



AS Storent Investments Interim report

January – March 2021

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Management report

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

Storent Group's revenue decreased by 7% in Q1 2021 compared to Q1 2020, mainly due to the negative impact of the Covid-19 restrictions on the rental market. Tougher weather conditions in the winter season also reduced the construction volume and, consequently, the demand for rental equipment. The company has taken several cost optimization measures and therefore managed to reduce the amount of losses compared to the same period last year. Full-cycle contactless online rental platform with digital authorization and electronically signed documents was very useful during the Covid-19 restrictions. It gives a competitive advantage and allows to rent equipment in a convenient, safe and fast way.

In January and February, Storent Investments AS repurchased securities in the amount of EUR 1,050,000. In February, Storent Investments AS exchanged securities issued in 2017 (maturity June 2021) for securities issued in 2019 for the total amount of 1,424,200 euros (maturity October 2023). The Group continues to make timely leasing, loan and other payments, the amount of liabilities has decreased significantly.

In the **Baltic**, rental revenues decreased in all three countries, while revenues from services increased, resulting in insignificant total revenue decrease. The number of online orders continued to grow significantly, accounting for almost 40% of Storent's total revenue in the Baltics. The number of digital authorizations and electronically signed documents also continued to grow, reaching historic highs. The rental platform has proved to be a valued tool in the market, which is especially convenient during the restrictions introduced during the pandemic. Also clients have developed new habits of using technologies. The spring season of 2021 in the region has started very optimistically and demand is growing rapidly, which is promoted by the general construction activity and the start of the implementation of the Rail Baltica project.

In the **Nordic region** we continued to introduce the contactless equipment rental platform, which has proven to be an excellent tool during the Covid-19 restrictions. The pandemic influenced the construction market, several important construction objects were temporarily closed, as well as works in industrial projects were postponed, which resulted in decreased turnover by 10% compared to the Q1 2020.

The revenue level of **Kaliningrad** operation decreased in the Q1 2021, it was influenced by both lower market activity and poor solvency of customers. However, an increase in construction volumes is expected in the coming months.

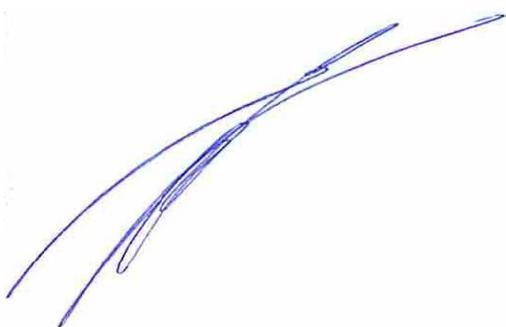
The main focus in 2021 will be on digital transformation and efficiency increase. The Group will continue to develop its IT strategy to meet future needs. In spring 2021, the Group plans to join the PreferRent online rental platform, which will offer services from many rental companies in the Baltics.

Storent Group continues to cooperate with the online rental equipment supplier Preferrent, which allows us to increase the volume of rental equipment without investing capital. Storent aims to become a service rental company, and already half of all revenue comes from splitrent activities.

Statement of the management board

The financial and other additional information published in the Interim report January – March 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 January – March 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 1 2021	Q 1 2020	2020 total
REVENUE	7 945 404	8 550 313	42 573 137
Net revenue	7 881 609	8 478 142	42 124 274
Other operating income	63 795	72 171	448 862
EXPENSES	(7 717 658)	(7 709 392)	(37 353 214)
Costs of material and services received	(4 095 978)	(3 370 151)	(20 235 265)
Personnel expenses	(1 866 775)	(2 321 059)	(9 906 113)
Other operating expenses	(1 754 904)	(2 018 182)	(7 211 836)
EBITDA	227 746	840 921	5 219 922
EBITDA %	3%	10%	12%
Depreciation and amortization	(1 898 568)	(2 572 157)	(8 887 521)
EBIT	(1 670 822)	(1 731 235)	(3 667 599)
EBIT %	-21%	-20%	-9%
OTHER INCOME AND EXPENSES	(621 136)	(842 574)	(7 117 276)
Interest and similar income	4 770	3 779	67 728
Interest and similar expenses	(625 906)	(846 352)	(7 185 004)
EBT	(2 291 958)	(2 573 809)	(10 784 875)
EBT %	-29%	-30%	-25%
Income tax expense	0	0	(548 604)
Profit / (loss) for the year	(2 291 958)	(2 573 809)	(11 333 479)
Profit / (loss) for the year %	-29%	-30%	-27%

Consolidated Balance sheet (unaudited) EUR

Description	31.03.2021	31.03.2020	31.12.2020
ASSETS TOTAL	53 452 202	75 042 509	59 745 540
NON-CURRENT ASSETS	45 219 913	62 583 089	46 818 984
Intangible assets	13 168 797	16 958 229	13 214 376
Property, plant and equipment	32 051 116	45 624 860	33 604 608
CURRENT ASSETS	8 232 289	12 459 420	12 926 556
Inventories	1 167 345	1 258 734	1 110 156
Long-term investments kept for sale	0	0	0
Trade receivables	6 632 959	6 699 286	8 096 260
Deferred income tax assets	0	673 980	0
Cash	431 985	3 827 420	3 720 140
LIABILITY TOTAL	53 452 202	75 042 509	59 745 540
Equity	13 231 396	24 332 164	15 561 745
Share capital	33 316 278	33 316 278	33 316 278
Assets revaluation reserves	20 862	25 498	22 021
Reserves	(35 568)	8 936	1 665
Retained earnings	(20 070 176)	(9 018 548)	(17 778 219)
DEFERRED LIABILITIES	1 057 847	1 807 372	961 761
Deferred income tax liabilities	0	175 276	0
Other provisions	1 057 847	1 632 096	961 761
LIABILITIES	39 162 959	48 902 973	43 222 034
Non-current liabilities	24 592 675	33 390 079	23 881 788
Current liabilities	14 570 284	15 512 894	19 340 246

Financial covenants (unaudited)

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

	31.03.2021
Shareholder equity	13 231 396
Total assets	53 452 202
Shareholder equity to Assets	25%