"). In the past the Group has offered its equipment through Preferrent platform for a fee and such model will remain in the foreseeable future.

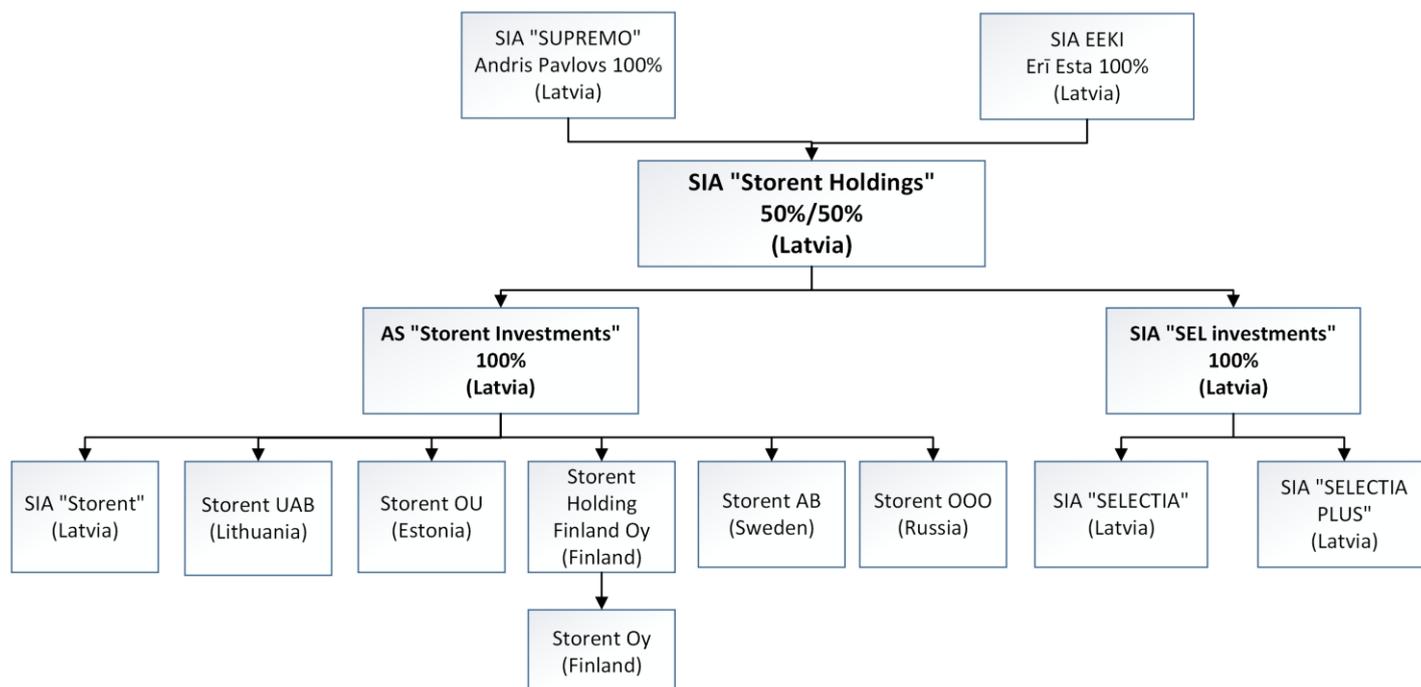
Also, since February 2023, SIA "Cargopoint Investments", registration number: 41203072873, legal address: Maskavas iela 240 – 3, Riga, LV-1063, Latvia, a company operating a cargo transportation marketplace, has become a sister company of the Group, as its shareholders, among others, include SIA EEKI, and SIA "SUPREMO", and the ultimate beneficial owners are Erī Esta (through SIA EKKI) and Andris Pavlovs (through SIA "SUPREMO").

All significant related party transactions are disclosed in the annual reports of the Group.

## ORGANISATIONAL STRUCTURE

The Issuer is a parent (holding) company of the Group. The Issuer is controlled by SIA EEKI, a private limited company incorporated in and operating under the laws of the Republic of Latvia, registered with the Commercial Register of the Republic of Latvia under registration number: 50203072081 and having its legal address at Krišjāņa Valdemāra iela 33 - 43, Rīga, LV-1010, Latvia, (holding 50.00 per-cent of the shares of the Issuer) and SIA "SUPREMO", a private limited company incorporated in and operating under the laws of the Republic of Latvia, registered with the Commercial Register of the Republic of Latvia under registration number: 40003870242 and having its legal address at Mārupes nov., Babītes pag., Dzilnuciems, Parka aleja 5, LV-2107, Latvia (holding 50.00 per-cent of the shares of the Issuer). The ultimate beneficial owners of the Issuer are Erī Esta (through SIA EEKI) and Andris Pavlovs (through SIA "SUPREMO").

As of the date of this Base Prospectus, the Group includes the Issuer, shareholders of the Issuer and the following directly and indirectly owned subsidiaries of the Issuer:



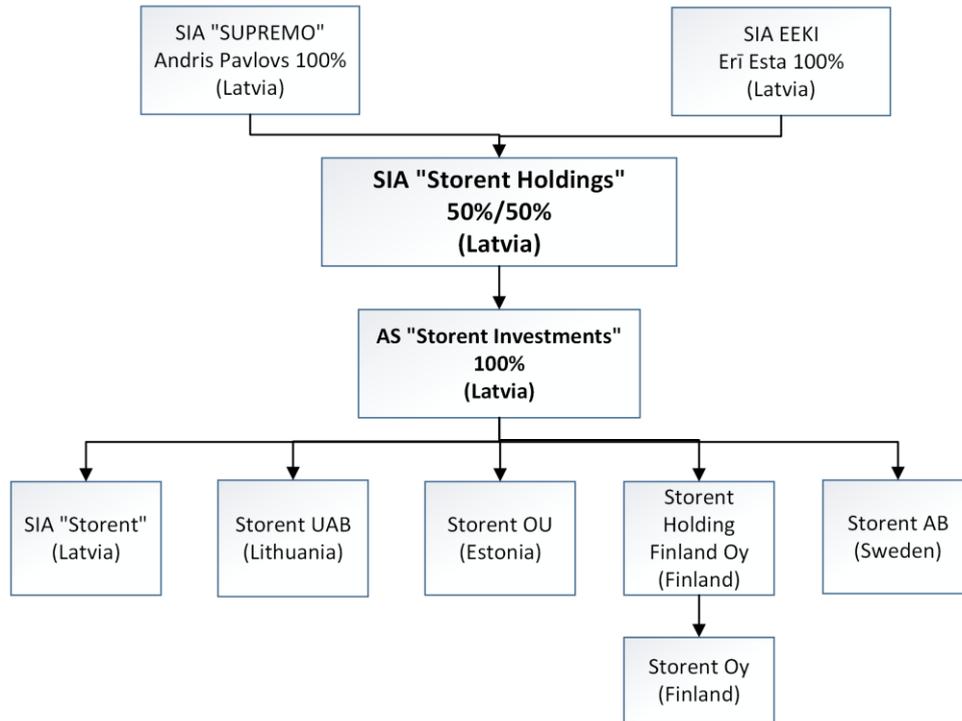
During 2023 the Group contemplates to carry out the following reorganisations within the Group:

- (1) SIA "SEL investments", registration number: 40203123348, by way of reorganisation will be acquired by AS "Storent Investments", registration number: 40103834303, as a result of which all assets and liabilities of SIA "SEL investments" will be transferred to AS "Storent Investments", and SIA "SEL investments" will cease to exist without liquidation. As a result of the reorganisation, inter alia, AS "Storent Investments" will become the sole shareholder of SIA "SELECTIA", registration number: 50103573441, and SIA "SELECTIA PLUS", registration number: 40203130161;
- (2) SIA "SELECTIA", registration number: 50103573441, and SIA "SELECTIA PLUS", registration number: 40203130161, by way of reorganisation will be acquired by SIA "Storent", registration number: 40103164284, as a result of which all assets and liabilities of SIA "SELECTIA" and SIA "SELECTIA PLUS" will be transferred to SIA "Storent", and SIA "SELECTIA" and SIA "SELECTIA PLUS" will cease to exist without liquidation.

It is envisaged that the aforementioned reorganisations within the Group will be commenced by no later than within third quarter of 2023, and will be completed within approximately six months or less following the commencement of the reorganisations. It is envisaged that the reorganisations will optimise the Group's revenues and expenses, and it will have a positive impact on the overall structure and financial indicators of the Group.

Furthermore, to mitigate further potential risks relating to exposure of the Group's business to Russia, the Group is currently contemplating to sell or otherwise dispose all equity interest owned by AS "Storent Investments" in Storent OOO, a Group company that is registered in and operates only in Kaliningrad region, a Russian exclave between Poland and Lithuania.

As a result of the contemplated reorganisations within the Group, as well as the sale or other disposal of all equity interest owned by AS "Storent Investments" in Storent OOO, the Group will include the Issuer, shareholders of the Issuer and the following directly and indirectly owned subsidiaries of the Issuer:



## ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

In accordance with the Commercial Law and the Articles of Association, the Company has the following corporate governance structure:

- Shareholders' Meeting; and
- Management Board.

As of the date of this Base Prospectus, the Company has not established the Audit Committee. The Audit Committee will be elected in the next Shareholders' Meeting of the Company which will take place following the date of this Base Prospectus.

### Shareholders' Meeting

The Shareholders' Meeting is the superior governing forum of the Issuer. The Shareholders' Meeting is convened by the management board of the Issuer 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 the Issuer is considered to have quorum if shareholders representing more than 50 per-cent of the voting rights are present at the Shareholders' Meeting of the Issuer.

The Shareholders' Meeting of the Issuer 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 Management Board, auditors, controllers and liquidators, bringing a claim or withdrawing a claim brought against a member of 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 Management Board, termination, continuation, suspension and resumption of business activities, reorganization, granting of shares to employees and members of the Management Board.

### Management Board

The Management Board of the Issuer is the executive body which manages and represents the Issuer in its daily business activities.

The members of the Management Board are elected by the Shareholders' Meeting. The Chairman of the Management Board is elected by the Management Board, and is responsible for organising the activities of the Management Board.

According to the Articles of Association of the Issuer the Management Board consists of two members:

- **Andris Pavlovs**, Chairman of the Management Board. Mr Pavlovs' experience in equipment rental business spans over two decades. His educational background is in finance, and a significant portion of his career is rooted in the field, complimented by extensive experience in audit and accounting. Notably, he served as the CFO of SIA Ramiteh from 2001 to 2008. Mr Pavlovs has a penchant for exploring innovative approaches and leveraging digital tools and systems. Throughout his career, he has successfully implemented several ERP systems and introduced new business strategies. With an MBA degree from Riga Business School, Mr. Pavlovs consistently demonstrates his commitment to professional growth and excellence. Currently Mr. Pavlovs holds positions on the Management Boards of various entities, including AS "Storent Investments," Storent OÜ in Estonia, Storent Oy in Finland, and Storent AB in Sweden.
- **Ēri Esta**, member of the Management Board. Mr Esta brings with him over 20 years of experience in management roles, with an impressive 17-year tenure in the logistics industry. His track record includes notable positions such as Chairman of the Management Board of SIA Rīgas osta elevators (2005-2018) and Chairman of the Management Board at SIA Rīgas centrālais termināls (2007-2018). As a seasoned professional in the field, Mr. Esta possesses a strategic view of business and invaluable experience in leading large-scale projects. Mr. Esta's achievements are further enhanced by his academic accomplishments. He holds an MBA degree from Riga Business School, which serves as a testament to his dedication to professional development and continuous growth.

The business address of each member of the Management Board is Matrožu iela 15A, Rīga, LV-1048, Latvia.

### Audit Committee

Upon election, the Audit Committee will operate under the Commercial Law (in Latvian – *Komerclikums*), the Financial Instruments Market Law (in Latvian – *Finanšu instrumentu tirgus likums*) and the Regulations of the Audit Committee approved by the shareholder of the Company. The principal duties of the Audit Committee will be to supervise the effectiveness of the Company's internal control, risk management and the Company's

internal audit system as far as it concerns the reliability and objectivity of the annual reports and consolidated annual reports, as well as make proposals to address the deficiencies of the relevant system.

The Audit Committee will consist of three members elected by the Shareholders' Meeting. The Audit Committee will be chaired by its Chairperson, elected by the members of the Audit Committee from amongst themselves.

The Audit Committee will report its assessments and findings to the Shareholders' Meeting at least once a year. No restrictions will be imposed on the Audit Committee's actions, and the representatives of the Company will ensure the availability of all necessary information to the Audit Committee.

The business address of each member of the Company's Audit Committee will be Matrožu iela 15A, Rīga, LV-1048, Latvia.

**Conflict of interest**

The Company is not aware of any conflicts of interest or potential conflicts of interest between the company duties of the members of the Management Board and their private interests and/or their other duties.

## SHAREHOLDERS

As of the date of this Base Prospectus, the shareholders of the Issuer are:

- SIA EEKI, a private limited company incorporated in and operating under the laws of the Republic of Latvia, registered with the Commercial Register of the Republic of Latvia under registration number: 50203072081 and having its legal address at Krišjāņa Valdemāra iela 33 - 43, Riga, LV-1010, Latvia, which owns 50.00 per-cent of shares in the Issuer. All shares of SIA EEKI are owned by a private individual EriĒsta;
- SIA "SUPREMO", a private limited company incorporated in and operating under the laws of the Republic of Latvia, registered with the Commercial Register of the Republic of Latvia under registration number: 40003870242 and having its legal address at Mārupes nov., Babītes pag., Dzilnuciems, Parka aleja 5, LV-2107, Latvia, which owns 50.00 per-cent of shares in the Issuer. All shares of SIA "SUPREMO" are owned by a private individual Andris Pavlovs.

As of the date of this Base Prospectus, there are no arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following table is a summary of the Group's consolidated financial performance and key performance indicators for the two financial years ending 31 December 2021 and 2022. The information set out in the table below has been extracted (without any material adjustment) from, and is qualified by reference to and should be read in conjunction with the audited Group's consolidated annual report for the year 31 December 2022 which is incorporated by reference to this Base Prospectus and forms an integral part of this Base Prospectus. The Group's consolidated annual report is prepared according to International Financial Reporting Standards (IFRS).

### Consolidated statement of comprehensive income

	2021	2022
	EUR	EUR
Net revenue	42 267 488	43 578 307
Other operating income	1 284 360	3 617 951
Cost of materials and services	-23 652 731	-26 587 864
Personnel costs	-8 673 428	-8 338 616
Other operating expenses	-5 879 621	-6 642 048
Depreciation and amortization	-6 603 269	-5 187 395
Impairment gain / (loss) on trade receivables and contract asset	59 436	-458 046
Impairment loss on goodwill	0	-329 585
Gain in bargain purchase	0	7 270 495
Finance income	23 386	24 284
Finance expenses	-2 439 986	-2 137 530
<b>Profit / (loss) before income tax</b>	<b>-3 614 365</b>	<b>4 809 953</b>
Income tax income / (expenses)	-1 008	-3 426
Profit/(loss) from discontinuing operation, net of tax	212 523	-31 987
<b>Profit / (loss) for the year from continuing operations</b>	<b>-3 402 850</b>	<b>4 774 540</b>
Items that may be reclassified subsequently to profit or loss		
Exchange differences on foreign currency operations	-23 033	16 335
Other comprehensive income/(loss) for the year	-23 033	16 335
<b>Total comprehensive income/(loss) for the year</b>	<b>-3 425 883</b>	<b>4 790 875</b>

### Consolidated statement of financial position

	31.12.2022	31.12.2022
	EUR	EUR
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
<b>Intangible assets</b>		
Licences and similar rights	20 816	57 708
Computer software	1 030 135	2 018 611
Intangible assets in process	985 288	0
Goodwill	11 316 707	10 987 122
<b>Total intangible assets</b>	<b>13 352 946</b>	<b>13 063 441</b>
<b>Property, plant and equipment</b>		

Lands and buildings	204 070	189 014
Machinery and equipment	9 382 163	17 921 810
Other fixed assets	369 586	352 439
<b>Total property, plant and equipment</b>	<b>9 955 819</b>	<b>18 463 263</b>
<b>Rights of use assets</b>		
Right of use assets	13 428 294	9 927 276
<b>Other non-current assets</b>		
Deferred income tax assets	1 286	0
Total other non-current assets	1 286	0
<b>TOTAL NON-CURRENT ASSETS</b>	<b>36 738 345</b>	<b>41 453 980</b>
<b>Inventories</b>	<b>1 150 870</b>	<b>1 155 604</b>
<b>Receivables</b>		
Trade receivables	5 928 929	7 417 358
Contract assets	4 192	2 667
Other receivables	232 513	280 352
Prepaid expenses	119 628	227 830
<b>Total receivables</b>	<b>6 285 262</b>	<b>7 928 207</b>
<b>Cash and cash equivalents</b>	<b>920 267</b>	<b>675 052</b>
<b>Non-current assets held for sale</b>	<b>406 596</b>	<b>217 933</b>
<b>TOTAL CURRENT ASSETS</b>	<b>8 762 995</b>	<b>9 976 795</b>
<b>TOTAL ASSETS</b>	<b>45 501 340</b>	<b>51 430 775</b>
<b>EQUITY</b>		
<b>Share capital</b>	<b>150 000</b>	<b>18 150 000</b>
<b>Reserves:</b>		
Foreign currency translation reserve	-48 136	-31 801
Other reserves	26 774	26 774
<b>Accumulated losses:</b>		
Retained earnings / (accumulated losses)	11 985 211	4 912 380
<b>TOTAL EQUITY</b>	<b>12 113 849</b>	<b>23 057 353</b>
<b>CREDITORS</b>		
<b>Long term liabilities</b>		
Lease liabilities	6 789 551	3 488 376
Other borrowing	1 504 527	5 685 286
Deferred income tax liabilities	1 286	0
<b>Total long-term liabilities</b>	<b>8 295 364</b>	<b>9 173 662</b>
<b>Short-term liabilities</b>		
Issued bonds	4 838 565	4 898 735
Borrowings from related parties	6 123 340	1 339 536
Lease liabilities	5 133 199	3 561 067

Other borrowing	1 766 203	1 372 568
Contract liabilities	404 345	337 402
Trade payables	3 945 995	5 162 359
Corporate income tax	17 472	531
Taxes and mandatory state social insurance contributions	923 160	680 110
Deferred income	79 443	49 540
Other provisions	138 903	128 956
Other liabilities	389 481	356 645
Accrued liabilities	1 308 982	1 194 378
Liabilities directly associated with the assets held for sale	23 039	117 933
<b>Total short-term liabilities</b>	<b>25 092 127</b>	<b>19 199 760</b>
<b>TOTAL LIABILITIES</b>	<b>33 387 491</b>	<b>28 373 422</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>45 501 340</b>	<b>51 430 775</b>

### Consolidated statement of cash flows

	2021	2022
	EUR	EUR
<b>Cash flows from operating activities</b>		
Loss for the year	-3 402 850	4 774 540
Adjustments		
Income tax expenses	57 655	3 426
Amortisation of intangible assets and depreciation of property, plant and equipment	6 687 324	5 187 395
Net result on disposal of property, plant and equipment	138 892	-887 589
Interest expense	2 398 072	1 984 104
Provision decrease	21 984	-9 948
Impairment losses on intangible assets and goodwill	0	329 585
Gain on bargain purchase		-7 270 495
Cash flows from operating activities before changes in working capital	5 901 077	4 111 018
Receivables (increase)/ decrease	1 812 710	673 967
Inventories decrease / (increase)	-42 523	301 862
Payables decrease/increase	479 537	297 183
<b>Cash flows from operating activities</b>	<b>8 150 801</b>	<b>5 384 030</b>
Interest paid	-1 754 859	-1 519 240
Corporate income tax paid	-37 505	-16 940
<b>Net cash flow generated from operating activities</b>	<b>6 358 437</b>	<b>3 847 850</b>
<b>Cash flows from investing activities</b>		
Cash in subsidiary at the acquisition moment	0	173 490
Purchase of intangible assets and property, plant and equipment	-2 225 314	-2 824 088
Proceeds from sale of property, plant and equipment	6 665 804	5 649 303
<b>Net cash used in investing activities</b>	<b>4 440 490</b>	<b>2 998 705</b>
<b>Cash flows from financing</b>		

Proceeds from borrowings from related parties	0	650 000
Repayment of bonds	-2 625 800	0
Repayment of other borrowings	-3 933 999	-2 795 101
Repayment of lease liabilities	-7 015 968	-4 963 004
<b>Net cash used in financing activities</b>	<b>-13 575 767</b>	<b>-7 108 105</b>
<b>Foreign currency exchange</b>	<b>-23 033</b>	<b>16 335</b>
<b>Net cash flow for the year</b>	<b>-2 799 873</b>	<b>-245 215</b>
Cash and cash equivalents at the beginning of the reporting year	3 720 140	920 267
Cash and cash equivalents at the end of the reporting year	<b>920 267</b>	<b>675 052</b>

### The Group's interest bearing debt

31.12.2022

EUR

<b>Total interest bearing debt</b>	<b>20 345 568</b>
<b>Lease liabilities</b>	<b>7 049 443</b>
Luminor Līzings, SIA	2 737 912
Nordea Rahoitus Suomi Oy	2 005 094
OP Corporate Bank plc filiāle Latvijā, AKF	601 431
Secto Automotive Oy	349 819
Citadele Leasing SIA	209 456
OP Yrityspankki	132 366
Others	1 013 364
<b>Other borrowing</b>	<b>7 057 854</b>
Levina Investments S.a.r.l.	5 430 175
Haulotte Group	687 373
Manitou BF	603 417
Yanmar Construction	282 697
CITP SIA	54 192
<b>Issued bonds</b>	<b>4 898 735</b>
<b>Borrowings from related parties</b>	<b>1 339 536</b>
EEKI SIA	1 000 000
Esta Erī	339 536

At December 2022 the Group had EUR 20,345,568 in interest bearing liabilities, which includes loans from related parties - a loan from one of the beneficial owners EUR 339,536 and a loan from one of the parent companies SIA EEKI, amounting to EUR 1,000,000. The most significant liability positions come from Levina Investments S.a.r.l., a loan from the previous majority shareholder, and the recent bond issue of AS Storent Investments- both to be repaid by the proceeds of the offering.

### Pro-forma financial figures

In addition to the Group's consolidated annual report for the year 31 December 2022, prepared in accordance with IFRS, this Sub-section presents pro-forma financial figures. Pro-forma financials are calculated assuming that AS "Storent Investments" and SIA "SEL investments" were merged since 1 January 2019. Such approach allows perspective investors to review performance of the group without one-time impact of the official merger.

**Consolidated profit and loss statement**

	2019	2020	2021	2022
<b>Total Sales</b>	<b>46 144</b>	<b>40 924</b>	<b>42 616</b>	<b>44 947</b>
Services & Sales of equipment	9 287	9 454	8 851	8 471
Profit from fixed asset sale	1 218	163	928	890
Income from repairing	674	653	764	1 012
Other income				1 842
<b>Total Rental income</b>	<b>34 964</b>	<b>30 654</b>	<b>32 073</b>	<b>32 731</b>
Rental income own fleet	30 252	25 753	26 462	26 045
Rental income splitrent, rerent	4 712	4 902	5 611	6 686
<b>Total Costs</b>	<b>-30 620</b>	<b>-30 115</b>	<b>-28 997</b>	<b>-31 119</b>
Costs services & sales of equipment	-7 549	-7 034	-6 989	-6 864
Repairing costs	-3 263	-3 213	-3 326	-3 570
Cost splitrent, rerent	-3 467	-3 521	-4 168	-5 124
Salaries costs	-8 697	-8 397	-7 643	-7 194
Other costs	-5 153	-5 706	-4 972	-6 154
Management bonus, management fee	-2 491	-2 244	-1 899	-2 213
<b>EBITDA</b>	<b>15 523</b>	<b>10 809</b>	<b>13 619</b>	<b>13 827</b>
Depreciation	-11 434	-10 346	-9 456	-8 930
<b>EBIT</b>	<b>4 089</b>	<b>463</b>	<b>4 163</b>	<b>4 897</b>
Financial	-3 396	-3 235	-2 724	-2 330
Others	0	-4 046		6 908
<b>EBT</b>	<b>693</b>	<b>-6 817</b>	<b>1 439</b>	<b>9 475</b>
Tax	230	-591	-42	-3
<b>Net Income</b>	<b>922</b>	<b>-7 408</b>	<b>1 397</b>	<b>9 471</b>

**Balance Sheet**

	31.12.2019	31.12.2020	31.12.2021	31.12.2022
Non-current assets & Goodwill & Trade Mark	69 163	56 429	48 409	41 454
Current assets less cash	7 334	6 884	7 177	9 302
Cash	4 096	3 619	691	675
<b>Total assets</b>	<b>80 593</b>	<b>66 931</b>	<b>56 278</b>	<b>51 430</b>
Equity (incl.minority) + Owners subordinated loans	27 810	20 089	20 883	23 057
Interest bearing debt	46 562	40 008	29 373	20 345
Other liabilities	6 221	6 834	6 022	8 028
<b>Total equity and liabilities</b>	<b>80 593</b>	<b>66 931</b>	<b>56 278</b>	<b>51 430</b>

**Cash flow statement**

	2019	2020	2021	2022
Net Income before other costs	922	-7 408	1 397	2 563
Depreciation	11 434	10 346	9 456	8 930
Changes in Current assets	-351	450	-293	-2 006
Changes in Other liabilities	-1 494	613	-812	1 888

<b>Total operational cash flow</b>	<b>10 512</b>	<b>4 002</b>	<b>9 748</b>	<b>11 375</b>
Received from sale of FA		536		
New investments in fleet	-9 051			
Cash payments for own use long term assets	-1 603	-1 670	-1 841	-2 514
<b>Total Investment cash flow</b>	<b>-10 654</b>	<b>-1 134</b>	<b>-1 841</b>	<b>-2 514</b>
Correction	0	4 046		
New loans	11 292	0	1 465	0
Repayment of existing loans	-13 540	-6 172	-10 484	-6 644
Owners loans	0	785	605	-1 785
Levina loan	322	699	405	-599
Bonds	1 755	-2 504	-2 626	0
Dividends	-926	-200	-200	150
<b>Total Financing cash flow</b>	<b>-1 097</b>	<b>-3 346</b>	<b>-10 835</b>	<b>-8 878</b>
<b>Change in cash</b>	<b>-1 239</b>	<b>-477</b>	<b>-2 927</b>	<b>-16</b>
Beginning balance of cash	5 336	4 096	3 619	691
Ending balance of cash	<b>4 096</b>	<b>3 619</b>	<b>691</b>	<b>675</b>

### Alternative performance measures (APM)

This Base Prospectus includes certain references to APMs derived from the audited Group's consolidated annual report for the year 31 December 2022 such as EBITDA, net debt, net debt to EBITDA and equity ratio. The Group uses these APMs to evaluate its performance, and this additional financial information is presented in this Base Prospectus. This information should be viewed as supplemental to the audited Group's consolidated annual report for the year 31 December 2022. Investors are cautioned not to place undue reliance on this information and should note that the APMs, as calculated by the Group, may differ materially from similarly titled measures reported by other companies, including the Group's competitors.

The APMs presented in this section are not defined in accordance with IFRS. An APM should not be considered in isolation from, or as substitute for any analysis of, financial measures defined according to IFRS. Investors are advised to review these APMs in conjunction with the audited Group's consolidated annual report for the year 31 December 2022 incorporated by reference to this Base Prospectus. The following tables present the selected APMs of the Group for the indicated periods or as of the indicated dates:

#### 1) The Issuer's financials

	<b>31.12.2021</b>	<b>31.12.2022</b>
	<b>EUR</b>	<b>EUR</b>
EBITDA	5 405 504	5 169 684
Net debt	25 235 118	19 670 516
Net debt to EBITDA	4.67	3.80
Equity ratio	26.6%	44.8%

	31.12.2021	31.12.2022
	EUR	EUR
Interest bearing loans and borrowings	26 155 385	20 345 568
Less cash and cash equivalents	920 267	675 052
<b>Net debt</b>	<b>25 235 118</b>	<b>19 670 516</b>

## 2) The Group's pro-forma financials

	2019, '000 EUR	2020, '000 EUR	2021, '000 EUR	2022, '000 EUR	Changes, 2022 vs 2021, %
EBITDA	15 523	10 809	13 619	13 827	1,5%
Net debt	42 465	36 389	28 682	19 670	-31,4%
Net debt to EBITDA	2,74	3,37	2,11	1,42	-32,4%
Equity ratio	35%	30%	37%	45%	21%

EBITDA, net debt, net debt to EBITDA and equity ratio measures should not be used instead of, or considered as alternatives to, the Group's consolidated historical financial results based on IFRS. The non-IFRS measures relate to the reporting periods and are not meant to be predictive of future results. The management of the Group uses EBITDA, net debt, net debt to EBITDA and equity ratio measures because the Company believes that these measures are commonly used by lenders, investors and analysts.

These measures are presented for purposes of providing investors with a better understanding of the Group's financial performance, cash flows or financial position as they are used by the Group when managing its business.

### EBITDA

EBITDA should not be considered as alternative to profit before tax as defined by IFRS or to cash flows from operating activities (or any other performance measure determined in accordance with IFRS) or as indicator of operating performance or as measure of the Group's liquidity. In particular, EBITDA should not be considered as measures of discretionary cash available to the Group to invest in the growth of the Group's businesses.

EBITDA has certain limitations as an analytical tool, and should not be considered in isolation, or as a substitute for financial information as reported under IFRS. Investors should not place undue reliance on this data.

EBITDA means the net income of the measurement period before: (a) any provision on account of taxation; (b) any interest, commission, discounts or other fees incurred or payable, received or receivable in respect of financial indebtedness; (c) any items treated as exceptional or extraordinary; (d) any depreciation and amortisation of tangible and intangible assets; and (e) any re-valuation, disposal or writing off of assets.

No statement in this Base Prospectus is intended as a profit/EBITDA forecast and no statement in this Base Prospectus should be interpreted to mean that the earnings of the Group for the current or future years would necessarily match or exceed the historical published earnings of the Group.

The table below presents reconciliation of EBITDA to the net profit:

## 1) The Issuer's financials

	31.12.2021	31.12.2022
	EUR	EUR
Profit before income tax	-3 614 365	4 809 953
Subtract Finance income	23 386	24 284
Add Finance expenses	2 439 986	2 137 530
Add Depreciation	6 603 269	5 187 395
Add Impairment gain on goodwill	0	329 585

Subtract Gain in bargain purchase	0	7 270 495
EBITDA	5 405 504	5 169 684

## 2) The Group's pro-forma financials

	2019, '000 EUR	2020, '000 EUR	2021, '000 EUR	2022, '000 EUR
<b>Profit before income tax</b>	<b>693</b>	<b>-6 817</b>	<b>1 439</b>	<b>9 475</b>
Add Finance expenses, net	3 396	3 235	2 724	2 330
Add Depreciation	11 434	10 346	9 456	8 930
Add or subtract Other (exceptional) costs	0	4 046	0	-6 908
EBITDA	15 523	10 809	13 619	13 827

### Net Debt

Net debt consists of borrowings at the end of the year less cash and cash equivalents. It is used for the purpose of calculating the debt ratio by which the Group monitors its capital.

### Net Debt to EBITDA

Net debt to EBITDA is the ratio of the average value of net debt at the beginning and the end of the year divided by 12-months rolling EBITDA and is used as a measure of financial leverage and the Group's ability to pay off its debt. Essentially, the net debt to EBITDA ratio gives an indication as to how long the Group's would need to operate at its current level to pay off all its debt.

### Equity Ratio (Shareholders Equity to Assets)

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. It allows to monitor total leverage of the Group.

## FINANCIAL AND TREND INFORMATION

### Historical Financial Information

The Group's consolidated annual report for the year 31 December 2022, prepared in accordance with IFRS, is incorporated by reference to this Base Prospectus and forms an integral part of this Base Prospectus.

### Legal and arbitration proceedings

The 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 Base Prospectus that may have, or have had in the recent past, significant effect on the Issuer and/or the Group's financial position or profitability.

### Significant Changes in Financial Position

There has been no material adverse change in the Issuer's or the Group's financial or trading position since 31 December 2022.

### Trend Information

There has been no significant change in the prospects of the Issuer or the Group since the date of the audited consolidated annual report of the Group for 2022.

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

The Group follows the situation in the construction market and has compiled a forecast for their geographical markets. As some of the countries expect a decline in the overall activity, it is vital for the growth of the Group that the Group is diversified geographically and has its main market with growth figures.

#### **Latvia**

Very ambitious growth cannot be expected in 2023, as uncertainty in the financial market has reduced the desire from private investors to get involved in construction projects. Therefore, state-ordered projects, including the European Recovery Fund, military infrastructure development and the Rail Baltica project, will play an important role in the industry's survival and growth. Still, Latvia has a forecasted growth for the construction industry of 4.6 per-cent compared to 2022.

#### **Lithuania**

Uncertain conditions in geopolitics also affect the Lithuanian construction sector. Private investors are in no hurry to start projects after the price increase experienced last year. Similar to Latvia, large national projects, such as Rail Baltica and military infrastructure projects constitute a large impact in the construction sector. Although the bank of Lithuania is much more optimistic in its forecasts for 2023, most industry experts predict a smaller growth of 2 per-cent.

#### **Estonia**

Despite the stabilization of construction material prices in the second half of the year, the construction market continues to cool down. Developers and investors have become more cautious than before. High inflation and rapid increase in raw material prices have significantly reduced the demand for both residential and non-residential buildings. The Estonian construction market expects a decline in volume close to 9 per-cent compared to 2022.

#### **Sweden**

After several years of growth in investments, the construction market is rapidly changing due to different economic conditions. High inflation with rising costs of materials, fuel, electricity, and sharply higher interest rates decreases demand in the construction sector. In 2023, a decline in aggregated construction turnover is predicted, which could be as much as 5 per-cent compared to 2022.

#### **Finland**

The Finnish market, which has always been stable, is showing a forecasted decrease this year. The most significant declines are in the private sector, specifically in the housing and new construction projects sector. The reasons are universal- the rising prices and interest rates. The latest forecasts for 2023 indicate a 4 per-cent decline compared to 2022.

## Future Outlook

The Issuer has provided the following outline of near-term plans:

*“In 2023, Storent group will continue to focus on an improvement of sales process efficiency, renewal and addition of new rental fleet, as well as develop online sales and digitalization. The management of the company expects that the total rent revenues of the new holding will increase by 10%, which will be facilitated by new investments in rental equipment, increase of rental prices and online sales. In the summer of 2023, it is planned to introduce a new website that will be more convenient for the end user. The goal of Storent group is to keep the volume of online orders close to 60% of the total rental income and 90% digitally signed transactions. In December 2022, implementation of new IT system was started and it is expected that IRMS (Intelligent Rental Management System) will be implemented in all Storent group companies by the end of 2023. It will allow to improve efficiency and ensure convenient and up-to-date rental process. The Group also continue earlier established cooperation with PreferRent and Cargopoint platforms.”*

The Issuer estimates that consolidated revenues of the Group will reach EUR 47.6 million and EBITDA will be EUR 15.3 million.

## ADDITIONAL INFORMATION

### Share Capital

The amount of the share capital of the Company is EUR 18,150,000, and it is composed of 18,150,000 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

The Company is registered with the Commercial Register of the Republic of Latvia under registration number 40203174397.

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

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

### Material Contracts

None of the Company nor any of its subsidiaries has entered into any contracts outside the ordinary course of its business, which could result in any of the Company or its Subsidiaries being under an obligation or entitlement that is material to the ability of the Company to meet obligations in respect of the Notes being issued.

## INFORMATION ABOUT THE GUARANTEE AND THE GUARANTOR

If not provided otherwise in this Section of the Base Prospectus, words and expressions defined in the General Terms and Conditions of the Notes above or elsewhere in the Base Prospectus have the same meanings in this Section of the Base Prospectus.

### Nature and scope of the Guarantee

In case under this Programme the Issuer issues the Notes at the aggregate principal amount of EUR 15,000,000 (fifteen million euros), then due and timely payment, discharge and performance of the Notes by the Issuer shall be guaranteed to the Noteholders by the Issuer's Subsidiary SIA "Storent", a limited liability company registered with the Register of Enterprises of the Republic of Latvia under registration No. 40103164284, legal address: Zolitūdes iela 89, Riga, LV-1046, the Republic of Latvia, as of the date when the obligations under the existing notes of AS "Storent Investments", registration number 40103834303, (ISIN: LV0000802411 with maturity on 19 October 2023) are fully discharged, but no later than as of 19 July 2023.

The Noteholders may enforce the Guarantee at any time when all of the following conditions are satisfied: (i) the Noteholders representing at least 10 (ten) per-cent of the principal amount of all outstanding Notes have notified the Issuer about the occurrence of an Event of Default pursuant to Clause 17.1 of the General Terms and Conditions, AND (ii) the Issuer has failed to prepay all Noteholders the outstanding principal amount of the Notes and the Interest accrued on the Notes within a term specified in Clause 17.1 of the General Terms and Conditions or within a term specified in Clause 17.2 of the General Terms and Conditions has notified the Noteholders that it is unable to make payments in accordance with Clause 17.1 of the General Terms and Conditions, AND (iii) the Noteholders have voted in favour of enforcement of the Guarantee pursuant to Clause 18.2 of the General Terms and Conditions.

The Guarantee is attached to this Base Prospectus.

### Information about the Guarantor

#### (i) General information

SIA "Storent" is a limited liability company (in Latvian – *sabiedrība ar ierobežotu atbildību*), registered with the Register of Enterprises of the Republic of Latvia on 17 April 2008 under registration number 40103164284, having its legal address at Zolitūdes iela 89, Riga, LV-1046, the Republic of Latvia.

SIA "Storent" operates in accordance with the laws of the Republic of Latvia.

SIA "Storent" operates in the construction equipment rental business.

#### (ii) Basic information

Registration number: 40103164284  
Registered address: Zolitūdes iela 89, Riga, LV-1046, the Republic of Latvia  
Website: [www.storent.lv](http://www.storent.lv)  
Telephone number: +371 29 340 012  
E-mail: [investor.relations@storent.com](mailto:investor.relations@storent.com)

No legal entity identifier (LEI) has been assigned to SIA "Storent".

No credit rating has been assigned to SIA "Storent".

#### (iii) History, development and principal activities

SIA "Storent" was the first company belonging to the Group. It was established in 2008 with investment from three investors. At the end of 2022 SIA "Storent" employed 73 people in Latvia. Currently SIA "Storent" operates 12 rental depots – five in Riga, one in Jelgava, Valmiera, Liepāja, Rezekne, Jekabpils, Daugavpils and Ventspils.

The principal market in which SIA "Storent" operates is the Republic of Latvia where in 2022 it generated 83.3 per-cent of its revenues, the rest of the revenues are from other countries where the Group operates.

In 2022, revenues of SIA "Storent" reached EUR 18.4 million which is an increase by 4 per-cent from the previous year. The net profit of SIA "Storent" was EUR 1.7 million (+30 per-cent compared to 2021).

Assets of SIA "Storent" are mostly comprised of equipment and machinery but also include real estate, receivables and related party loans. Main items in liabilities are outstanding financial leases and debts to suppliers. Fixed assets free of any encumbrances are in acquisition value of EUR 7,515,664. In addition, there are assets in acquisition value of EUR 3.9 million that are fully depreciated according to accounting rules but are still actively used in business.

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

There are no material changes in and borrowing and funding structure of SIA "Storent" since 31 December 2022.

In 2023 SIA "Storent" expects to acquire certain rental equipment and machinery in the amount of up to EUR 5 million. It is expected that the anticipated acquisition of rental equipment and machinery will be financed through leasing.

**(iv) Administrative, management, and supervisory bodies**

In accordance with the Commercial Law and the Articles of Association, SIA "Storent" has the following corporate governance structure:

- Shareholders' Meeting; and
- Management Board.

The Shareholders' Meeting is the superior governing forum of SIA "Storent". The Shareholders' Meeting is convened by the Management Board of SIA "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 SIA "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 Management Board, auditors, controllers and liquidators, bringing a claim or withdrawing a claim brought against a member of 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 Management Board, termination, continuation, suspension and resumption of business activities, reorganization, granting of shares to employees and members of the Management Board.

The Management Board of SIA "Storent" is the executive body which manages and represents SIA "Storent" in its daily business activities.

The current member of the Management Board of SIA "Storent" is Andris Pavlovs,

**(v) Conflict of interest**

The Issuer is not aware of any conflicts of interest or potential conflicts of interest between the company duties of the member of the Management Board of SIA "Storent" and his/her private interests and/or other duties.

**(vi) Shareholders**

As of the date of this Base Prospectus, the shareholder of SIA "Storent" is AS "Storent Investments", registration number: 40103834303, legal address: Matrožu iela 15A, Riga, LV-1048, Latvia.

As of the date of this Base Prospectus, there are no arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of SIA "Storent".

**(vii) Share Capital**

The amount of the share capital of SIA "Storent" is EUR 6,811,133, and it is composed of 6,811,133 shares. All shares are paid up. All shares are registered shares and they are dematerialised. The nominal value of a share is EUR 1.

**(viii) Articles of Association**

SIA "Storent" is registered with the Commercial Register of the Republic of Latvia under registration number 40103164284.

The objectives and purposes of SIA "Storent" are stated in Clause 2 of the Articles of Association of SIA "Storent". According to the NACE classification the economic activities of SIA "Storent" are as follows: renting and leasing of construction and civil engineering machinery and equipment.

**(ix) Auditors**

"KPMG Baltics SIA", registration number: 40003235171, legal address: Vesetas iela 7, Riga, LV-1013 Latvia, has audited SIA "Storent" annual report for the year ending 31 December 2022, incorporated by reference to this Base Prospectus, and issued an unqualified auditors' report on the aforementioned financial statement. "KPMG Baltics SIA" has also audited SIA "Storent" annual report for the year 31 December 2021 and issued unqualified auditor's report incorporated by reference to this Base Prospectus.

"KPMG Baltics SIA" is included in the register of audit firms maintained by the Latvian Association of Certified Auditors and holds audit company license No. 55. On behalf of "KPMG Baltics SIA" the auditors' reports on SIA "Storent" annual reports for the years ending 31 December 2021 and 2022 were signed by Armine Movsisjana, holding auditor's certificate No. 178.

**(x) Trend information**

There has been no significant change in the prospects of SIA "Storent" since the date of the audited annual report of SIA "Storent" for 2022.

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

**(xi) Selected financial information**

The following table is a summary of SIA "Storent" consolidated financial performance and key performance indicators for the two financial years ending 31 December 2021 and 2022. The information set out in the table below has been extracted (without any material adjustment) from, and is qualified by reference to and should be read in conjunction with SIA "Storent" audited annual report for the year 31 December 2022 which is incorporated by reference to this Base Prospectus and forms an integral part of this Base Prospectus. SIA "Storent" annual report is prepared according to Latvian accounting standards.

<b>Profit and loss statement</b>	<b>2021</b>	<b>2022</b>
	<b>EUR</b>	<b>EUR</b>
<b>Revenue</b>	<b>24 106 401</b>	<b>23 147 835</b>
Net revenue	17 679 185	18 353 010
Other operating income	6 427 216	4 794 825
Expenses	-18 696 482	-18 634 284
Costs of material and services received	-13 566 426	-13 415 258
Personnel expenses	-2 070 419	-2 033 071
Other operating expenses	-3 059 637	-3 185 955
EBITDA	5 409 919	4 513 551
EBITDA margin, %	22%	19%
Depreciation and amortization	-3 660 297	-2 684 363
EBIT	1 749 622	1 829 188
EBIT margin, %	7%	8%
Other income and expenses	-430 240	-115 736
Interest and similar income	122 048	289 070

Interest and similar expenses	-552 288	-404 806
EBT	1 319 382	1 713 452
EBT margin, %	5%	7%
Income tax expense	0	-293
Profit / (loss) for the period from continuing operations	1 319 382	1 713 159
Profit / (loss) for the period margin, %	5%	7%
<b>Profit / (loss) for the period</b>	<b>1 319 382</b>	<b>1 713 159</b>
<b>Balance</b>	<b>31.12.2021</b>	<b>31.12.2022</b>
	<b>EUR</b>	<b>EUR</b>
<b>Assets total</b>	<b>23 276 365</b>	<b>21 350 040</b>
<b>Non-current assets</b>	<b>16 284 213</b>	<b>11 179 650</b>
Intangible assets	602	1 059
Property, plant and equipment	16 004 590	10 763 082
Other non-current financial assets	279 021	415 509
<b>Current assets</b>	<b>6 992 152</b>	<b>10 170 390</b>
Inventories	472 600	494 736
Long-term investments kept for sale	0	0
Trade receivables	4 538 466	3 507 812
Deferred income tax assets	0	0
Short-term financial investment	1 935 000	6 079 000
Cash	46 086	88 842
<b>Equity and liability total</b>	<b>23 276 365</b>	<b>21 350 040</b>
Equity	13 533 928	15 247 087
Share capital	6 811 133	6 811 133
Reserves	0	0
Retained earnings	6 722 795	8 435 954
<b>Deferred liabilities</b>	<b>5 571</b>	<b>12 045</b>
Other provisions	5 571	12 045
<b>Liabilities</b>	<b>9 736 866</b>	<b>6 090 908</b>
Non-current liabilities	3 853 542	1 392 558
Current liabilities	5 883 324	4 698 350

## Cash flow statement

	2021	2022
	EUR	EUR
<b>Cash flows from operating activities</b>		
Profit before corporate income tax	1 319 382	1 713 452
Adjustments		
Amortisation of intangible assets and depreciation of property, plant and equipment	3 712 892	2 710 538
Net result on disposal of property, plant and equipment	- 334 203	-923 857
Impairment allowance (except for doubtful debts)	-9 100	6 480
Write off of next period expenses related to fixed assets	-57 107	-29 903
Remaining value of sold fixed assets		
Other interest income and similar income	-22 048)	-289 070
Interest payments and similar expenses	552 149	404 806
<b>Cash flows from operating activities before changes in working capital</b>	<b>5 161 965</b>	<b>3 592 446</b>
Adjustments:		
Receivables (increase)/ decrease	1 438 188	1 319 724
Inventories decrease / (increase)	7 538	-22 136
Payables decrease/increase	-101 662	409 305
<b>Cash flows from operating activities</b>	<b>6 506 029</b>	<b>5 299 339</b>
Interest paid	-552 149	-404 806
<b>Net cash flow generated from operating activities</b>	<b>5 953 880</b>	<b>4 894 533</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets and property, plant and equipment	-884 292	-1 032 623
Proceeds from sale of property, plant and equipment	5 838 114	4 350 269
Loans issued	-1 935 000	-6 079 000
Loans repaid	-	1 935 000
<b>Net cash used in investing activities</b>	<b>3 018 822</b>	<b>-826 354</b>
<b>Cash flows from financing</b>		
Proceeds from borrowings from related parties	27 826	230 082
Repayment of bonds	-2 614 673	-
Repayment of other borrowings	-5 099 833	-4 255 505
Repayment of lease liabilities	-1 935 452	-
<b>Net cash used in financing activities</b>	<b>-9 622 132</b>	<b>-4 025 423</b>
<b>Net cash flow for the year</b>	<b>-649 430</b>	<b>42 756</b>
Cash and cash equivalents at the beginning of the reporting year	695 516	46 086
<b>Cash and cash equivalents at the end of the reporting year</b>	<b>46 086</b>	<b>88 842</b>

**(xii) Legal and arbitration proceedings**

SIA “Storent” is not engaged in any governmental, legal or arbitration proceedings, and the Issuer is not aware of any such proceedings pending or threatened against SIA “Storent” during the 12 month-period prior to the date of this Base Prospectus that may have, or have had in the recent past, significant effect on SIA “Storent” financial position or profitability.

**(xiii) Significant Changes in Financial Position**

There has been no material adverse change in SIA “Storent” financial or trading position since 31 December 2022.

**(xiv) Material Contracts**

SIA “Storent” has not entered into any contracts outside the ordinary course of its business, which could result in SIA “Storent” being under an obligation or entitlement that is material to the ability of SIA “Storent”, respectively to meet obligations under the Guarantee.

## TAXATION

*Tax legislation of the investor's member state and of the Issuer's country of incorporation may have an impact on the income received from the Notes.*

*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 the subscription, 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 Base 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 a 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 declared 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 (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*) the interest income and interest equivalent 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 sale of the Notes will be subject to 20 per-cent tax, but the tax would be payable by the individual him/herself. Special rules apply if the transactions with the Notes are made through an investment account within the meaning of the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*). In such case taxation of income is deferred until the moment when the amount withdrawn from the investment account exceeds the contributed amount.

#### ***Non-resident individuals***

In accordance with the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*) the interest income from the Notes being circulated publicly as well as income from the alienation of the publicly circulated Notes will not be subject to tax in Latvia.

### **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. This also include permanent establishments of foreign entities in Latvia.

Interest payments on the Notes and proceeds from the disposal of the Notes received by Latvian resident companies will not be subject to withholding tax in Latvia. Under the Corporate Income Tax Law (in Latvian – *Uzņēmumu ienākuma nodokļa likums*) retained earnings are exempt from corporate income tax and only distributions are taxed. Corporate income tax rate on gross profit distribution is 20 per-cent. Corporate income tax 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).

### ***Non-resident entities***

In accordance with the Corporate Income Tax Law (in Latvian – *Uzņēmumu ienākuma nodokļa likums*) the interest income and income from the alienation of the Notes for non-resident entities will not be taxable in Latvia.

### **Taxation of low-tax non-residents**

In general, payments (including interest payments) to non-residents located, registered or incorporated in a no-tax or low-tax country or territory as defined in the Regulations of the Cabinet of Ministers No.819 “Regulations on No-Tax or Low-Tax Countries and Territories”, adopted on 17 December 2020; effective as of 1 January 2021 (“**Low-Tax Non-Latvian Residents**”) are subject to withholding tax of 20 per-cent if the payer is a Latvian legal entity or 23 per-cent if the payer is a Latvian individual resident having obligation to withhold tax. However, pursuant to Article 5(6) of the Corporate Income Tax Law (in Latvian – *Uzņēmumu ienākuma nodokļa likums*) payments by Latvian legal entities to Low-Tax Non-Latvian Residents for securities publicly circulated in the EU or EEA are exempt from withholding tax if made at the market price. The State Revenue Service of the Republic of Latvia in a legally non-binding explanation in the context of an issue of debt notes by another issuer has confirmed that, pursuant to Article 5(6) of the Corporate Income Tax Law (in Latvian – *Uzņēmumu ienākuma nodokļa likums*), there is no withholding tax also on the interest payments made by the Issuer to the holders of the notes publicly circulated in the EU or EEA who are Low-Tax Non-Latvian Residents, provided that the payments are made at the market price.

## GENERAL INFORMATION

### Authorisation

The shareholders of the Issuer have at the Shareholders' Meeting held on 25 May 2023 authorised the issue of the Notes and authorised the Management Board of the Issuer to approve the characteristics of the Notes, the Base Prospectus and any of the documents thereto, as well as any amendments and supplements thereof.

Management Board of the Issuer has at its meeting held on 25 May 2023 approved the Base Prospectus and the General Terms and Conditions of the Notes.

Each Final Terms issued in respect of each issue of Notes shall be approved by a separate resolution of the Management Board of the Issuer.

### Auditors

"KPMG Baltics SIA", registration number: 40003235171, legal address: Vesetas iela 7, Riga, LV-1013 Latvia, has audited the Group's consolidated annual report for the year ending 31 December 2022, incorporated by reference to this Base Prospectus, and issued an unqualified auditors' report on the aforementioned financial statement. "KPMG Baltics SIA" has also audited the Company's annual report for the year 31 December 2021 and issued unqualified auditor's report incorporated by reference to this Base Prospectus.

"KPMG Baltics SIA" is included in the register of audit firms maintained by the Latvian Association of Certified Auditors and holds audit company license No. 55. On behalf of "KPMG Baltics SIA" the auditors' report on the Group's consolidated annual report for the year 31 December 2022 was signed by Armine Movsisjana, holding auditor's certificate No. 178.

### Listing

Application will be made to Nasdaq Riga for admitting each Tranche to listing and trading on the official bond list (the Baltic Bond List) of Nasdaq Riga according to the requirements of Nasdaq Riga not later than within 3 (three) months after the Issue Date of the respective Tranche. Nasdaq Riga is a regulated market for the purposes of MiFID II.

### Clearing of the Notes

The Notes shall be issued in the bearer dematerialised form and registered with Nasdaq CSD SE, registration number: 40003242879. The International Securities Identification Number (ISIN) in relation to the Notes of each Tranche will be specified in the relevant Final Terms.

The address of Nasdaq CSD SE is Valņu iela 1, Riga, LV-1050, Latvia.

### Legal Entity Identifier

The Issuer's legal entity identifier is 984500D9LC6F3BB9F323

### Documents available

For as long as the Notes are listed on the official bond list (the Baltic Bond List) of Nasdaq Riga, the copies of the following documents will be available on the Issuer's website [www.storent.lv](http://www.storent.lv):

- (i) the Articles of Association of the Issuer;
- (ii) the audited financial statements of the Group and the Company;
- (iii) each Final Terms; and
- (iv) this Base Prospectus together with any supplement.

### Interests of natural and legal persons involved in the issue/offer of the Notes

So far as the Issuer is aware, no person involved in the issue/offer of the Notes has an interest material to the issue/offer.

### Expenses Charged to the Investors

No expenses or taxes will be charged to the investors by the Issuer in respect to the issue of the Notes. However, the investors may be obliged to cover expenses which are related to the opening of securities accounts with the

credit institutions or investment brokerage firms, as well as commissions which are charged by the credit institutions or investment brokerage firms in relation to the execution of the investor's purchase or selling orders of the Notes, the holding of the Notes or any other operations in relation to the Notes. The Issuer shall not compensate the Noteholders for any such expenses.

**Credit Ratings**

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.

## INFORMATION INCORPORATED BY REFERENCE

The following documents have been incorporated by reference to this Base Prospectus and form a part of the Base Prospectus:

- the Group's Consolidated Annual Report 2022, prepared in accordance with IFRS, together with the audit report in connection therewith, which is available for viewing on the following website: [www.storent.com/investors/en/financial-information.html](http://www.storent.com/investors/en/financial-information.html);
- the audit report in connection with SIA "Storent Holdings" Annual Report 2021, which is available for viewing on the following website: [www.storent.com/investors/en/financial-information.html](http://www.storent.com/investors/en/financial-information.html);
- the Guarantor's annual reports for the year 31 December 2022, prepared in accordance with Latvian accounting standards, which are available for viewing on the following website: [www.storent.com/investors/en/financial-information.html](http://www.storent.com/investors/en/financial-information.html).

## **ANNEXES**

The following document has been attached to this Base Prospectus and forms a part of the Base Prospectus:

- Guarantee provided by SIA "Storent".

**ISSUER**

**SIA “Storent Holdings”**

Matrožu iela 15A,  
Rīga, LV-1048,  
Latvia

**FINANCIAL ADVISOR TO THE ISSUER**

**Redgate Capital AS**

Pärnu mnt 10,  
Tallinn 10148,  
Estonia

**LEGAL ADVISER TO THE ISSUER**

**ZAB COBALT SIA**

Marijas iela 13 k-2  
Rīga, LV-1050,  
Latvia

## ANNEX I – GUARANTEE

## GUARANTEE

This Guarantee (hereinafter – the “**Guarantee**”) is made on 25 May 2023

by:

**SIA “Storent”**, a limited liability company registered with the Register of Enterprises of the Republic of Latvia under registration No. 40103164284, legal address: Zolitūdes iela 89, Riga, LV-1046, the Republic of Latvia (hereinafter – “**Guarantor**”).

for the benefit of:

**each Noteholder**

### WHEREAS:

- (A) the Guarantor forms a part of SIA “Storent Holdings”, a limited liability company registered with the Register of Enterprises of the Republic of Latvia under registration No. 40203174397, legal address: Matrožu iela 15A, Riga, LV-1048, the Republic of Latvia, (the “**Issuer**”) group of companies;
- (B) the Issuer has approved the Base Prospectus in relation to the Programme for the Issuance of the Notes in the Amount of EUR 15,000,000 dated 25 May 2023 (hereinafter – the “**Base Prospectus**”);
- (C) pursuant to the Base Prospectus the Issuer may issue and offer from time to time in one or several series non-convertible unsecured and guaranteed notes denominated in EUR, having maturity up to 5 (five) years and with fixed interest rate (the “**Notes**”), and pursuant to the General Terms and Conditions of the Notes (hereinafter – the “**General Terms and Conditions**”) included in the Base Prospectus the Issuer has undertaken to the Noteholders that, if the Issuer issues the Notes at the aggregate principal amount of EUR 15,000,000 (fifteen million euros), then the Guarantor shall guarantee fulfilment of the Issuer’s obligations under the Notes as of the date when the obligations under the existing notes of AS “Storent Investments”, registration number 40103834303, (ISIN: LV0000802411 with maturity on 19 October 2023) are fully discharged, but no later than as of 19 July 2023.

**the GURANTOR** hereby undertakes with respect to the Noteholders as follows:

### 1. Definitions

- 1.1. Unless otherwise provided in this Guarantee, the terms and expressions defined in the Base Prospectus have the same meanings in this Guarantee.
- 1.2. The term “Guaranteed Obligation” in this Guarantee means (i) any and all payment obligations of the Issuer under or in respect of the Notes arising from the General Terms and Conditions, whether present or future, actual or contingent, conditional or unconditional and (ii) all ancillary obligations (in Latvian – *blakus prasījumi*) attached, incurred, arising in connection with or otherwise relating to the principal obligations referred in item (i), whether pursuant to the contract or the applicable law, including any liability for damages, legal costs and enforcement costs.

### 2. Guarantee

- 2.1. If the Issuer issues the Notes at the aggregate principal amount of EUR 15,000,000 (fifteen million euros), then the Guarantor shall guarantee due and timely payment, discharge and performance of the Guaranteed Obligations as of the date when the obligations under the

existing notes of AS “Storent Investments”, registration number 40103834303, (ISIN: LV0000802411 with maturity on 19 October 2023) are fully discharged, but no later than as of 19 July 2023.

- 2.2. The Guarantor (subject to Clause 2.1 of this Guarantee) irrevocably and unconditionally undertakes to the Noteholders, on the terms and conditions of this Guarantee, that whenever the Issuer does not pay any Guaranteed Obligation when due pursuant to the Notes, the Guarantor shall immediately on the first demand of the Noteholders and without the Noteholders’ obligation to first require or enforce the payment of that amount from the Issuer, pay that amount to or for the benefit of the Noteholders, as if the Guarantor itself was the Issuer of that obligation.

### **3. Payment demands**

- 3.1. The Noteholders may make a payment demand under the Guarantee at any time when all of the following conditions are satisfied: (i) the Noteholders representing at least 10 (ten) per cent of the principal amount of all outstanding Notes have notified the Issuer about the occurrence of an Event of Default pursuant to Clause 17.1 of the General Terms and Conditions, AND (ii) the Issuer has failed to prepay all Noteholders the outstanding principal amount of the Notes and the Interest accrued on the Notes within a term specified in Clause 17.1 of the General Terms and Conditions or within a term specified in Clause 17.2 of the General Terms and Conditions has notified the Noteholders that it is unable to make payments in accordance with Clause 17.1 of the General Terms and Conditions, AND (iii) the Noteholders have voted in favour of enforcement of the Guarantee pursuant to Clause 18.2 of the General Terms and Conditions.
- 3.2. Each payment demand under the Guarantee shall be made in writing and shall specify (i) the Guaranteed Obligation and the outstanding amount of the Guaranteed Obligation to be paid and its computation (if applicable), (ii) the due date for the payment of the Guaranteed Obligation pursuant to the Notes (if relevant), and (iii) shall contain the statement that the Guaranteed Obligation has not been paid in full or in the relevant part on its due date.
- 3.3. The number of payment demands permitted under this Guarantee is not restricted.

### **4. Payments**

- 4.1. The Guarantor (subject to Clause 2.1 of this Guarantee) shall pay each amount demanded under this Guarantee within 20 (twenty) business days from the receipt of the payment demand, free and clear of and without any deduction, withholding or other reduction with respect to taxes, charges, expenses or any other cause whatsoever, including for or on account of any set-off or counterclaim.

### **5. Validity**

- 5.1. This Guarantee shall enter in force as specified in Clause 2.1 of this Guarantee and shall remain valid and in full force and enforceable until all Guaranteed Obligations have been irrevocably, finally and unconditionally paid, discharged or satisfied in full.
- 5.2. Obligations of the Guarantor (subject to Clause 2.1 of this Guarantee) under this Guarantee create a continuing guarantee and will extend to the ultimate balance of sums of the Guaranteed Obligations, regardless of any intermediate payment or discharge in whole or in part. If any discharge or release of the Guaranteed Obligations is made in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in any insolvency, liquidation, administration or similar proceedings of or affecting

the Issuer, then the liability of the Guarantor (subject to Clause 2.1 of this Guarantee) under this Guarantee will continue and be reinstated as if the discharge or release had not occurred.

## **6. Waiver of defences**

6.1. The obligations of the Guarantor (subject to Clause 2.1 of this Guarantee) under this Guarantee will not be affected by:

6.1.1. any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of the General Terms and Conditions, or any amendment, modification, reduction, release, discharge, suspension, termination or avoidance of any Guaranteed Obligations (however fundamental and whether or not more onerous);

6.1.2. any modification of any due date, amount or term of any Guaranteed Obligations in the insolvency, legal protection process reorganisation (in Latvian: *tiesiskās aizsardzības process*), out-of-court legal protection process reorganisation (in Latvian: *ārpustiesas tiesiskās aizsardzības process*) or similar proceedings of or in respect of the Issuer, or any other action having an equivalent effect; or

6.1.3. any commencement, institution or carrying out any insolvency, legal protection process reorganisation (in Latvian: *tiesiskās aizsardzības process*), out-of-court legal protection process reorganisation (in Latvian: *ārpustiesas tiesiskās aizsardzības process*), winding-up, dissolution or similar proceedings of or in respect of the Issuer.

6.2. The Guarantor (subject to Clause 2.1 of this Guarantee) hereby waives for benefit of the Noteholders:

6.2.1. any right it may have of first requiring the Noteholders to proceed against or enforce any other rights or security or claim payment from the Issuer or any other person before claiming from it under this Guarantee, including, without limitation, the rights under the first paragraph of Article 1702 of the Latvian Civil Law (in Latvia – *Civillikums*);

6.2.2. any defences, objections or counterclaims of itself or of the Issuer which it is entitled to make pursuant to Article 1701 of the Latvian Civil Law or otherwise but for his waiver.

## **7. Rights and obligations under the General Terms and Conditions**

7.1. The rights and obligations of the Guarantor and the Noteholders under this Guarantee, and their performance, exercise and enforcement are subject in all respects to the General Terms and Conditions. The rights and obligations of the Guarantor and the Noteholders set out in the General Terms and Conditions shall apply to this Guarantee as if set out herein.

7.2. The rights and obligations of the Guarantor and the Noteholders under this Guarantee are in addition to, and not in substitution of, their respective rights and obligations under the General Terms and Conditions. In case of any conflict or inconsistency between the provisions of this Guarantee and the General Terms and Conditions, or their interpretation, the provisions of the General Terms and Conditions and their interpretation shall prevail over the conflicting or inconsistent terms and conditions of the Guarantee, or their interpretation.

## **8. Issuer as Agent**

8.1. The Guarantor hereby appoints the Issuer as its agent in all matters concerning this Guarantee. Any notice or communication to be made to the Guarantor under or in respect of this Guarantee may be made to the Issuer and will be deemed to have been duly made to and received by the Guarantor if and when made to and received by the Issuer.

8.2. Any communication made by the Issuer for or in the name of the Guarantor under or in respect of this Guarantee shall be deemed to have been duly authorized by the Guarantor and shall be binding on the Guarantor.

**9. Governing Law and Jurisdiction**

9.1. This Guarantee and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Latvian law.

9.2. All disputes under or in respect of this Guarantee shall be settled in the courts of the Republic of Latvia.

In confirmation of the above this Guarantee is signed on the date stated above by:

On behalf of the Guarantor:

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Name: Andris Pavlovs  
Position: Member of Management Board

*This document is signed electronically with secure electronic signatures containing time stamps.*