

CONSOLIDATED ANNUAL REPORT

Beginning of financial year: 1 January 2022
End of financial year: 31 December 2022

Business name: ELMO Rent AS

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Management Report

ELMO Rent AS (hereinafter referred to as ELMO) is a privately owned company, established by the Estonian state in 2013 and actively growing since 2017, which develops remote-controlled vehicles technology and provides environmentally friendly vehicle sharing services at the same time.

ELMO's vision is a zero-emission, people-centred and resource-sharing green living environment. Our mission is to provide the most environmentally friendly and more convenient way for people to use their vehicles, to be a pioneer in the development of car sharing services, by offering, deploying and scaling solutions that enable ten times more efficient use of resources.

Second public offering of the company

In the period from December 2021 – January 2022, the company conducted a second public offering of shares (hereinafter referred to as the SPO) with the price of €5.5 per share. The SPO was successful – 1,535 investors in total participated and the minimal offering was oversubscribed 1.8 times. 256,363 new shares of the company were issued as a result of the SPO and additional capital in the amount of €1.4 million was raised.

Activities and financial results in 2022

In order to finance its development and growth plans, ELMO issued 256,363 new shares at a price of €5.5 per share in January 2022, which were admitted for public trading on the Nasdaq Baltic alternative market First North. The company's plan to open a subsidiary on a foreign market – in France – was realised in the first half of the year. The aim of the establishment was to buy new electric cars, including the Premium class, and sell them to a larger market when the fleet is changed. The establishment of a subsidiary in France is also supported by the potential to offer advanced remote-controlled car technology to local car manufacturers (Renault, Peugeot, which accounts for 31% of the current fleet of ELMO) and transport companies. This included a demonstration of remote-controlled car technology in France and Germany in June, which attracted a lot of interest and proved to be successful.

In 2022, ELMO increased its investments in various technologies – fleet operation software, car controllers and, as the main focus, development of remote-controlled car technology. A new version of the domestic app for sharing environmentally friendly vehicles, the new branding and the unique service of booking a remote-controlled car (the deliver services started already in September 2021), were also launched in November 2022, which makes ELMO the world's first car sharing company that has remote-controlled cars on public roads every day. During the service, the customer can pre-order a vehicle (initially within Harju County and Tartu) to a location of their choice and it will be delivered to them by way of remote control. The share of booking a car to be brought to one's location among all orders is growing fast, which supports the demand of remote-controlled technology to provide the car-sharing service to clients at considerably lower labour costs and a shorter waiting time, i.e. more cost-efficiently.

The first generation remote-controlled car technology passed the first part of the site test of the Transport Administration in late 2021, any errors found have been rectified and generation 2 was put into service in 2022 in order to gather additional kilometres in traffic and the real service environment. Our generation 2 remote-controlled car technology passed the official test of the Transport Administration on 30 June 2022. Enterprise Estonia also supports the development of the remote-control technology with €374,094.

The company's fixed assets increased by 25% compared to the end of 2021 to €2,878,353. The increase in fixed assets was mainly financed by the proceeds from the SPO and leveraged by loans and leases, which increased the company's debt to €3,047,577 at the end of the period.

The balance sheet total of ELMO on 31.12.2022 was €3,625,569 (31.12.2021: €3,010,629), an increase of 20% in comparison with 2021. Current assets comprised €747,216 (31.12.2021: €699,467), i.e. 21% of total assets. Fixed assets comprised €2,878,353 (31.12.2021: €2,311,162), i.e. 79% of total assets. The liabilities of ELMO totalled €3,047,577 (31.12.2021: €2,268,924) and the company's equity amounted to €577,992 (31.12.2021: €741,705).

The consolidated sales revenue of ELMO increased from €1,109,311 to €1,580,343, i.e. by 42%, in 2022 when compared to 2021. The total loss for the period was €1,557,081 (the same period in 2021: -€308,528), the main reason for which was the cost of developing and launching remote-control technology and a new application of short-term rental service.

The higher amount raised following the successful SPO was used to recruit more staff than planned (mainly technology development, fleet operations) and this increased the salary costs. Labour expenses (including taxes) for 2022 amounted to €753,511 (2021: €289,681).

Overall, ELMO's EBITDA for 2022 was €-950,254, while EBITDA for 2021 was €109,777.

The management and Supervisory Board of ELMO both find that the preparatory work done in 2022 (investments, asset growth, team expansion and loss absorption) will provide the necessary preconditions for the realisation of

the plans for 2023 and beyond.

Key financial ratios for the consolidated report.

Key financial ratios for the financial year and calculation methods.

	2022	2021
Turnover growth (%)	42.5	147.1
Net profit margin (%)	-98.5	-27.8
Current ratio (in times)	0.5	0.8
ROA (%)	-42.9	-10.2
ROE (%)	-269.4	-41.6

Formulas used to calculate the ratios:

Increase in turnover (%) = (sales revenue in the financial year – sales revenue in the year preceding the financial year) / sales revenue in the year preceding the financial year * 100

Net profit margin (%) = net profit / sales revenue * 100

Current ratio (in times) = current assets / current liabilities

ROA (%) = net profit / total assets * 100

ROE (%) = net profit / total equity * 100

Events after the balance sheet date

ELMO has contributed and will continue to contribute actively to the development of remote-controlled technology alongside the provision of the service on public roads, which creates a prerequisite for strong sales growth also in the future.

The company is constantly analysing and developing the market and its service portfolio with the aim of ensuring innovation and growth of business volumes. Expanding the service and product portfolio and entering a new customer segment gives ELMO the prerequisite to achieve the set goals. In order to develop remote-control technology and new generation rental services, ELMO is raising capital from private investors in two stages (raising €2.6 million was launched in the first half of 2022 and ended in April 2023, and the next major campaign was launched in Q2 2023) within the framework of private placements. The company will use the raised capital mainly for the further development of remote-control vehicle technology and expanding to foreign markets, but also to expand the car fleet, including the range of services.

ELMO also continues to work closely with companies in the field, the Transport Administration, the Ministry of Economic Affairs and Communications, the Police and Border Guard Board, and others in the steering group of the Traffic Act and technical conditions concerning remote-control and self-driving vehicles, with the aim of establishing new requirements by the end of 2023. The amendments to the Act and the requirements also serve as an input to the same documents to be drawn up by the EU Commission.

Financial Statements

Consolidated balance sheet

(in euros)

	31.12.2022	31.12.2021	Note No
Assets			
Current assets			
Cash	31,850	28,467	2
Receivables and prepayments	689,055	667,042	3
Inventories	26,311	3,958	
Total current assets	747,216	699,467	
Fixed assets			
Property, plant and equipment	2,661,318	2,311,162	6
Intangible assets	217,035	0	7
Total fixed assets	2,878,353	2,311,162	
Total assets	3,625,569	3,010,629	
Liabilities and equity			
Liabilities			
Current liabilities			
Loans payable	941,237	651,853	8
Payables and prepayments	632,646	264,685	9
Total current liabilities	1,573,883	916,538	
Long-term liabilities			
Loans payable	1,473,694	1,352,386	8
Total long-term liabilities	1,473,694	1,352,386	
Total liabilities	3,047,577	2,268,924	
Equity			
Equity held by shareholders of parent company			
Share capital at nominal value	245,636	220,000	11
Share premium	2,286,645	918,913	
Other reserves	10,000	10,000	
Retained earnings (loss)	-407,208	-98,680	
Profit (loss) for financial year	-1,557,081	-308,528	
Total equity held by shareholders of parent company	577,992	741,705	
Total equity	577,992	741,705	
Total liabilities and equity	3,625,569	3,010,629	

Consolidated income statement

(in euros)

	2022	2021	Note No
Sales revenue	1,580,343	1,109,311	13
Other operating revenue	92,221	581,397	14
Goods, raw material and services	-1,338,328	-974,125	15
Other operating expenses	-496,440	-250,899	16
Staff costs	-753,511	-289,682	17
Depreciation and impairment of fixed assets	-484,257	-317,367	6
Other operating expenses	-34,539	-66,225	18
Operating profit (loss)	-1,434,511	-207,590	
Interest expenses	-119,161	-100,950	19
Other financial income and expenses	-815	12	
Profit (loss) before income tax	-1,554,487	-308,528	
Income tax	-2,594	0	
Profit (loss) for financial year	-1,557,081	-308,528	
Share of profit (loss) attributable to shareholder of parent company	-1,557,081	-308,528	

Consolidated statement of cash flows

(in euros)

	2022	2021	Note No
Cash flow from operating activities			
Operating profit (loss)	-1,434,511	-207,590	
Adjustments			
Depreciation and impairment of fixed assets	484,257	317,369	6
Profit (loss) on sales of non-current assets	16,605	-44,401	14, 18
Other adjustments	-2,594	-8,440	
Total adjustments	498,268	264,528	
Change in receivables and prepayments related to operating activities	-22,013	-446,809	3
Change in inventories	-22,353	-3,958	
Change in liabilities and advances relating to operating activities	367,961	173,439	9
Total cash flow from operating activities	-612,648	-220,390	
Cash flow from investing activities			
Paid upon acquisition of tangible and intangible assets	-1,262,789	-768,878	6, 7
Proceeds from sale of property, plant and equipment and intangible assets	194,734	416,369	
Loans granted	0	-89,464	
Repayments of loans granted	0	35,820	
Total cash flow from investing activities	-1,068,055	-406,153	
Cash flow from financing activities			
Borrowings	782,597	414,270	
Repayments of borrowings	-274,794	-197,762	
Finance lease principal repayment	-97,110	-475,634	
Interest paid	-119,975	-100,938	
Received from issue of shares	1,393,368	972,768	
Total cash flow from financing activities	1,684,086	612,704	
Total cash flow	3,383	-13,839	
Cash and cash equivalents at beginning of period	28,467	42,306	2
Net change in cash and cash equivalents	3,383	-13,839	
Cash and cash equivalents at end of period	31,850	28,467	2

Consolidated statement of changes in equity

(in euros)

	Equity held by shareholders of parent company				Minority shareholding	Total
	Share capital at nominal value	Share premium	Other reserves	Retained earnings (loss)		
31.12.2020	2,500	0	10,000	-15,613	404	-2,709
Adjusted balance 31.12.2020	2,500	0	10,000	-15,613	404	-2,709
Profit (loss) for financial year	0	0	0	-308,528	0	-308,528
Share capital issued	217,500	918,913	0	0	0	1,136,413
Other changes in equity	0	0	0	-83,067	-404	-83,471
31.12.2021	220,000	918,913	10,000	-407,208	0	741,705
Profit (loss) for financial year	0	0	0	-1,557,081	0	-1,557,081
Share capital issued	25,636	1,367,732	0	0	0	1,393,368
31.12.2022	245,636	2,286,645	10,000	-1,964,289	0	577,992

Other changes in equity in 2021 are related to the retained loss of the subsidiary. Elmo Rent Eesti OÜ was acquired in 2021.

Notes to financial statements

Note 1 Accounting policies

General information

The financial statements of ELMO Rent AS for 2022 have been prepared in compliance with the Estonian financial reporting standard. The accounting principles generally accepted in Estonia are based on internationally acknowledged principles of accounting and reporting, the primary requirements of which are provided for in the Accounting Act, which are supplemented by guidelines issued by the Accounting Standards Board of the Republic of Estonia.

the consolidated financial statements for 2022 are presented in euros. The report is presented in accordance with the small enterprise regulation. The report consists of the balance sheet, income statement, cash flow statement, statement of changes in equity and notes.

The main accounting policies used in the preparation of the consolidated financial statements are set out below.

Preparation of consolidated financial statements

PRINCIPLES OF CONSOLIDATION

The financial indicators of the parent company and its subsidiary recognised in the consolidated statements have been added up as if they were a single company.

The consolidated financial statements for 2022 recognise the financial performance of ELMO Rent Autojagamine OÜ, ELMO Rent Eesti OÜ and Elmo Technologies France SARL.

In the consolidated statements, the financial indicators of the parent company and subsidiaries are added up on a line-by-line basis, eliminating entirely all mutual claims, obligations and transactions, and the unrealised gains and losses arising thereby. The investments in subsidiaries recognised in the balance sheet of the parent company are eliminated against the holdings of the parent company in the equity of the subsidiaries. In subsidiaries where the holding of the parent company is below 100%, the minority share is separated from the net assets and profit/loss for the financial year of the relevant subsidiary. The separate unconsolidated main statements of the parent company are disclosed in the notes to the consolidated financial statements.

The principal statements of the parent company were prepared according to the same accounting principles that are applied to the preparation of the consolidated financial statements, except for investments in subsidiaries, which have been recognised in the unconsolidated statements at acquisition cost.

According to the acquisition cost method, an investment is initially recognised at the acquisition cost, i.e. at the fair value of the contribution paid upon acquisition. The acquisition cost is later adjusted with the write-downs arising from the impairment of the investment as and when necessary.

Financial assets

Financial assets are assets that are:

(a) cash

(b) contractual right to receive cash or other financial assets (e.g. trade receivables) from another party; Financial assets are initially recognised at their acquisition cost, which is the fair value of the consideration payable or receivable for particular financial assets. The initial acquisition cost includes all transaction costs directly attributable to the acquisition of the financial assets.

A regular way purchase or sale of financial assets is recognised using trade date accounting. Subsequent accounting of financial assets takes place depending on their type either pursuant to the fair value, acquisition cost or adjusted acquisition cost method.

Financial assets or groups of financial assets recognised using the acquisition cost or adjusted acquisition cost method are checked for signs of impairment on every balance sheet date. If these signs are present, the financial asset is written down. The write-downs arising from the impairment are recognised as expenses in the income statement.

Financial assets are derecognised when the Company loses the right to the cash flow generated by the financial asset or transfers the cash flow generated by the financial asset and most of the risks and benefits attributable to the financial asset to a third party.

Cash

Bank account balances and cash in hand are recognised under cash in the balance sheet.

Cash flow from operating activities is recognised using the indirect method. Cash flow from investing and financing activities is recognised using the direct method, i.e. presented as the gross earnings and payments in the reporting period.

Shares of subsidiaries and affiliates

Subsidiaries are companies controlled by the parent company. A subsidiary is deemed to be under the control of the parent company if the parent company holds either directly or indirectly more than 50% of the voting shares of the subsidiary or is otherwise able to control the operating and financial policies of the subsidiary. The operations of subsidiaries are recognised in the financial statements from the moment control is gained until it is lost. The financial indicators of the parent company and subsidiaries are consolidated on a line-by-line basis in the financial statements of the group. In preparing the consolidated financial statements, intra-group transactions, balances and unrealised profits arising from transactions between the Group companies have been eliminated. Investments

in subsidiaries are recognised at the acquisition cost in the unconsolidated accounts of the parent company. An associate is a company over which the Group has significant influence, but which is not controlled by the Group. The existence of dominant influence is generally assumed if the group holds 20 to 50% of all voting shares in the company. Investments in affiliates are recognised in the balance sheet at acquisition cost.

Receivables and prepayments

Trade receivables are recognised at adjusted acquisition cost, i.e. at their present value less any amounts the collection of which is doubtful. The adjusted acquisition cost of short-term receivables is generally equal to their nominal value (less any possible write-downs) and therefore short-term receivables are recognised on the balance sheet in the amounts that are likely to be collected.

If the collection of accounts receivable is deemed doubtful, the write-down is recognised in the income statement on the 'Other operating expenses' account. Trade receivables the collection of which has become impossible or impractical are considered irrecoverable and written off the balance sheet.

If an earlier estimate about the sum of uncollectible receivables changes, it is recognised as in the income statement for the period in which the estimate changed. The receipt of a doubtful or uncollectible receivable is indicated as a decrease in costs in the period when the receipt took place.

Inventories

Inventories are initially registered at their acquisition cost which comprises costs of purchase, production costs and other costs incurred in bringing the inventories to their present location and condition. The purchase costs of inventories contain, in addition to the purchase price, customs duties related to the purchase, other non-refundable taxes and transportation costs directly attributable to the acquisition of the inventories, which are debited with discounts and subsidies.

If individual inventory objects can be clearly distinguished from one another, the costs made to purchase each object shall be proceeded from upon writing off their acquisition cost (individual cost method).

Property, plant and equipment, and intangible assets

Plant, property and equipment mean assets with a useful life of more than one year whose cost starts from €650 and that are used in economic activities. Property, plant and equipment are initially registered at their acquisition cost which consists of the purchase price and costs directly attributable to acquisition. In the balance sheet, property, plant and equipment are recognised at their acquisition cost less accumulated depreciation and write-downs resulting from any decrease in value. Depreciation is calculated using the straight-line method. Property, plant and equipment are written off the balance sheet if their further use or sale is not likely to result in economic gain. Any gains/losses arising from sale or write-off means the difference between the value received and the residual value of the main value.

The straight-line method is used to calculate depreciation. Depreciation rates are established separately for each item of non-current assets on the basis of their useful lives. The following ranges of useful lives have been established for groups of tangible assets:

Machinery and equipment
Means of production 6 years
Means of transport 6 years

Other plant, property and equipment
Fixtures and fittings 3–5 years
Furniture 3–5 years
Office equipment 3–5 years

Changes are made in the depreciation of assets on a prospective basis if there are signs that the life or residual value of an item of assets has changed significantly. Upon determining the recoverable amount of the investment, the principles described in the section on impairment of non-financial assets are followed.

Intangible assets

Intangible fixed assets are initially registered at their acquisition cost which consists of the purchase price and costs directly attributable to acquisition. Intangible assets are recognised in the balance sheet at their acquisition cost, less accumulated depreciation and possible write-downs resulting from impairment.

The straight-line method is used to calculate depreciation. Depreciation rates are established separately for each item of intangible assets on the basis of its useful life. If the useful life of tangible assets cannot be reliably assessed, it is presumed to be 10 years.

Periods of useful life for the groups of intangible assets are the following:

Goodwill 5 years
Computer software 5 years
Trademarks 5 years

Changes are made in the depreciation of assets on a prospective basis if there are signs that the life or residual value of an item of assets has changed significantly. Upon determining the recoverable amount of intangible

assets, the principles described in the section on impairment are followed.

Development expenses

Development costs are costs incurred in the application of research results to develop, design or test new products, services, processes or systems. Development expenses are capitalised if there are technical and financial resources and a positive intention to implement the project, the Group is able to use or sell the assets created, and the amount of development expenditure and the future economic benefit from intangible assets can be reliably measured. Development expenses are recognised as an expense during the period when they are accrued.

The presence of circumstances indicating the possible impairment of assets is assessed on every balance sheet date in the case of tangible and intangible fixed assets, investment properties recognised by the acquisition cost method, biological assets recognised by the acquisition cost method and investments made in subsidiaries. The recoverable amount of the assets is assessed if such circumstances emerge and it is compared to the book value. An impairment loss is recognised in the amount by which the carrying amount of the asset item exceeds its recoverable amount. The recoverable amount of an asset item is its fair value less the higher of the costs to sell or the asset's value in use. To assess the extent of impairment, the recoverable amount is assessed either for an individual asset or for assets grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit). Write-downs of assets are recognised as expenses of the reporting period. Once an asset item has been written down, it is assessed on every subsequent balance sheet date whether it may be likely that the recoverable amount of the asset item has increased in the meantime (excluding goodwill whose write-downs are not reversed). If the impairment test shows that the recoverable amount of an asset item or a group of assets (cash-generating unit) exceeds its carrying amount, the earlier write-down is reversed and the carrying amount of the asset is increased to the amount that would have emerged, considering normal depreciation during the years in-between. The cancellation of the write-down is recognised in the income statement of the financial year as a reduction of the loss from the write-down of fixed assets.

Leases

Finance leases are recognised in the balance sheet under assets and liabilities at the lower of the amount of the fair value of the leased assets or the present value of the minimum amount of the lease payments. Lease payments are divided between financial expenses (interest expenses) and reduction of the outstanding liability. Financial expenses are distributed over the lease period with the consideration that the interest rate with respect to the residual value of the liability is the same at any given time.

Assets acquired under capital lease are depreciated similarly to purchased fixed assets. If it is not certain enough whether the lessee shall obtain the ownership of the property by the end of the lease period, the presumable useful life of the assets or the period of the lease relationship shall be the depreciation period, depending on whichever is shorter.

Provisions and contingent liabilities

Tax authorities are entitled to inspect the public limited company's accounting for taxation purposes within five (5) years as of the date for filing a tax return and, upon ascertaining errors, determine an additional amount of tax, interest and penalty. The public limited company's management is of the opinion that there are no circumstances that could result in tax authorities imposing any significant additional tax amounts on the company.

Targeted financing

Targeted financing is recognised as revenue after targeted financing falls due and potential conditions related to targeted financing are fulfilled. Received targeted financing whereby the conditions for recognition as income have not been met is recognised on the balance sheet as a liability. Targeted financing is registered at the fair value of the assets received or to be received. Revenue from targeted financing is recognised in the income statement under other operating revenue.

Revenue

Revenue from the sale of services is recognised in the period in which the service is provided if the revenue gained from providing the service can be reliably measured, the proceeds arising from the transaction are likely to be collected, and the expenses related to the transaction can be reliably assessed.

Expenses

Expenses are recognised in the same period as the revenue associated with them. Expenses that are likely to participate in generating economic benefits in future periods are recognised in the balance sheet as assets at the moment of their emergence and as expenses in the period(s) when the expenses associated with them emerge. Expenses of services and goods purchased directly for the purpose of the principal activity are recognised in the income statement under goods, raw materials and services. Other operating expenses comprise expenses that are not regarded directly as costs of provision of services. Other operating revenue comprises irregular expenses not related to the principal activity. Interest expenses are recognised as financial expenses of the reporting period on the accrual basis.

Taxation

Pursuant to the Income Tax Act in force in Estonia, the profit of a company earned in a financial year is not taxed in Estonia. Income tax is paid on dividends, fringe benefits, gifts, donations, reception costs and disbursements not attributable to business. The tax rate applied to profit distributed as dividends is 20/80 of the net amount to be disbursed. The corporate income tax associated with the distribution of dividends is recognised as a liability and an income tax expense in profit or loss at the time the dividends are declared, regardless of the period for which the dividends are declared or the time of their actual payment. The contingent income tax liability which would arise on the distribution of retained earnings as dividends is not recognised in the balance sheet.

Related parties

The following were deemed related parties when the consolidated financial statements of ELMO Rent AS were prepared:

- (a) companies who have control or significant influence over the company;
- (b) affiliates of the company;
- (c) management of the company or of its parent company and private owners of the company who have control or significant influence over the company, close family members of the foregoing persons and companies under the control or significant influence of all the foregoing persons;
- (d) other related parties.

Events after the reporting date

Recognition of events that occurred after the reporting date, but before the annual report was approved, depends on whether it is an adjusting or non-adjusting event. An adjusting event after the reporting date is an event which corroborates the circumstances that existed on the reporting date. The impact of adjusting events is recognised in the balance sheet and income statement of the reporting period ended. A non-adjusting event after the report date is an event that does not confirm the circumstances that existed on the report date. The impact of non-adjusting events is not recognised in the balance sheet and income statement of the reporting period ended, but they are disclosed in the notes if they are material.

Note 2 Cash

(in euros)

	31.12.2022	31.12.2021
Cash at bank	26,312	20,602
Cash in hand	5,538	7,865
Total cash	31,850	28,467

Note 3 Receivables and prepayments

(in euros)

	31.12.2022	within 12 months	Note No
Trade receivables	270,893	270,893	
Accounts receivable	270,893	270,893	
Prepaid and deferred taxes	71,132	71,132	
Loan receivables	54,599	54,599	5
Receivable from Enterprise Estonia	273,413	273,413	
Receivables from reporting entities	19,018	19,018	
Total receivables and prepayments	689,055	689,055	
	31.12.2021	within 12 months	Note No
Trade receivables	223,540	223,540	
Accounts receivable	223,540	223,540	
Prepaid and deferred taxes	13,392	13,392	
Loan receivables	53,644	53,644	5
Receivables from reporting entities	1,417	1,417	
Other receivables	955	955	
Receivable from Enterprise Estonia	374,094	374,094	
Total receivables and prepayments	667,042	667,042	

Note 4 Shares in subsidiaries

(in euros)

Shares of subsidiaries, general information					
Registry code of subsidiary	Name of subsidiary	Country of location	Principal area of activity	Holding (%)	
				31.12.2021	31.12.2022
14847929	ELMO Rent Autojagamine OÜ	Estonia	79299	100	100
14980864	ELMO Rent Eesti OÜ	Estonia	79299	100	100
	Elmo Technologies France SARL	(France)	79299	0	100

Shares of subsidiaries, detailed information			
Name of subsidiary	31.12.2021	Acquisition	31.12.2022
ELMO Rent Autojagamine OÜ	2,500	0	2,500
ELMO Rent Eesti OÜ	2,500	0	2,500
Elmo Technologies France SARL	0	5,000	5,000
Total shares in subsidiaries, at end of previous period	5,000	5,000	10,000

Note 5 Loan receivables

(in euros)

	31.12.2022	within 12 months	Interest rate	Underlying currency	Note No
Companies of related party	54,599	54,599	2-15%	€	20
Loan receivables	54,599	54,599			
	31.12.2021	Due within 12 months	Interest rate	Underlying currency	Note No
Companies of related party	53,644	53,644	2-15%	€	20
Loan receivables	53,644	53,644			

Note 6 Property, plant and equipment

(in euros)

						Total
	Means of transport	Computers and computer systems	Other machinery and equipment	Machinery and equipment	Other property, plant and equipment	
31.12.2020						
Acquisition cost	1,266,534	73,085	11,250	1,350,869	12,453	1,363,322
Accumulated depreciation	-127,661	-11,028	-3,750	-142,439	-3,848	-146,287
Residual value	1,138,873	62,057	7,500	1,208,430	8,605	1,217,035
Purchases and improvements	1,000,366	286,095	2,646	1,289,107	12,701	1,301,808
Depreciation expenses	-178,896	-22,483	-2,949	-204,328	-3,353	-207,681
31.12.2021						
Acquisition cost	2,266,900	359,180	13,896	2,639,976	25,154	2,665,130
Accumulated depreciation	-306,557	-33,511	-6,699	-346,767	-7,201	-353,968
Residual value	1,960,343	325,669	7,197	2,293,209	17,953	2,311,162
Purchases and improvements	758,863	280,565	0	1,039,428	6,325	1,045,753
Other purchases and improvements	758,863	280,565	0	1,039,428	6,325	1,045,753
Depreciation expenses	-422,716	-55,353	-1,919	-479,988	-4,269	-484,257
Other changes	-205,136	0	0	-205,136	-6,204	-211,340
31.12.2022						
Acquisition cost	2,808,644	639,745	13,896	3,462,285	22,799	3,485,084
Accumulated depreciation	-717,290	-88,864	-8,618	-814,772	-8,994	-823,766
Residual value	2,091,354	550,881	5,278	2,647,513	13,805	2,661,318

Note 7 Intangible assets

(in euros)

	Development expenses	Total
31.12.2021		
Acquisition cost	0	0
Accumulated depreciation	0	0
Residual value	0	0
Purchases and improvements	217,035	217,035
31.12.2022		
Acquisition cost	217,035	217,035
Accumulated depreciation	0	0
Residual value	217,035	217,035

Note 8 Loans payable

(in euros)

	31.12.2022	Division by remaining maturity			Interest rate	Underlying currency
		Due within 12 months	Within 1–5 years	Due in more than 5 years		
Short-term loans						
Short-term loans	747,049	747,049			0.59-16%	€
Short-term loans from related parties	194,188	194,188			0.59-16%	€
Total short-term loans	941,237	941,237				
Long-term loans						
Long-term loans	1,096,573	0	1,096,573	0	10-15%	€
Long-term loans from related parties	377,121	0	377,121	0	10-15%	€
Total long-term loans	1,473,694	0	1,473,694	0		
Total loans payable	2,414,931	941,237	1,473,694	0		
	31.12.2021	Division by remaining maturity			Interest rate	Underlying currency
		Due within 12 months	Within 1–5 years	Due in more than 5 years		
Short-term loans						
Short-term loans	411,688	411,688			0.59-16%	€
Short-term loans from related parties	240,165	240,165			0.59-16%	€
Total short-term loans	651,853	651,853				
Long-term loans						
Long-term loans	958,602	0	958,602	0	10-15%	€
Long-term loans from related parties	393,784	0	393,784	0	10-15%	€
Total long-term loans	1,352,386	0	1,352,386	0		
Total loans payable	2,004,239	651,853	1,352,386	0		

The loan collateral is leasing property in the amount of €2,311,162.

Note 9 Payables and prepayments

(in euros)

	31.12.2022	within 12 months
Trade creditors	402,729	402,729
Payables to employees	84,275	84,275
Taxes payable	95,462	95,462
Other payables	38,931	38,931
Other accruals	38,931	38,931
Prepayments received	8,958	8,958
Other prepayments received	8,958	8,958
Other payables	2,291	2,291
Total payables and prepayments	632,646	632,646
	31.12.2021	Due within 12 months
Trade creditors	183,326	183,326
Payables to employees	32,287	32,287
Taxes payable	21,228	21,228
Other payables	21,911	21,911
Other accruals	21,911	21,911
Prepayments received	5,729	5,729
Deferred income	2,000	2,000
Other prepayments received	3,729	3,729
Debt to accountable persons	110	110
Other liabilities	94	94
Total payables and prepayments	264,685	264,685

Note 10 Targeted financing

(in euros)

	31.12.2020	Received	31.12.2021
	Receivables		Receivables
Targeted financing for operating expenses			
Product Development	0	0	374,094
Grant of Enterprise Estonia			
Total targeted financing for operating expenses	0	0	374,094
Total targeted financing	0	0	374,094

	31.12.2021	Received	31.12.2022
	Receivables		Receivables
Targeted financing for operating expenses			
Product Development Grant of Enterprise Estonia	374,094	100,681	273,413
Total targeted financing for operating expenses	374,094	100,681	273,413
Total targeted financing	374,094	100,681	273,413

ELMO Rent AS is committed to invest an additional €374,094 from 2021–2022 in remote-controlled vehicle technology as part of the Enterprise Estonia product development grant. As a result of the grant, the remote-controlled car hardware developed by ELMO Rent AS, together with the accompanying front-end app and back-end operating solution, has been produced, which will help optimise the supply of demand and remote driver schedules. The total budget of the project is at least €830,000.

Note 11 Share Capital

(in euros)

	31.12.2022	31.12.2021
Share capital	245,636	220,000
Number of shares	2,456,363	120,000

Note 12 Material transactions not recognised in balance sheet

Share-based transactions

In order to motivate the management and employees, the company has implemented a share option scheme, which gives the right to acquire ordinary shares in the company in the future (equity-settled share-based payment transactions), subject to certain conditions. The option scheme was approved in 2021. Each share option issued within the framework of the Option Scheme grants the entitled person the right to acquire one share of the company at a predetermined price.

In 2022, 13 new option contracts were concluded, allowing 42,515 options to the employees of the option company. The selling price of an option is €0.10 per share.

Approved options as at 31.12.2021: 9,720

Approved options as at 31.12.2022: 52,235

Note 13 Sales revenue

(in euros)

	2022	2021
Sales revenue by geographical regions		
Sales to EU countries		
Estonia	1,580,343	1,109,311
Total sales to EU countries	1,580,343	1,109,311
Total sales revenue	1,580,343	1,109,311
Sales revenue by areas of activity		
Short-term car rental	815,356	626,165
Other sales	764,987	483,146
Total sales revenue	1,580,343	1,109,311

Sales revenue consists of short-term rental service, car sales, resale of insurance and comprehensive insurance, invoice management service for public contract partner and rental of premises.

Note 14 Other operating revenue

(in euros)

	2022	2021
Profit from sales of property, plant and equipment	14,238	0
Revenue from targeted financing	0	374,094
Foreign exchange gain	540	0
Fines, default interest and compensation	40,525	12,049
Grants	30,000	155,454
Other	6,918	39,800
Total other operating expenses	92,221	581,397

The proceeds from targeted financing are the product development grant from Enterprise Estonia. ELMO Rent AS is committed to invest an additional €374,094 from 2021–2022 in remote-controlled vehicle technology as part of the Enterprise Estonia product development grant. As a result of the grant, the remote-controlled car hardware developed by ELMO Rent AS, together with the accompanying front-end app and back-end operating solution, has been produced, which will help optimise the supply of demand and remote driver schedules. The total budget of the project is at least €830,000.

Note 15 Goods, raw material and services

(in euros)

	2022	2021
Goods for resale	539,831	431,151
Energy	210,002	90,964
Electricity	165,790	67,771
Fuel	44,212	23,193
Transport expenses	24,216	657
Vehicle repair and maintenance expenses	379,370	159,470
Vehicle rental	81,529	82,625
Operating costs	58,449	28,450
IT expenses	37,077	22,988
Other	7,854	157,820
Total goods, raw material and services	1,338,328	974,125

Note 16 Other operating expenses

(in euros)

	2022	2021
Lease and rent	69,889	21,104
Other office expenses	34,244	8,975
Training expenses	106,977	67,398
Advertising costs	165,976	79,457
Cost of sales	10,666	27,239
Business travel costs	38,413	80
Services purchased	41,009	20,069
Other	29,266	26,577
Total other operating expenses	496,440	250,899

Note 17 Staff costs

(in euros)

	2022	2021
Wage and salary expenses	-561,908	-215,864
Social taxes	-191,603	-73,817
Total staff costs	-753,511	-289,681
Average number of employees in full-time equivalents	23	11
Average number of employees by type of work:		
Person working under employment contract	13	7
Person providing service on the basis of contract under the law of obligations, excluding self-employed persons	7	3
Member of managing or controlling body of legal person	3	1

Note 18 Other operating expenses

(in euros)

	2022	2021
Loss from sales of intangible assets	30,843	44,400
Foreign exchange loss	346	14
Fines, default interest and compensation	1,632	11
Other	1,718	21,800
Total other operating charges	34,539	66,225

Note 19 Interest expenses

(in euros)

	2022	2021
Interest expenses on loans	59,333	63,020
Interest expenses on finance lease	59,828	37,930
Total interest expenses	119,161	100,950

Note 20 Related parties

(in euros)

Name of the accounting entity's parent company	Lühirent OÜ; Priit Haljak OÜ;
Country where the parent company of the accounting entity is registered	Estonia

Balances with related parties by groups

CURRENT	31.12.2022	31.12.2021
Receivables and prepayments		
Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence	76,760	67,312
Total receivables and prepayments	76,760	67,312
Loans payable		
Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence	182,817	202,476
Owners with majority holding who are legal entities and undertakings under their dominant or significant influence	11,371	37,689
Total loans payable	194,188	240,165
Payables and prepayments		
Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence	37,318	2,000
Total payables and prepayments	37,318	2,000
LONG-TERM	31.12.2022	31.12.2021
Loans payable		

Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence	293,434	310,097
Owners with majority holding who are legal entities and undertakings under their dominant or significant influence	83,687	83,687
Total loans payable	377,121	393,784

LOANS GRANTED	31.12.2020	31.12.2021
Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence	0	53,644
Total loans granted	0	53,644

LOANS GRANTED	31.12.2021	31.12.2022
Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence	53,644	53,644
Total loans granted	53,644	53,644

LOANS PAYABLE	31.12.2020	Repayments of borrowings	31.12.2021
Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence	883,230	370,657	512,573
Owners with majority holding who are legal entities and undertakings under their dominant or significant influence	175,986	54,610	121,376
Total loans payable	1,059,216	425,267	633,949

LOANS PAYABLE	31.12.2021	Repayments of borrowings	31.12.2022
Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence	512,573	36,322	476,251
Owners with majority holding who are legal entities and undertakings under their dominant or significant influence	121,376	26,318	95,058
Total loans payable	633,949	62,640	571,309

SOLD	2022	2021
	Services	Services
Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence	259,818	49,959
Owners with majority holding who are legal entities and undertakings under their dominant or significant influence	13,150	709
Total sold	272,968	50,668

PURCHASED	2022	2021
	Services	Services
Executive and senior management and private owners with majority holdings and undertakings under their control or significant influence	458,653	624,875
Owners with majority holding who are legal entities and undertakings under their dominant or significant influence	19,498	7,080
Total purchased	478,151	631,955

Remuneration and other significant benefits calculated for executive and senior management		
	2022	2021
Remuneration calculated	28,476	0

Note 21 Events after the reporting date

In March 2023, Elmo Rent AS entered into a convertible bond contract with investors for the amount of €1,000,000.

Note 22 Unconsolidated balance sheet

(in euros)

	31.12.2022	31.12.2021
Assets		
Current assets		
Cash	31,562	23,303
Receivables and prepayments	749,702	680,976
Inventories	26,311	3,958
Total current assets	807,575	708,237
Fixed assets		
Investments in subsidiaries and affiliates	10,000	5,000
Property, plant and equipment	2,661,319	2,311,162
Intangible assets	217,035	0
Total fixed assets	2,888,354	2,316,162
Total assets	3,695,929	3,024,399
Liabilities and equity		
Liabilities		
Current liabilities		
Loans payable	981,058	697,164
Payables and prepayments	622,863	191,738
Total current liabilities	1,603,921	888,902
Long-term liabilities		
Loans payable	1,473,694	1,346,898
Total long-term liabilities	1,473,694	1,346,898
Total liabilities	3,077,615	2,235,800
Equity		
Share capital at nominal value	245,636	220,000
Share premium	2,286,645	918,913
Other reserves	10,000	10,000
Retained earnings (loss)	-360,314	-72,198
Profit (loss) for financial year	-1,563,653	-288,116
Total equity	618,314	788,599
Total liabilities and equity	3,695,929	3,024,399

Note 23 Unconsolidated income statement

(in euros)

	2022	2021
Sales revenue	1,400,735	1,105,806
Other operating revenue	92,218	580,748
Goods, raw material and services	-1,168,268	-937,512
Other operating expenses	-496,439	-250,544
Staff costs	-753,511	-289,682
Depreciation and impairment of fixed assets	-484,257	-317,367
Other operating expenses	-34,538	-62,008
Total operating profit (loss)	-1,444,060	-170,559
Interest expenses	-119,161	-117,569
Other financial income and expenses	-432	12
Profit (loss) before income tax	-1,563,653	-288,116
Profit (loss) for financial year	-1,563,653	-288,116

Note 24 Unconsolidated statement of cash flows

(in euros)

	2022	2021
Cash flow from operating activities		
Operating profit (loss)	-1,444,060	-170,559
Adjustments		
Depreciation and impairment of fixed assets	484,257	317,369
Profit (loss) on sales of non-current assets	16,605	-44,401
Other adjustments	0	-1,102
Total adjustments	500,862	271,866
Change in receivables and prepayments related to operating activities	-68,726	-463,036
Change in inventories	-22,353	-3,958
Change in liabilities and advances relating to operating activities	431,124	104,161
Total cash flow from operating activities	-603,153	-261,526
Cash flow from investing activities		
Paid upon acquisition of tangible and intangible assets	-1,262,788	-768,878
Proceeds from sale of property, plant and equipment and intangible assets	194,734	416,369
Paid on acquisition of subsidiaries	-5,000	-7,800
Loans granted	0	-89,464
Repayments of loans granted	0	35,820
Interest received	0	11
Total cash flow from investing activities	-1,073,054	-413,942
Cash flow from financing activities		
Borrowings	782,596	477,164
Repayments of borrowings	-274,794	-197,762
Finance lease principal repayment	-97,110	-475,634
Interest paid	-119,594	-117,569
Received from issue of shares	1,393,368	972,768
Paid upon redemption of treasury shares	0	-2,500
Total cash flow from financing activities	1,684,466	656,467
Total cash flow	8,259	-19,001
Cash and cash equivalents at beginning of period	23,303	42,304
Net change in cash and cash equivalents	8,259	-19,001
Cash and cash equivalents at end of period	31,562	23,303

Note 25 Unconsolidated statement of changes in equity

(in euros)

	Share capital at nominal value	Share premium	Other reserves	Retained earnings (loss)	Total
31.12.2020	2,500	0	10,000	-72,199	-59,699
Adjusted balance 31.12.2020	2,500	0	10,000	-72,199	-59,699
Profit (loss) for financial year	0	0	0	-288,116	-288,116
Share capital issued	217,500	918,913	0	0	1,136,413
Other changes in equity	0	0	0	1	1
31.12.2021	220,000	918,913	10,000	-360,314	788,599
Book value of shareholdings under control and significant influence					5,000
Value of holdings under control and significant influence calculated by the equity method					-10,782
Adjusted unconsolidated equity 31.12.2021					782,817
Profit (loss) for financial year	0	0	0	-1,563,653	-1,563,653
Share capital issued	25,636	1,367,732	0	0	1,393,368
31.12.2022	245,636	2,286,645	10,000	-1,923,967	618,314
Book value of shareholdings under control and significant influence					-10,000
Value of holdings under control and significant influence calculated by the equity method					-4,211
Adjusted unconsolidated equity 31.12.2022					604,103