

AS STORENT INVESTMENTS INTERIM REPORT

APRIL - JUNE | 2021



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MANAGEMENT REPORT

July 30, 2021

Storent was established in 2008 in Latvia with an objective to become the most efficient construction equipment rental company in the Baltics and the Nordic countries. Currently Storent group operates in 6 countries with 29 rental depots. Group annual turnover reached 42.1 million euros in 2020.

**STORENT
GROUP
TOTAL
REVENUE
IN 2020**

**42,1
MILLION
EUROS**



Storent Group's revenue increased by 17% in Q2 2021 compared to Q2 2020, mainly due to the construction market growth. Despite negative impact of Covid-19 restrictions on economy in general rental equipment market showed positive trend. In spring time activity in construction and equipment rental rapidly increased, ensuring stable rental equipment demand. Company is continuing costs optimisation process which has resulted into significant loss decrease, comparing with the same time period last year. Creation of full cycle rental platform with digital authorisation and e-signed documents was a winning strategy in times of Covid-19. Despite any restrictions it enables to rent equipment fast and safe.

In June, Storent Investments AS repurchased securities in the amount of EUR 1,545,800 according to maturity date of terms and condition. The Group continues to sell older fixed assets to continue Groups strategy with lighter balance sheet structure and reduced amount of liabilities.

Baltic region showed revenue increase by almost 20% compared to the same period in last year facilitated by growing demand for rental units. The number of online orders is increasing, making close to 45% of total revenue in the Baltics. The number of digital authorizations and e-signed documents is continuing to grow and has reached best indicators in company's history. The use of new technologies facilitated good results. The start of summer season 2021 was very successful; demand is growing rapidly, which is based on general activity in construction market and initiation of „Rail Baltic” project. Rapid demand for construction materials and price increase both predict uncertainty in planning, sales, and generally in construction business.

Implementation of online rental platform, which has proven to be an excellent tool, is ongoing in **Nordic region**. Construction market is gradually recovering and demand for rental units is growing, which facilitated positive growth in Q2 2021 revenue. Revenue of Nordic operations increase by 5% compared to the same period in last year.

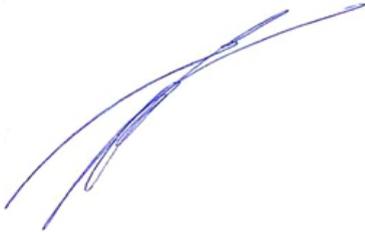
Kaliningrad, revenue level for Q2 2021 slightly decreased. This was impacted by lowering market activity related to regional management change. However, increase in construction volume is expected in the coming months.

Core attention in 2021 continues to be paid to digital transformation and efficiency increase. The group will continue to develop its IT strategy to meet future needs. In June 2021, the Group joined PreferRent online marketplace which offers rental services by various rental companies in the Baltics. Storent Group is continuing cooperation with online rental equipment supplier PreferRent, which enabled us to increase rental volume without investing capital. The goal of Storent Group is to become a service rental company. The proportion of revenue from split rent fleet are increasing month by month.

STATEMENT OF THE MANAGEMENT BOARD

The financial and other additional information published in the Interim report Aprils - June 2021 is true and complete. Consolidated financial statement gives a true and fair view of the actual financial position and results of operations.

Consolidated financial statements in the report for the period April - June 2021 is not yet audited.



Andris Bisnieks
Member of the Management Board



Andris Pavlovs
Member of the Management Board

CONSOLIDATED INCOME STATEMENT

(unaudited) EUR

DESCRIPTION	Q 2 2021	Q 2 2020	01.01.2021-30.06.2021	01.01.2020-30.06.2020	2020 total
REVENUE	11 719 869	10 021 216	19 665 272	18 410 038	42 573 137
NET REVENUE	11 621 585	9 918 072	19 503 194	18 234 723	42 124 274
OTHER OPERATING INCOME	98 284	103 144	162 078	175 315	448 862
EXPENSES	(9 709 861)	(9 657 533)	(17 427 518)	(17 205 433)	(37 353 214)
COSTS OF MATERIAL AND SERVICES RECEIVED	(6 152 483)	(5 225 975)	(10 248 461)	(8 434 634)	(20 235 265)
PERSONNEL EXPENSES	(1 935 147)	(2 227 826)	(3 801 921)	(4 548 884)	(9 906 113)
OTHER OPERATING EXPENSES	(1 622 231)	(2 203 732)	(3 377 135)	(4 221 915)	(7 211 836)
EBITDA	2 010 008	363 683	2 237 754	1 204 604	5 219 922
EBITDA %	17%	4%	11%	7%	12%
DEPRECIATION AND AMORTIZATION	(1 708 688)	(2 273 042)	(3 607 257)	(4 845 199)	(8 887 521)
EBIT	301 321	(1 909 359)	(1 369 503)	(3 640 595)	(3 667 599)
EBIT %	3%	-19%	-7%	-20%	-9%
OTHER INCOME AND EXPENSES	(552 312)	(846 604)	(1 173 446)	(1 689 178)	(7 117 276)
INTEREST AND SIMILAR INCOME	101 488	(86)	106 258	3 693	67 728
INTEREST AND SIMILAR EXPENSES	(653 800)	(846 518)	(1 279 704)	(1 692 871)	(7 185 004)
EBT	(250 992)	(2 755 963)	(2 542 949)	(5 329 773)	(10 784 875)
EBT %	-2%	-28%	-13%	-29%	-25%
INCOME TAX EXPENSE	(1 203)	(4 933)	(1 203)	(4 933)	(548 604)
PROFIT / (LOSS) FOR THE YEAR	(252 194)	(2 760 896)	(2 544 152)	(5 334 705)	(11 333 479)
PROFIT / (LOSS) FOR THE YEAR %	-2%	-28%	-13%	-29%	-27%

CONSOLIDATED BALANCE SHEET

(unaudited) EUR

DESCRIPTION	30.06.2021	30.06.2020	31.12.2020
ASSETS TOTAL	52 985 849	72 236 660	59 745 540
NON-CURRENT ASSETS	40 035 281	57 088 092	46 818 984
INTANGIBLE ASSETS	13 281 945	17 064 104	13 214 376
PROPERTY, PLANT AND EQUIPMENT	26 753 336	40 023 988	33 604 608
CURRENT ASSETS	12 950 568	15 148 568	12 926 556
INVENTORIES	1 163 249	1 121 290	1 110 156
LONG-TERM INVESTMENTS KEPT FOR SALE	0	0	0
TRADE RECEIVABLES	10 315 159	10 280 474	8 096 260
DEFERRED INCOME TAX ASSETS	0	692 951	0
CASH	1 472 160	3 053 853	3 720 140
LIABILITY TOTAL	52 985 849	72 236 660	59 745 540
EQUITY	12 990 589	21 614 927	15 561 745
SHARE CAPITAL	33 316 278	33 316 278	33 316 278
ASSETS REVALUATION RESERVES	19 703	24 339	22 021
RESERVES	(23 022)	53 754	1 665
RETAINED EARNINGS	(20 322 371)	(11 779 444)	(17 778 219)
DEFERRED LIABILITIES	987 785	1 347 287	961 761
DEFERRED INCOME TAX LIABILITIES	0	175 246	0
OTHER PROVISIONS	987 785	1 172 041	961 761
LIABILITIES	39 007 475	49 274 447	43 222 034
NON-CURRENT LIABILITIES	22 997 208	36 255 042	23 881 788
CURRENT LIABILITIES	16 010 267	13 019 405	19 340 246



FINANCIAL COVENANTS

(unaudited) EUR

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

	30.06.2021
SHAREHOLDER EQUITY	12 990 589
TOTAL ASSETS	52 985 849
SHAREHOLDER EQUITY TO ASSETS	25%

STORENT
RENTAL EQUIPMENT EXPERTS



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