JOINT-STOCK COMPANY

STORENT HOLDING

(REGISTRATION NUMBER 40203174397)

CONSOLIDATED INTERIM REPORT FOR THE 6 MONTHS OF 2025

NOT AUDITED

RIGA, 2025

CONTENT

General information

Name of the Group's Parent company	Storent Holding (previously until 05.03.2024 – Storent Holdings)
Legal status of the Group's Parent company	Joint-stock company (previously until 05.03.2024 – limited liability company)
The Group Parent company's registration number, place and date	40203174397 Riga, 11 October 2018
Registered address of the Group's Parent company	15a Matrozu Street, Riga, LV-1048, Latvia
Shareholders of the Group's Parent company	Supremo SIA (Latvia) 50%, Andris Pavlovs, since 28.12.2022 EEKI SIA (Latvia) 50%, Eri Esta, since 28.12.2022
Members of the Board	Andris Pavlovs, Chairman of the Board Baiba Onkele, Member of the Board (from 27.11.2024) Eri Esta, Member of the Board (till 01.07.2024)
Supervisory Board	Misels Zavadskis, Chairman of the Supervisory Board (from 27.11.2024) Eri Esta, Deputy Chairman of the Supervisory Board (from 01.07.2024) Daiga Auziņa-Melalksne, Member of the Supervisory Board (from 01.07.2024) Baiba Onkele, Chairperson of the Supervisory Board (from 05.03.2024 till 27.11.2024) Deniss Mironcevs, Deputy Chairman of the Supervisory Board (from 05.03.2024 till 01.07.2024) Anzela Serkevica, Member of the Supervisory Board (from 05.03.2024 till 01.07.2024)
Group's type of operations	Renting and leasing of construction machinery and equipment
Group's NACE code	77.32 (2.0 rev) Rental and leasing of construction and civil engineering machinery and equipment

Management report

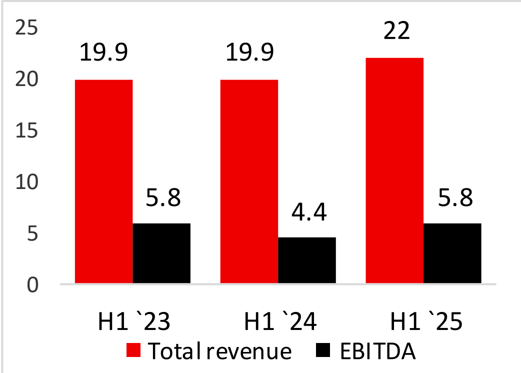
The Group's type of operations

Storent Holding AS (hereinafter – Storent or Group) group's first entity was founded in Latvia in 2008 with the primary goal of establishing itself as the most efficient and innovative construction equipment rental company in the Baltics and the Nordic countries. Currently, the Group is operating in Europe with 32 rental depos over five countries.

The Group's objective is to provide customers with rental equipment solutions through innovative digital tools, team expertise and excellent quality service in all five operational countries. Online sales channel with advanced IT solutions ensures an efficient rental process with competitive pricing. A team of experts gives the best quality service and therefore guarantees long-term collaboration with partners and clients.

Development of the Group and results of financial operations in the reporting period

For the first half of 2025, Storent continued its growth trajectory, reaching a revenue of 22 million euro, marking an 11% increase compared to 19.9 million euro in H1 2024. Revenue from own equipment rental increased by 19% in H1, underscoring strong demand and effective asset utilization. EBITDA for H1 2025 reached 5.8 million euro, up from 4.4 million euro in the same period last year — a growth of over 30%. Due to substantial investments in the fleet that bought higher depreciation and interest payments, EBT was negative. As the third quarter is the Group's main profit-generating period, a positive turnaround is expected in the upcoming months.



Main financial results of Storent, H1 and Q2*

Thousands euro	2025 H1	2024 H1	Difference	Difference %	2025 Q2	2024 Q2	Difference	Difference %
Total revenue	**21 998**	**19 858**	**2 140**	**11%**	**12 363**	**11 400**	**963**	**8%**
Total rent income	**17 582**	**15 998**	**1 584**	**10%**	**9 751**	**9 142**	**609**	**7%**
Rent income own fleet	14 418	12 160	2 258	19%	8 039	6 945	1 094	16%
Rent income splitrent	3 164	3 838	(674)	-18%	1 712	2 197	(485)	-22%
EBITDA	**5 761**	**4 442**	**1 319**	**30%**	**3 827**	**2 765**	**1 062**	**38%**
EBITDA %	26%	22%			31%	24%		
EBIT	**947**	**710**	**237**	**33%**	**1 331**	**768**	**564**	**73%**
EBIT %	4%	4%			11%	7%		
EBT	**(1 809)**	**(1 224)**	**(585)**	**48%**	**(232)**	**(281)**	**49**	**-17%**
EBT %	-8%	-6%			-2%	-2%		

*Alternative (non-IFRS) performance measure (APM): results of operations before revaluation effects.

Storent continued to invest strategically in its equipment fleet to fully capitalize on the high season. Building on the heavy investments made in 2024 in fleet, IT, and people, the Group has already invested nearly €10 million in the first half of 2025. As a result, the company has successfully modernized its rental base — with 40% of the fleet now being less than two years old. This younger and more technologically advanced fleet enhances reliability thus increasing rental efficiency. Furthermore, modern equipment offers improved features, allowing customers to accomplish more than before, making their work faster and safer.

In April 2025, Storent successfully completed a €23 million bond issue at a fixed annual interest rate of 10%. The offer drew strong interest from both private and institutional investors, with over 1,600 participants from 17 countries. This successful placement reflects investor confidence in Storent's strategy and growth potential. The capital is being used to refinance current bonds and to drive Storent's strategic expansion — including fleet growth that has already supported a 19% increase in H1 revenue from own equipment, and preparations for entering the United States market, a significant step in our international development.

The technical department remains dedicated to ensuring that all equipment is reliable and ready for operation. The annual quality audit conducted in May confirmed further improvements across depots, supported by 5S Kaizen standardization introduced in 2023. This continues to strengthen depot management throughout all locations of the Group.

Storent has launched its new web platform across all five operational countries, marking a significant milestone in the Group's digital transformation. Following the successful launch, the Group continues to improve the user experience, making equipment rental process even more intuitive and easy. With the launch of the Quick Offer feature, the ordering process for customers has become as simple as ordering a pizza. Such improvements not only increase operational efficiency but also impact on customer satisfaction and retention, as reflected in improved Net Promoter Score results. By automating and streamlining the sales funnel stages, our teams are able to dedicate more time to complex projects and provide higher-value customer support. The online rental platform remains a key pillar of Storent's digitalization strategy, driving growth in online orders and supporting scalable, customer-centric operations across the Group. Looking ahead, Storent is preparing to implement AI-driven tools across internal and external processes — from predictive fleet management to intelligent customer support — enabling faster decision-making, higher efficiency, and a new standard of service in the rental industry.

Storent's ongoing success is driven by the strength and dedication of its team through fostering a high-performance culture. To support this, the Group has implemented the STAR Program — a motivational framework helping the teams to stay focused on the activities that drive results. Ahead of the high season, targeted training sessions were delivered across the Group, combining practical sessions with modules from in-house online learning platform. These initiatives equip teams with the skills and competences to deliver consistent service quality.

Overview by Region

To strengthen regional management, a new structure has been implemented, dividing operations into three regions: the Baltics, the Nordics, and, in the future, the United States. The Baltic region is led by Guntis Grīnbergs, a seasoned rental industry expert with over 20 years of experience, combining hands-on operational knowledge with strategic leadership and a strong track record in driving innovation and growth. The Nordic region is headed by Klāvs Otisons, a seasoned rental industry professional with two decades of experience and deep knowledge of the Nordic market.

The Baltic region remained the Group's strongest driver of growth in the first half of 2025. Rental revenue increased by 15% compared to the same period last year, while income from own equipment grew even faster, by 22%, underscoring the successful deployment of Storent's modernized fleet. Growth was supported by diversification beyond traditional construction, with significant contributions from military, energy, and infrastructure projects, including Rail Baltica. According to construction market analysis and forecasting company Forecon, the construction rental market in Baltics is growing at 4% annually, yet Storent continues to outperform the industry average with stronger, sustained growth.

Latvia, the Group's largest market, delivered exceptional performance with a 25% increase in rental revenue from owned equipment, reinforcing Storent's market-leading position across all 15 depots. Expansion continued with two new depots opened in Sigulda and Gulbene, further strengthening national coverage. Lithuania reported strong growth, supported by intensified sales efforts both in Vilnius and regional areas, and by the opening of a new depot in Kaunas. Estonia remains a competitive market with significant price pressure, but the appointment of Aldar Karu as Country Manager has already laid the groundwork for a stronger sales push and improved performance in the second half of the year.
Strategic investments in large equipment categories continue to show results, driving increased fleet utilization and reinforcing Storent's leadership in the Baltic region.

The Nordics are laying groundwork for sustainable future growth with increased pace. Storent's operations in the Nordic region follow a targeted niche strategy, concentrating on specialized equipment and premium service offerings tailored to customers who prioritize quality and reliability. The rental revenue from own equipment in Sweden and Finland grew by 8% compared to H1 2024, with the strongest improvements coming in Q2. This reflects both the gradual market recovery and the effectiveness of Storent's investments and sales efforts, as teams successfully reached new customer segments.
In Sweden, despite ongoing market weakness, the team focuses on operating with its own equipment — particularly aerial lifts, work platforms, and telescopic handlers — significantly improved profitability. In Finland, early signs of recovery are visible, and steps are being taken to build a stronger operational foundation. The Nordic teams are working united to strengthen their positions in these niches, ensuring consistency and customer confidence across both markets.

The future development of the Group

The third quarter traditionally represents the Group's main profit-generating period, when equipment utilization peaks due to seasonal demand. The strategic investments made in fleet expansion, depot enhancements, and digital platform development are expected to deliver their strongest impact during this phase, driving higher rental volumes and stronger profitability.

In the second half of 2025, Storent has already marked a significant milestone by reaching €5 million in total income and €4 million in rental income in July — the first time in the company's history. Building on this momentum, the Group will focus on consolidating these gains while preparing for the next stage of growth. Key priorities include strengthening management capacity across all countries, advancing digital initiatives such as AI-driven tools to increase efficiency and service quality, and continuing expansion of the depot network. Preparations are also underway for entry into the U.S. market, where Storent plans to apply its proven rental model in selected regions with high construction activity. With a modern fleet, motivated teams, and a clear strategy, the Group is well positioned to capture opportunities and deliver long-term growth.

Statement of management's responsibility

On the basis of information held by the management board of the groups parent company the financial and other additional information published in the Interim report January– June 2025 is true and complete. Consolidated financial statement gives a true and fair view of the actual financial position and results of operations. The interim management report contains true information.

Consolidated financial statements in the report for the period January – June 2025 is not yet audited.

Andris Pavlovs

Chairman of the Management Board

Baiba Onkele

Member of the Management Board

Consolidated statement of comprehensive income

	Notes	01.01.2025-30.06.2025 IFRS measure reported	01.01.2025-30.06.2025 PPE revaluation effects**	01.01.2025-30.06.2025 Non-IFRS APM: results of operations before revaluation effects*	01.01.2024-30.06.2024 IFRS measure reported
		EUR	EUR	EUR	EUR
Net revenue	3	21 395 577		21 395 577	19 390 969
Other operating income	4	(143 840)	(746 250)	602 410	467 261
Cost of materials and services	5	(6 926 030)		(6 926 030)	(7 309 298)
Personnel costs	11	(5 948 665)		(5 948 665)	(4 950 575)
Other operating expenses	6	(3 200 160)		(3 200 160)	(3 050 205)
Impairement gain / (loss) on trade receivables and contract asset		(162 142)		(162 142)	(105 691)
EBITDA**		**5 014 739**	**(746 250)**	**5 760 989**	**4 442 461**
Depreciation and amotrization	7	(5 365 522)	(551 234)	(4 814 288)	(3 732 536)
Finance income	8	221 769		221 769	233 135
Finance expenses	9	(2 977 202)		(2 977 202)	(2 166 830)
Profit / (loss) before income tax		**(3 106 216)**	**(1 297 484)**	**(1 808 732)**	**(1 223 770)**
Income tax income / (expenses)	10	(19 965)		(19 965)	(498 457)
Profit/(loss) from continuing operations		**(3 126 181)**	**(1 297 484)**	**(1 828 697)**	**(1 722 227)**
Profit / (loss) for the year		**(3 126 181)**	**(1 297 484)**	**(1 828 697)**	**(1 722 227)**
Items that may be reclasified subsequently to profit or loss					
Exchange differences on foreign currency operations		60 147	-	60 147	78 993
Other comprehensive income/(loss) for the year		**60 147**	**-**	**60 147**	**78 993**
Total comprehensive income/(loss) for the year		**(3 066 034)**	**(1 297 484)**	**(1 768 550)**	**(1 643 234)**

*To provide enhanced transparency and facilitate a clearer understanding of the impact of the revaluation of property, plant and equipment (PPE) in accordance with IAS 16, the Group has elected to present alternative (non-IFRS) performance measure (APM) Results of operations before revaluation effects: The accounting impact on the consolidated statement of comprehensive income arising from the revaluation of PPE, includes additional depreciation of revalued PPE of EUR 551 234 calculated in 2025 and the increased cost of previously revalued items of PPE that were disposed in 2025 of EUR 746 250 EUR. The measure is provided solely for illustrative and analytical purposes (including the Group's loan covenant compliance tests). While the revaluation affects negatively the current year profitability of the Group reducing it by EUR 1 297 484, the Group's retained earnings are not affected, as the effect is fully offset by the reclass of previously recognised revaluation reserve to retained earnings in the statement of financial position.

**EBITDA is measured as profit/(loss) before income taxes, finance income, finance expenses and depreciation and amortization.

The notes on pages 12 to 48 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

ASSETS

	Note	30.06.2025	31.12.2024
NON-CURRENT ASSETS		**EUR**	**EUR**
Intangible assets			
Licences and similar rights		26 935	32 570
Computer software		5 752 305	4 731 877
Intangible assets in process		522 600	372 450
Goodwill		10 987 122	10 987 122
TOTAL Intangible assets	12	**17 288 962**	**16 124 019**
Property, plat and equipment			
Lands and buildings		162 345	167 675
Machinery and equipment		43 063 086	43 098 192
Other fixed assets		624 861	452 967
Fixed assets in process		191 198	214 644
TOTAL Property, plat and equipment	13	**44 041 490**	**43 933 478**
Right of use assets (Property, plat and equipment under lease and loan agreements)			
Right of use assets (Property, plat and equipment under lease and loan agreements)	14	44 906 924	41 278 780
Other non-current assets			
Loans to Company's shareholders	29 (b)	2 924 211	2 924 211
TOTAL Other non-current assets		**2 924 211**	**2 924 211**
TOTAL NON-CURRENT ASSETS		**109 161 587**	**104 260 488**
CURRENT ASSETS			
Inventories	15	1 521 457	846 694
Receivables			
Trade receivables	16	8 052 988	7 309 631
Contract assets	17	-	1 143
Other receivables	18	396 132	387 753
Prepaid expenses		294 013	270 997
TOTAL Receivables		**8 743 133**	**7 969 524**
Cash and cash equivalents	19	12 584 257	2 688 030
TOTAL CURRENT ASSETS		**22 848 846**	**11 504 248**
TOTAL ASSETS		**132 010 433**	**115 764 736**

The notes on pages 12 to 48 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

EQUITY AND LIABILITIES

	Note	30.06.2025 EUR	31.12.2024 EUR
EQUITY			
Share capital	20	33 500 000	33 500 000
Reserves:			
Revaluatuon reserve		28 026 253	29 323 737
Reorganisation reserve		(15 350 000)	(15 350 000)
Foreign currency translation reserve		60 147	-
Other reserves		26 774	26 774
Retained earings:			
Retained earings/ (accumulated losses)		1 276 679	3 505 376
TOTAL EQUITY		**47 539 853**	**51 005 887**
CREDITORS			
Long-term liabilities			
Issued bonds	22	30 178 136	9 710 617
Lease liabilities	23	19 186 392	20 428 978
Other borrowing	24	1 603 052	2 040 727
Deferred income	26	148 411	185 821
Deferred income tax liabilities		15 388	100 000
TOTAL Long-term liabilities		**51 131 379**	**32 466 143**
Short-term liabilities			
Issued bonds	22	10 672 920	15 066 250
Lease liabilities	23	7 473 862	7 135 266
Other borrowing	24	998 145	868 597
Contract liabilities	17	273 401	360 139
Trade payables		10 854 719	5 837 969
Corporate income tax		44 405	11 824
Taxes and mandatory state social insurance contributions	25	743 032	799 651
Deferred income	26	94 457	94 457
Other provisions	21	100 121	138 880
Other liabilities	27	495 589	458 586
Accured liabilities	28	1 588 550	1 521 087
TOTAL Short-term liabilities		**33 339 201**	**32 292 706**
TOTAL LIABILITIES		**84 470 580**	**64 758 849**
TOTAL EQUITY ND LIABILITIES		**132 010 433**	**115 764 736**

The notes on pages 12 to 48 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

Cash flows from operating activities	Notes	01.01.2025-30.06.2025 EUR	01.01.2024-30.06.2024 EUR
Loss for the year		(3 126 181)	(1 722 227)
Adjustments:			
Amortisation of intagible assets and depreciation of fixed assets, plant and equipment	12,13,14	5 365 522	3 732 536
Net result on diposal of property, plant and equipment		(374 830)	(218 224)
Interest expenses	9	2 895 468	1 829 526
Interest income		(220 214)	-
Provision decrease		(38 760)	(221 831)
Cash flows from operating activities before changes in working capital		***4 501 005***	***3 399 780***
Receivables (increase)/ decrease		(553 393)	(3 117 043)
Inventories decrease / (increase)		(651 318)	(421 975)
Payables (decrease) / increase		4 855 838	3 905 462
Gross cash flows from operating activities		***8 152 132***	***3 766 224***
Interest paid		(2 976 219)	(1 993 786)
Corporate income tax paid		32 581	443 565
Net cash flows from operating activities		**5 208 494**	**2 216 003**
Cash flows from investing activities			
Purchase of intangible assets and property, plant and equipment		(11 383 404)	(17 306 276)
Proceeds from sale of property, plant and equipment		1 528 311	1 159 630
Loans granted		-	154 648
Net cash flows from investing activities		**(9 855 093)**	**(15 991 998)**
Cash flows from financing activities			
Proceeds from bonds		23 050 300	10 000 000
Proceeds from financial lease liabilities		2 826 613	8 582 494
Proceeds from borrowings		-	2 938 971
Repayment of bonds		(6 887 600)	-
Repayment of borrowings from related parties		-	(901 717)
Repayment of other borrowings		(315 886)	(430 357)
Repayment of lease liabilities		(3 730 603)	(3 482 706)
Dividends paid		(400 000)	(3 905 942)
Net cash flows from financing activities		**14 542 824**	**12 800 743**
Foreign currency exchange			
Net cash flows for the years		**9 896 225**	**(975 252)**
Cash and cash equivalents at the beginning of the reporting year		2 688 032	1 717 088
Cash at the end of the reporting year	19	**12 584 257**	**741 836**

The notes on pages 12 to 48 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	Share capital	Foreign currency translation reserve	Revaluation reserve	Reorganization reserve	Other reserves*	Retained earnings / (accumulated losses)	Total
	EUR	EUR			EUR	EUR	EUR
Balance at 31 December 2022	**18 150 000**	**(31 801)**	**-**	**-**	**26 774**	**4 912 380**	**23 057 353**
Profit for the year	-	-	-	-	-	4 781 063	4 781 063
Other comrehensive expenses	-	(47 192)	32 629 762	-		-	32 582 570
Transactions with owners of the Company:							-
Dividends paid	-	-	-	-	-	(2 398 470)	(2 398 470)
Share capital increase							-
Balance at 31 December 2023	**18 150 000**	**(78 993)**	**32 629 762**	**-**	**26 774**	**7 294 973**	**58 022 516**
Loss for the period	-	-	-	-	-	(3 011 898)	(3 011 898)
Other comrehensive expenses	-	78 993		-	-	-	78 993
Total comrehensive loss	**-**	**78 993**	**-**	**-**	**-**	**(3 011 898)**	**(2 932 905)**
Revaluation transfer (note 13)	-	-	(3 306 025)	-	-	3 306 025	-
Transactions with owners of the Company:							
Reorganization result	15 350 000	-	-	(15 350 000)	-	(177 781)	(177 781)
Dividends paid	-	-			-	(3 905 943)	(3 905 943)
Balance at 31 December 2024	**33 500 000**	**-**	**29 323 737**	**(15 350 000)**	**26 774**	**3 505 376**	**51 005 887**
Loss for the period	-	-	-	-	-	(3 126 181)	**(3 126 181)**
Revaluation reserve change	-	-	(1 297 484)	-	-	1 297 484	-
Other comrehensive expenses	-	60 147	-	-	-	-	60 147
Transactions with owners of the Company:							-
Share capital increase	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(400 000)	**(400 000)**
Balance at 30 June 2025	**33 500 000**	**60 147**	**28 026 253**	**(15 350 000)**	**26 774**	**1 276 679**	**47 539 853**

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

The notes on pages 12 to 48 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. General information

Storent Holding AS (hereinafter – the Group's Parent company or Storent Holding AS or Company) (until 05.03.2024 – Storent Holdings SIA) was registered in the Company Register of the Republic of Latvia on 11 October 2018. The legal status the Group's Parent company is Joint-stock company (until 05.03.2024 – limited liability company). Registered address of the Group's Parent company is 15A Matrozu street, Riga, Latvia. Starting from 28 December 2022, the shareholders of the Group's Parent company are Supremo LTD and EEKI LTD (Latvia), none of which has been identified as an ultimate controlling party. In March 2024, the Company name has changed to "Storent Holding" and the Company's legal form has changed to Joint-stock company.

The Group's Parent company's and its subsidiaries's (hereinafter – the Group) main operations relate to the rental of industrial equipment.

2. Summary of significant accounting policies

(a) Basis of preparation

These unaudited condensed consolidated interim financial statements of Group for 6 months 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31.12.2024. They do not include all of the information required for the complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the end of last annual financial statements.

The consolidated financial statements have been prepared on the historical cost basis except positions which are stated at their fair values. Income statement classified by expense type. Cash flow statement is prepared using the indirect method.

The accompanying consolidated financial statements are presented in the currency of the Latvian Republic, the euro (hereinafter – EUR).

(b) Consolidation

As at 30 June 2025, the Group's Parent company had direct and indirect control over the following subsidiaries (hereinafter – Subsidiaries):

Name	Country	Type of business	Date of incorpora-tion / acquisition	Share of interest
Storent SIA	Latvia	Rental of industrial equipment	17 April 2008	100%
Storent UAB	Lithuania	Rental of industrial equipment	27 November 2008	100%
Storent OU	Estonia	Rental of industrial equipment	7 July 2009	100%
Storent Holding Finland Oy	Finland	Rental of industrial equipment	4 September 2012	100%
Storent AB	Sweden	Rental of industrial equipment	15 January 2013	100%
Storent Oy*	Finland	Rental of industrial equipment	21 December 2016	100%

*indirect shareholding

2. Summary of significant accounting policies (cont.)

(b) Consolidation (cont.)

The separate financial statements of the subsidiaries have been consolidated into the Group's consolidated financial statements, consolidating the respective assets, liabilities, revenue and expense items. The subsidiaries controlled by the Group's Parent company are included in the consolidation. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income and other comprehensive income from the date the Group Parent company gains control until the date when the Group Parent company ceases to control the subsidiary. The Group Parent company's and its subsidiaries' financial years are equal and represent the calendar year. For the purposes of preparing the consolidated financial statements uniform accounting policies have been applied.

The consolidated financial statements include all assets, liabilities, revenue, expenses, gains, losses and cash flows of Storent Holding AS and its subsidiaries Storent SIA, Storent UAB, Storent OÜ, Storent Holding Finland Oy, Storent AB and Storent Oy in the manner as if Storent Holding AS and its subsidiaries were a single entity.

Upon consolidation inter-company unrealized profit, inter-company transactions, balances, inter-company interest in entities and other transactions between group companies are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(c) Foreign currency transactions

The monetary unit used in the consolidated financial statements is the official currency of the European Union – euro (EUR), which is Group's Parent company's and some of the subsidiaries functional and presentation currency. The functional currency of Storent AB is Swedish krone.

All transactions in foreign currency are converted to EUR based on the European Central Bank reference exchange rate on trade date. On the balance sheet date, foreign currency monetary assets and liabilities are translated at the European Central Bank reference exchange rate as at 30 June.

European Central Bank reference exchange rates:

	30.06.2025	30.06.2024
	EUR	EUR
1 USD	0.8532	1.07050
1 GBP	1.1689	0.84638
1 SEK	0.0897	0.08803

(d) Consolidation of foreign subsidiaries

Consolidating foreign subsidiaries into the consolidated financial statement, the Group's Parent company translated the monetary and non-monetary assets and liabilities at the European Central Bank reference exchange rate ruling at the closing balance sheet date, and revenue and expense items of the foreign subsidiaries at the reference exchange rates at the dates of the transactions. Exchange differences arising on recognizing asset and liability items, translating at exchange rates, are recognized in other comprehensive income and accumulated in equity.

2. Summary of significant accounting policies (cont.)

(e) Use of judgements, estimates and assumptions

Preparation of the consolidated financial statements according to the IFRS Accounting Standards requires the Group's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. The determination of estimates is based on comprehensive information, current and expected economic conditions available to the management. Actual results could differ from those estimates.

The following are the critical judgments and key estimates concerning the future, and other key sources of estimation uncertainty, which exist at the reporting date of the financial statements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities during the next reporting period:

Note 12 – Recoverable value of goodwill and other non-current non-financial assets;

The Group's management reviews the carrying amounts of intangible assets, including goodwill, and property, plant and equipment, and assesses whether indications exist that the assets' recoverable amounts are lower than their carrying amounts. The Group's management calculates and records an impairment loss on intangible assets and fixed assets based on the estimates related to the expected future use, planned liquidation or sale of the assets.

Note 13 – Fair value of machinery and equipment

As at 31 December 2023 The Group has changed its accounting policy to measure its machinery and equipment at fair value. These assets primarily include specialized machinery and equipment used in the Group's economic activities. The fair value measurements are based, where available, on market data inputs obtained from reputable sources and independent appraiser. The Group has, generally, used two methods to estimate the fair value of the individual assets – for equipment with individual serial numbers the Market approach was used, while for non-serial equipment the Depreciated Replacement Cost Method was used.

Note 13 – Useful lives of property, plant and equipment

Starting from 1 January 2023 prospectively, the management of the Group has changed the accounting estimate of fixed assets depreciation by introducing residual value at the end of the useful life (previously residual value was presumed to be zero). Residual value is estimated as a certain percentage from the acquisition value of the particular fixed asset and is based on the management's historical experience in sales of used fixed assets.

(f) Fair value

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. For fair value calculation the Group determines the following:

- the particular asset or liability that is the subject of the measurement (consistently with its unit of account);
- for a non-financial asset, the valuation premise that is appropriate for the measurement (consistently with its highest and best use);
- the principal (or most advantageous) market for the asset or liability;
- market approach is the valuation technique(s) the Group uses for the measurement – it uses prices and other relevant information generated by market transactions involving identical or comparable (similar) assets, liabilities, or a group of assets and liabilities (e.g., a business).

2. Summary of significant accounting policies (cont.)

(g) Business combinations

According to IFRS 3 Business ir an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. A business combination is defined as a transaction or other event in which an acquirer (an investor entity) obtains control of one or more businesses. Identifying a business combination transaction requires the determination of whether what is acquired constitutes a 'business' as defined in IFRS 3, and control has been obtained. On business combinations:

- identifiable assets and liabilities acquired are measured at fair value;
- goodwill recognized as an asset and gain on bargain purchase as an income;
- transactions costs are expensed when incurred;
- deferred tax on initial temporary differences recognized as assets and liabilities;
- contingent consideration recognized at fair value at acquisition date, subsequent changes to the profit or loss if not initially classified as equity.

(h) Segment information

Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), is a component of the Group whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Segment information is presented for Group's operating segments, which are determined by geographical split. Operating segments are managed separately and they are separately reported in internal management reporting to the Council and the Board.

(i) Revenue recognition

The Group recognises revenues according to IFRS 15 "Revenues from contracts with customers", using the 5-step model. The model consists of:

1. Determination of contractual relations;
2. Determination of contract performance obligation;
3. Determination of transaction price;
4. Attribution of transaction price to the performance obligation;
5. Recognition of income, when the Group has fulfilled the performance obligation.

The following criteria are used for determination of contractual relations:

- The contractual parties have approved a contract and are committed to fulfil their liabilities;
- The Group may identify the rights of each party in relation to deliverable goods or services;
- The Group may identify settlement procedures for the goods or services;
- The contract has commercial nature;
  There is high possibility, that the Group will charge remuneration due to it in exchange for goods or services that will be transferred to the customer.

Determination of contract performance obligation.

The performance obligation exists, if there are distinct goods or services transferred to the customer or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer. Group has considerate following factors as to whether a promise to transfer goods or services to the customer is not separately identifiable:

- Group does provide a significant service of integrating the goods or services with other goods or services promised in the contract;
- the goods or services are highly interrelated or highly interdependent.

2. Summary of significant accounting policies (cont.)

(i) Revenue recognition (cont.)

Determination of transaction price

The transaction price is the amount to which Group expects to be entitled in exchange for the transfer of goods and services. When making this determination, Group will consider past customary business practices. Where a contract contains elements of variable consideration, the entity will estimate the amount of variable consideration to which it will be entitled under the contract. Variable consideration can arise, for example, as a result of discounts, rebates, performance bonuses.

Attribution of the transaction price to the performance obligation

Generally, the contract with the customer includes a specified transaction price for each performance obligation. If applicable, the Group uses the adjusted market assessment method for determination of the market price. A discount is applied proportionally for each performance obligation, based on the relative goods or services sales prices. Any overall discount compared to the aggregate of standalone selling prices is allocated between performance obligations on a relative standalone selling price basis. In certain circumstances, it may be appropriate to allocate such a discount to some but not all of the performance obligations.

Customers can earn loyalty points that are redeemable against any future transactions of the Group's products. The points accumulate and expire after one year. The Group recognizes this as a separate performance obligation and allocates a part of the transactions price applying the same principles as described above. The amount allocated to the loyalty points is initially deferred and recognised as revenue when loyalty points are redeemed or on expiry.

Recognition of revenue, when the Group has fulfilled the performance obligation

<u>Transport and related services revenue</u>

Revenue is recognised over time as the services are provided, that is based on criteria that the customer simultaneously receives and consumes all of the benefits provided by the Group and, generally, invoiced on a monthly basis.

Fulfillment of performance obligations for transport and related services is measured based on the output method – performance to date, and there is no significant judgement applied to determine the fulfilment of the performance obligations. <u>Revenue from sale of inventories and property, plant and equipment used for renting</u>

Revenue is recognised at a point in time when the corresponding asset is delivered to and accepted by the customer, thus, transferring the control and fulfilling the performance obligation, and, generally, invoiced at that point in time.

Contract assets and liabilities

Contracts with customers are presented in the Group's statement of financial position as a receivable. Invoices according the contract are generated at least once per month. Invoices are usually payable within 15-45 days. A contract liability is presented in the statement of financial position where a customer has paid an amount of consideration prior to the Group performing by transferring the related good or service to the customer.

(j) Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(k) Income tax

The corporate income tax consists of the income tax calculated for the reporting year and deferred income tax. It is recognised in comprehensive income.

Current tax

Corporate income tax for the reporting year (Lithuania)

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

Corporate income tax for the reporting year (Estonia and Latvia)

The net profit of Group entities located in Latvia and Estonia is not subject to corporate income tax; however, income tax is levied on all dividends paid by these companies. Corporate income tax in Latvia and Estonia is calculated at the profit distribution (20/80 from net amount to be paid to shareholders). Corporate income tax will be recognized as tax payable at the period when shareholders decide to distribute profit.

Corporate income tax for the reporting year (Finland)

The corporate income tax for the reporting year has been calculated, by applying the corporate income tax rate of 20% to the taxable income for the tax year.

Corporate income tax for the reporting year (Sweden)

The corporate income tax for the reporting year has been calculated, by applying the corporate income tax rate of 20.6% to the taxable income for the tax year.

Deferred tax

Deferred income tax arising due to temporary differences between the tax bases of assets and liabilities and their carrying amounts in these consolidated financial statements has been calculated, using the liability method for all countries the Group operates. Deferred income tax assets and liabilities are determined using the tax rates that are expected to apply when the related temporary differences reverse. The key temporary differences result from different depreciation tax rates applied under tax and accounting legislation and tax losses carried forward.

A deferred tax asset shall be recognized for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. When considering whether a deferred tax asset can be recognized the management uses their judgment in estimating whether there will be sufficient taxable profits in the future and about their timing and the overall future tax planning strategy.

Deferred income tax and profit distribution in (Latvia and Estonia)

Specific accounting for deferred tax due to tax regimes have been applied in the respect of Latvia and Estonia. According to legislation requirements in these countries corporate income tax is applicable to distributed profits. In case of reinvestment of profit, corporate income tax shall not be applied.

In accordance with International Accounting Standard No 12 “Income Taxes“ requirements, in cases where income tax is payable at a higher or lower rate, depending on whether the profit is distributed, the current and deferred tax assets and liabilities are measured at the tax rate applicable to undistributed profits. In Latvia and Estonia, the applicable rate for undistributed profits is 0%.

As a parent controls the dividend policy of its subsidiaries, it is able to control the timing of the reversal of temporary differences associated with these investments including the temporary differences arising from undistributed profits. Therefore, in the consolidated financial statements the Group could recognize deferred tax assets and liabilities in the respect of its investments in subsidiaries using tax rate applicable to distributed profits. In cases the parent has determined that subsidiary’s profits will not be distributed in the foreseeable future the parent does not recognize a deferred tax assets and liabilities.

(l) Finance income and finance costs

The Group’s finance income and finance costs include:

- Interest income;
- Interest expense;
- the foreign currency gain or loss on financial assets and financial liabilities;

Interest income or expense is recognised using the effective interest method. The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2. Summary of significant accounting policies (cont.)

(m) Taxes other than Income tax

The Company recognizes taxes other than income tax on an accrual basis when the taxable transaction or event occurs. These taxes include, but are not limited to, value-added tax (VAT), excise duties, and payroll-related taxes and contributions.

VAT and sales taxes are recognized at the time the transaction subject to taxation occurs. The Company collects VAT from its customers and records recoverable VAT from its suppliers as an asset. VAT payable is recorded as a current liability until it is settled with the relevant tax authorities.

Excise duties are recognized in accordance with applicable regulatory requirements, with liabilities recorded until the taxes are paid or otherwise discharged.

Payroll taxes (including employee income taxes and social security contributions) are recognized when the corresponding salary or wage is earned, with the Company's obligations recorded as liabilities in the balance sheet.

All taxes other than income tax are presented separately as liabilities or assets in the balance sheet, depending on whether they are payable or recoverable. If taxes are prepaid or refundable, they are recorded as current assets until the refund is received. The Company collects and deducts VAT in accordance with applicable legislation. VAT recoverable is presented as an asset in the balance sheet until it is validated and reimbursed by the relevant authorities. Tax expenses are recognized in the profit and loss statement in the period in which they are incurred, except where they relate directly to the acquisition or construction of qualifying assets, in which case such taxes may be capitalized as part of the cost of the asset.

(n) Intangible assets

Other intangible assets

Other intangible assets primarily comprise capitalized costs of internally developed software. Other intangible assets are measured at historical cost amortized on a straight-line basis over the useful life of the assets. If some events or a change in conditions indicates that the carrying value of an intangible asset may not be recoverable, the value of the respective intangible asset is reviewed for impairment. Impairment loss is recognized if the carrying value of the intangible assets exceeds its recoverable amount.

Development costs of intangible assets

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically, and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, such expenditure is treated as research costs and recognised in comprehensive income as incurred.

A project initiated by the Group met all the above criteria. The item “Intangible assets in process” included only those costs that the Group can reliably estimate. This intangible asset is recognized as a corporate asset because it cannot generate independent cash flows but will be used in the operations of all Group companies. At the end of 2024 and 2025, this item was not assessed separately and was included in the impairment test of total assets, allocating this item by CGU equal to the current IT cost allocation in the Storent group. In December 2022, the roll-out process of the new IT system has started and the development costs were transferred to Computer software, and subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. The implementation of the new IT system is planned to be completed in the middle of 2025.

Development costs are presented as Intangible assets in progress and are stated at historical cost. This includes the cost of development and other directly attributable expenses. Intangible assets in progress are not amortized as long as the respective assets are not completed and put into operation. Expenditure on research activities, if any, is recognised in comprehensive income as incurred.

Amortisation

Amortisation is calculated based on the cost of intangible assets less their estimated residual values, which, generally, are insignificant, using the straight-line method over their estimated useful lives, and is recognised in comprehensive income. Goodwill is not amortised. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate, to reflect the Group’s management current view on their remaining useful lives in the light of changes in technology. The estimated useful lives of other intangible assets for current and comparative periods are as follows:

Trademarks and domains	5 years
Software licenses	3-10 years

2. Summary of significant accounting policies (cont.)

(o) Property, plant and equipment

The acquisition costs include all expenditures attributable to binging the asset to working condition. In addition to direct purchasing expenses, it also includes other expenses related to the acquisition, such as transportations and assembling costs. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Until 30.12.2023 Property plant and equipment, including machinery and equipment is stated at historical cost less accumulated depreciation and impairment.

On 31.12.2023 the Group management has changed accounting policy in respect of machinery and equipment to carry such assets at revalued amounts being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Any revaluation increase arising on the revaluation of such assets is credited to the revaluation or fair value reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to statement of comprehensive income to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such assets is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation or fair value reserve relating to a previous revaluation of that asset. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date. The management of the Group believes that such change in the accounting policy will more appropriately reflect the Group's statement of financial position. Please refer to Note 13 for further information regarding the revaluation process.

Depreciation is calculated based on the cost of items of property, plant and equipment less their estimated residual value using the straight-line method over their estimated useful lives and is recognised in comprehensive income. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total costs of the item is depreciated separately.

Starting from 1 January 2023 prospectively, the management of the Group has changed the accounting estimate of fixed assets depreciation by introducing residual value at the end of the useful life (previously residual value was presumed to be zero). Residual value is estimated as a certain percentage from the acquisition value of the particular fixed asset and is based on the management's historical experience in sales of used fixed assets. The management of the Group believes that such change in the depreciation estimate will more appropriately reflect the Group's statement of financial position and financial results. The residual value of property, plant and equipment for current period is determined as follows:

Machinery and equipment	0% - 35%
Other	0% - 20%

Depreciation is calculated using the straight-line method. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Machinery and equipment	4 - 24 years
Other	2 - 5 years

In 2024 Group reviewed depreciation periods for the most significant product groups revalued as of 31 December 2023, the useful lives are estimated as follows: 12 years for machinery and telescopic handlers, 15 years for lifts, and 24 years for scaffolding. Each fixed asset group was evaluated separately. These useful lives reflect the Group's accumulated operational experience and expected economic benefit from the assets over their service periods. Depreciation methods, useful lives and scrap values are reviewed at each reporting date and adjusted, if appropriate, to reflect the Group's management current view on their remaining useful lives in the light of changes in technology, the remaining prospective economic utilization of the assets and their physical condition. The Group has fixed assets that are fully amortized and still are in use.

Depreciation on revalued assets is recognised in profit or loss. As the revalued assets are depreciated, relevant portion of the revaluation reserve is transferred directly to retained earnings.

Construction in progress represents property, plant and equipment under construction and is stated at historical cost. This includes the cost of construction and other directly attributable expenses. Construction in progress is not depreciated as long as the respective assets are not completed and put into operation.

Leasehold improvements are amortised over the shorter of the useful life of the improvement and the term of the lease agreement.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. On sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings.

2. Summary of significant accounting policies (cont.)

(p) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred.
After initial measurement, borrowings are carried at amortized cost using the effective interest rate method. The amortized value is calculated including any acquisition related discount or premiums and payments that are an integral part of the effective interest rate and transaction costs. Amortized cost is calculated by taking into account any loan or borrowing issue costs, and any discount or premium related to loans or borrowings.

Borrowing Costs

All borrowing costs are recognized as expenses in the statement of profit or loss in the period in which they are incurred. The Company does not apply a capitalization policy for borrowing costs related to qualifying assets.

(q) Inventories

Inventories are stated at the lower of cost and net realizable value.
Costs incurred in bringing the inventories to their present location and condition is measured for as follows:
- Consumables and finished goods are measured at cost of purchase applying "first in first out" (FIFO) method;

Net realizable value is the estimated selling price in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale, as well as assesses the physical condition of inventories during the annual stock count. Net realizable value is stated as cost less allowances.

(r) Cash and cash equivalents

Cash and cash equivalents include cash in bank and in hand, deposits held at call with banks with maturities of three months or less.

(s) Contingent liabilities and assets

The Group does not recognize any contingent liabilities in these financial statements. Contingent liabilities are disclosed, unless the probability that an outflow of resources will be required is remote. No contingent assets are recognized by the Group, they are disclosed if it is probable, that the economic benefits related to the transaction will flow to the Group.

(t) Provisions

A provision is recognized if the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required from the Group to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the Group expects that the expenditure required to settle the provision will be reimbursed by another party partly or fully, e.g., under the terms of an insurance contract, the reimbursement is recognized as a separate asset when and only when it is virtually clear that the reimbursement will be received. In the consolidated statement of comprehensive income, the expense relating to a provision may be presented net of the amount recognized for a reimbursement. Where the effect of the time value of money is material, the provisions are calculated by discounting the future expected cash outflows, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the liability. If discounting is used, increase in provisions is gradually recognized as borrowing costs.

2. Summary of significant accounting policies (cont.)

(u) Financial assets and financial liabilities

Financial assets

Recognition, classification and subsequent measurement

A financial asset is recognised in the statement of financial position when the Group becomes party to a contract that is a financial instrument. On initial recognition, the Group classifies and measures a financial asset at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

The Group classifies its financial assets as financial assets at amortised cost in line with its business model to hold the financial assets and collect the contractual cash flows, which consist only of payments of principal and interest on the outstanding principal amount. The assets in the statement of financial position that belong to this category are Trade receivables and Other receicables. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Foreign exchange gains and losses and impairment are recognised in consolidated statement of comprehensive income. Any gain or loss on derecognition is recognised in consolidated statement of comprehensive income.

A financial asset is derecognized if:

- the contractual rights to the cash flows from the financial asset expire;
- the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay cash flows without material delay to a third party based on and earlier arrangement without any profit arising
- the Group transfers the contractual rights to receive the cash flows of the and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset to a third party, or (b) it neither transfers no retains substantially all the risks and rewards of ownership of these assets but has transferred control over the item of financial asset.

Impairment of financial assets

The Group applies the simplified approach under IFRS 9. The Group always recognises lifetime ECL (expected credit losses) for trade receivables and contract assets. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience in each geographical location of operations separately over a two-year period, adjusted for factors that are specific to the debtors (please see also Note 16). General economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money are not incorporated into the calculation.

The Group considers a financial asset to be in default when the borrower is in significant financial difficulty and is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or the financial asset is more than 90 days past due. Such financial assets in default are considered to be credit-impaired.

Factoring

The Group has entered into certain factoring contracts, by which it sells the receivables to a factor and receives a part of the amount due immediately and the remainder when the customer settles its liability towards the factor. When the Group sells the receivables to the factor, it derecognizes the corresponding financial assets and recognizes a new receivable due from the factor. The Group's factoring contracts are considered as factoring without rights of regress. The proceeds received from the factor are presented in the Statement of cash flows as cash flows from operating activities.

2. Summary of significant accounting policies (cont.)

(t) Financial assets and financial liabilities (cont.)

Financial liabilities

Recognition, classification and subsequent measurement

A financial liability is recognised in the statement of financial position when the Group becomes party to a contract that is a financial instrument.

All of the Group's financial liabilities are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in consolidated statement of comprehensive income. Any gain or loss on derecognition is also recognised in consolidated statement of comprehensive income.

A financial liability is derecognized, if the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in comprehensive income.

Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the respective carrying amounts is recognized in consolidated statement of comprehensive income. Please refer to relevant Notes.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(u) Leases

The Group as lessor

Leases, for which the Group is a lessor, are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Group, as a lessor, has not classified any lease as a financial lease. When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. The Group as a lessor, generally, concludes short-term operating lease contracts with no non-cancellable period.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

2. Summary of significant accounting policies (cont.)

(u) Leases (cont.)

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. Group lease payments are based on concluded financial lease agreements with fixed lease payment schedule.
The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the period of the lease term.

(v) Related party transaction

Related parties represent both legal entities and private individuals related to the Group in accordance with the following rules:

a) person or a close member of that person's family is related to a reporting entity if that person:
   i. Has control or joint control over the reporting entity;
   ii. Has significant influence over the reporting entity; or
   iii. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:
   i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
   ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
   iii. Both entities are joint ventures of the same third party;
   iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

2. Summary of significant accounting policies (cont.)

(v) Related party transaction (cont.)

v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
vi. The entity is controlled, or jointly controlled by a person identified in a);
vii. A person identified in a) i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
viii. The entity, or any member of the group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

(w) Dividends

Dividends are recognized as a liability in the period in which the distribution is approved by the shareholders in accordance with the Company's Articles of Association and applicable laws. A liability for dividends is recognized only when the dividend has been appropriately authorized and is no longer at the discretion of the Company. Dividend distributions are recognized directly in equity and are not recognized through the statement of profit or loss.

(x) Post balance sheet events

Only such post balance sheet events adjust amounts recognized in the consolidated financial statement, which provides additional information on the conditions that existed at balance sheet date (adjusting events). If post balance sheet events are not adjusting, they are disclosed in the consolidated financial statements only if they are material.

(w) IFRS Accounting Standards changes

New standards and amendments to standards, including any consequential amendments to other standards, effective for annual periods beginning on 1 January 2024, have not had a material impact on these consolidated financial statements.

<u>Standards and amendments to existing standards issued by IASB but that are not yet effective</u>

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following new and amended standards effective for annual periods beginning after 1 January 2024 are not expected to have a significant impact on the Group's consolidated financial statements:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1).
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lack of Exchangeability (Amendments to IAS 21)

Effect of the following standard is still being assessed:

- IFRS 18 Presentation and Disclosure in Financial Statements

IFRS Accounting Standards currently adopted by the EU do not differ materially from those adopted by the International Accounting Standards Board (IASB), except for some of the above-mentioned standards, amendments to existing standards and interpretations not yet endorsed by the EU on 31 December 2024 (effective dates refer to IFRS Accounting Standards, as issued by the IASB).

The Group anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the consolidated financial statements of the Group in the period of initial application.

3. Net revenue and operating segments

Net revenue by products and services	01.01.2025-30.06.2025 EUR	01.01.2024-30.06.2024 EUR
Rental revenue – own equipment	10 351 660	9 538 648
Rental revenue – sub-lease of right-of-use assets (see also Note 14)	4 076 139	2 621 226
Rental revenue – equipment under split rent arrangements (see also Note 14)	3 164 457	3 837 973
TOTAL Rental income:	**17 592 256**	**15 997 847**
Transport and related services revenue	3 664 793	3 189 871
Revenue from sale of inventories	159 228	216 046
Cash discounts to customers	(20 700)	(12 795)
TOTAL Revenue from contracts with customers:	**3 803 321**	**3 393 122**
TOTAL:	**21 395 577**	**19 390 969**

Operating segments

Segment information is presented for the Group's operating segments, which are determined by geographical split. The Group has disclosed the items and amounts by operating segment as reported in internal management reporting to the Council and the Board.

Net revenue per geographical location	01.01.2025-30.06.2025 EUR	01.01.2024-30.06.2024 EUR
Latvia	8 899 470	7 359 143
Lithuania	4 618 909	4 037 600
Estonia	2 564 016	2 591 419
TOTAL Baltic (Latvia, Estonia and Lithuania):	**16 082 395**	**13 988 162**
Finland	4 317 262	4 167 157
Sweden	995 920	1 235 650
TOTAL Nordic (Finland and Sweden):	**5 313 182**	**5 402 807**
TOTAL:	**21 395 577**	**19 390 969**

The Group defines operating result as net revenues and other operating income less cost of materials and services, personnel costs, other operating expenses, depreciation and amortization and impairment gain/(loss).

Operating result per geographical location	01.01.2025-30.06.2025 EUR	01.01.2024-30.06.2024 EUR
Baltic (Latvia, Estonia and Lithuania)	2 024 408	1 676 265
Nordic (Finland and Sweden)	(1 071 551)	(1 088 700)
Elimination of inter-segment operating result	(6 156)	122 361
Finance income	221 769	233 135
Finance expenses	(2 977 202)	(2 166 831)
Consolidated profit/(loss) before tax from continuing operations:	**(1 808 732)**	**(1 223 770)**

3. Net revenue and operating segments (cont.)

Property, plant and equipment, right of use assets and intangible assets are disclosed both on individual geographical location level and on an aggregated basis, in line with internal management reporting to the Council and the Board.

Property, plant and equipment and right of use assets per geographical location, net book value	**30.06.2025 EUR**	**30.06.2024 EUR**
Finland	17 768 765	20 682 843
Sweden	4 709 001	3 802 992
TOTAL Nordic (Finland and Sweden):	**22 477 766**	**24 485 835**
Latvia	33 768 653	32 401 626
Lithuania	18 897 646	19 165 572
Estonia	13 804 349	13 133 159
TOTAL Baltic (Latvia, Estonia and Lithuania):	**66 470 648**	**64 700 357**
TOTAL:	**88 948 414**	**89 186 192**

Intangible assets (including goodwill) and right of use assets per geographical location, net book value	**30.06.2025 EUR**	**30.06.2024 EUR**
Finland	3 456 062	3 404 733
Sweden	904 212	626 035
TOTAL Nordic (Finland and Sweden):	**4 360 274**	**4 030 768**
Latvia	6 568 082	5 333 836
Lithuania	3 675 632	3 154 965
Estonia	2 684 975	2 161 931
TOTAL Baltic (Latvia, Estonia and Lithuania):	**12 928 689**	**10 650 732**
TOTAL:	**17 288 963**	**14 681 500**
TOTAL NON-CURRENT NON-FINANCIAL ASSETS:	**106 237 368**	**103 867 692**

4. Other operating income

By type	**01.01.2025-30.06.2025 EUR**	**01.01.2024-30.06.2024 EUR**
Insurance reimbursements received	(8 635)	54 254
Cost reimbursement	16 367	9 796
Recognized deferred income (see also Note 26)	37 410	52 362
Other income	-	11 718
Gains on sale of property, plant and equipment used for renting, net*	(188 982)	339 131
TOTAL:	**(143 840)**	**467 261**

*Storent SIA and Storent Oy, on an ongoing basis, performs optimization of the rental equipment fleet by selling equipment, which is no longer in demand in rental market. The increase in rental equipment sold in 2025 and 2024 is related to the management's initiated change in the Group's operating model to increase the share of rental equipment provided by split-rent vendors.

5. Cost of materials and services

a) Costs of raw materials and ancillary materials

	01.01.2025-30.06.2025 EUR	01.01.2024-30.06.2024 EUR
Cost of materials	90 002	144 698
Renting equipment adjustments as a result of stock counts	25 566	24 423
TOTAL:	**115 568**	**169 121**

b) Other external costs

	01.01.2025-30.06.2025 EUR	01.01.2024-30.06.2024 EUR
Equipment rent related costs (see also Note 14)	2 499 079	2 930 413
Transport and assembly services	2 635 360	2 683 938
Repairs and maintenance services	1 676 023	1 525 826
TOTAL:	**6 810 462**	**7 140 177**
TOTAL:	**6 926 030**	**7 309 298**

6. Other operating expenses

	01.01.2025-30.06.2025 EUR	01.01.2024-30.06.2024 EUR
Rent of offices, areas and maintenance costs	1 415 462	1 333 728
IT expenses	426 237	353 879
Other administrative expenses	337 483	350 949
Administration transport costs	305 106	220 537
Marketing expenses	313 351	270 610
Insurance costs	168 382	169 083
Remuneration to contractors	28 618	155 023
Legal services	56 420	61 820
Consulting and other services	66 919	52 992
Communication expenses	47 588	45 440
Management services	34 594	-
Written-off doubtful debts	-	36 144
TOTAL:	**3 200 160**	**3 050 205**

7. Depreciation and amortization

	01.01.2025-30.06.2025 EUR	01.01.2024-30.06.2024 EUR
Depreciation of property, plant and equipment used for renting	2 129 757	1 455 829
Depreciation of property, plant and equipment used for own needs	227 146	58 721
Rights of use assets amortization	2 671 375	1 859 936
Amortization of intangible assets	337 244	358 050
TOTAL:	**5 365 522**	**3 732 536**

8. Finance income

	01.01.2025-30.06.2025 EUR	01.01.2024-30.06.2024 EUR
Interest income	221 769	233 135
TOTAL:	**221 769**	**233 135**

9. Finance expenses

	01.01.2025-30.06.2025 EUR	01.01.2024-30.06.2024 EUR
Interest on bonds* calculated using the effective interest method	1 854 074	1 201 613
Interest on leases	877 626	599 176
Interest on borrowings* calculated using the effective interest method	158 989	25 289
Interest on factoring**	3 941	3 204
Interest on overdraft	838	244
Foreign exchange losses	15 326	14 978
Other expenses	66 408	322 326
TOTAL:	**2 977 202**	**2 166 830**

*Interest expenses presented above are incurred by financial instruments presented in the Group's financial liabilities at amortized cost in accordance with IFRS 9.

**In 2014 Group has signed factoring contract with Nordea Bank AB, which improved liquidity of the Group. The management of the Group treats this contract as factoring without rights of regress. In 2024, the maturity of these contracts was been prolonged till 31.03.2025.

10. Income tax and deferred income tax assets / liabilities

	01.01.2025-30.06.2025 EUR	2024 EUR
Corporate income tax calculated for the period	19 965	498 457
Deferred income tax changes due to temporary differences	-	-
Corporate income tax recognized in consolidated statement of comprehensive income:	**19 965**	**498 457**

11. Personnel costs and number of employees

	01.01.2025-30.06.2025 EUR	01.01.2024-30.06.2024 EUR
Salaries	4 592 480	3 696 590
State social security mandatory contributions	1 008 899	892 209
Other personnel costs	347 286	361 776
TOTAL:	**5 948 665**	**4 950 575**

Executive management remuneration:	01.01.2025-30.06.2025 EUR	01.01.2024-30.06.2024 EUR
Board members		
Salaries	52 478	53 929
State social security mandatory contributions	12 380	12 718
TOTAL:	**64 858**	**66 647**

	01.01.2025-30.06.2025	01.01.2024-30.06.2024
Average number of employees during the reporting year	249	242
TOTAL:	**249**	**242**

Personnel costs by function:	01.01.2025-30.06.2025 EUR	01.01.2024-30.06.2024 EUR
Sales	2 234 726	1 859 775
Customer services	2 421 155	2 014 924
Administration and finance staff	1 292 784	1 075 876
TOTAL:	**5 948 665**	**4 950 575**

12. Intangible assets

	Licences and similar rights	Other intagible assets	Intangible assets in progress	Goodwill	TOTAL
	EUR	EUR	EUR	EUR	EUR
At 31 December 2023					
Historical cost	561 682	3 767 250	252 950	10 987 122	15 569 004
Accumulated amortisation and depreciation	(517 598)	(1 402 585)	-	-	(1 920 183)
Net carrying value	**44 084**	**2 364 665**	**252 950**	**10 987 122**	**13 648 821**
FY 2024					
Net carrying value, opening	44 084	2 364 665	252 950	10 987 122	13 648 821
Additions	-	2 011 207	751 330	-	2 762 537
Transfered from other position	-	631 830	(631 830)	-	-
Amortisation	(11 514)	(275 825)	-	-	(287 339)
Net carrying value	**32 570**	**4 731 877**	**372 450**	**10 987 122**	**16 124 019**
At 31 December 2024					
Historical cost	561 682	6 410 287	372 450	10 987 122	18 331 541
Accumulated amortisation and depreciation	(529 112)	(1 678 410)	-	-	(2 207 522)
Net carrying value	**32 570**	**4 731 877**	**372 450**	**10 987 122**	**16 124 019**
01.01.2025-30.06.2025					
Net carrying value, opening	32 570	4 731 877	372 450	10 987 122	16 124 019
Additions	-	1 352 037	150 150	-	1 502 187
Transfered from other position	-	-	-	-	-
Amortisation	(5 635)	(331 609)	-	-	(337 244)
Net carrying value	**26 935**	**5 752 305**	**522 600**	**10 987 122**	**17 288 962**
At 31 December 2024					
Historical cost	561 682	7 762 324	522 600	10 987 122	19 833 728
Accumulated amortisation and depreciation	(534 747)	(2 010 019)	-	-	(2 544 766)
Net carrying value	**26 935**	**5 752 305**	**522 600**	**10 987 122**	**17 288 962**

All intangible assets are used by the Group.

Fully amortized intangible assets

On 30 June 2025, intangible assets of the Group included assets with acquisition value of EUR 1 149 551 (31.12.2024.: EUR 854 221), which were completely written down into amortization costs and are still actively used in economic activity. Most of these intangible assets consist of software, which continue to be used, and for which annual maintenance and improvement fees are paid.

Development of intangible assets. In 2020, the Group started to develop a new ERP system that meets the development trends of modern IT technologies in the business environment, especially as a result of Covid-19 impact, and will provide effective accounting of rental processes, control procedures of the Group companies and operational information for the Group's management to make decisions. The item "Intangible assets in progress" included only those costs that the Group could reliably estimate and that met the capitalization criteria. In December 2022, the development process of the new ERP system was completed and the implementation process and its use in the Group companies' everyday operations began; as a result the development costs were transferred to the item "Other intangible assets". In 2024 having considered that the ERP software was built entirely from the ground up, based on internal business processes, and its development involved both internal and external IT resources, as well as the scale of the project, its strategic significance, the assessment of its technological sustainability, as well as the fact that no significant changes or replacement of the software are expected within the next 10 years, the software has been assigned a longer amortisation period of 10 years. Had the useful life not been revised, the amortisation expense related to the computer software would have been higher by EUR 177 817. As a continuation of the development of the Group's ERP system, in 2023 the Group started the next stage – private WEB and new version of accounting software development and implementation. In 2025 and 2024, there are only external intangible development costs capitalized. The roll-out of the new ERP system is planned to be completed by the middle of 2025.

13. Property, plant and equipment

	Land and buildings	Machinery and equipment	Other fixed assets	Creation of property, plant and equipment	TOTAL
	EUR	EUR	EUR	EUR	EUR
At 31 December 2023					
Historical cost	302 978	73 957 830	4 205 503	706 589	79 172 900
Accumulated amortisation and depreciation	(124 643)	(28 349 173)	(3 904 921)	-	(32 378 737)
Net carrying value	**178 335**	**45 608 657**	**300 582**	**706 589**	**46 794 163**
FY 2024					
Net carrying value, opening	178 335	45 608 657	300 582	706 589	46 794 163
Additions	-	1 772 578	329 757	214 644	2 316 979
Tranfered	-	706 589	-	(706 589)	-
Transfered from ROU at the end of the lease (Note 14)	-	1 509 059	102 158	-	1 611 217
Write-off	-	(2 848 075)	(38 842)	-	(2 886 917)
Amortisation	(10 660)	(3 650 616)	(240 688)	-	(3 901 964)
Net carrying value	**167 675**	**43 098 192**	**452 967**	**214 644**	**43 933 478**
At 31 December 2024					
Historical cost	302 978	75 097 981	4 598 576	214 644	80 214 179
Accumulated amortisation and depreciation	(135 303)	(31 999 789)	(4 145 609)	-	(36 280 701)
Net carrying value	**167 675**	**43 098 192**	**452 967**	**214 644**	**43 933 478**
01.01.2025-30.06.2025					
Net carrying value, opening	167 675	43 098 192	452 967	214 644	43 933 478
Additions	-	2 454 636	227 286	191 198	2 873 120
Tranfered	-	214 644	-	(214 644)	-
Transfered from ROU at the end of the lease (Note 14)	-	528 041	171 403	-	699 444
Write-off	-	(1 102 670)	(4 979)	-	(1 107 649)
Amortisation	(5 330)	(2 129 757)	(221 816)	-	(2 356 903)
Net carrying value	**162 345**	**43 063 086**	**624 861**	**191 198**	**44 041 490**
At 30 June 2025					
Historical cost	302 978	77 192 632	4 992 286	191 198	82 679 094
Accumulated amortisation and depreciation	(140 633)	(34 129 546)	(4 367 425)	-	(38 637 604)
Net carrying value	**162 345**	**43 063 086**	**624 861**	**191 198**	**44 041 490**

The line item “Creation of property, plant and equipment” includes equipment and machinery in the preparation stage, and for which lease financing is being awaited.
All property, plant and equipment classified as Machinery and equipment and Other fixed assets are leased out by the Group under operating lease terms. Other types of property, plant and equipment are used by the Group.
In 2023 the Group also has changed the measurement basis for property, plant and equipment to revaluation method. The fair value measurements are based on market data obtained from reputable sources and certified independent appraiser. The Group has, generally, used two methods to estimate the fair value of the individual assets – for equipment with individual serial numbers the Market approach was used, while for non-serial equipment the Depreciated Replacement Cost Method was used. For Market approach, the key assumptions used included observed market prices for the same or similar assets, adjusting them for differences such as production year and usage of the asset. For Depreciated Replacement Cost Method, the key assumptions used included prices of new same or similar equipment based on quotes provided by manufacturers, which was adjusted by estimated useful life and estimated residual value to arrive at a similar level to the particular asset’s depreciation. The revaluation surplus is disclosed in revaluation reserve. The revaluation surplus cannot be distributed to the shareholders due to legal restrictions in the country of incorporation. On annual basis the Group reclassifies portion of revaluation reserve related to depreciation and disposals of property, plant and equipment directly to retained earnings.

14. Rights of use assets

	Land and buildings	Machinery and equipment	Other fixed assets	TOTAL
	EUR	EUR	EUR	EUR
At 1 January 2024				
Net carrying value, opening	8 794	22 420 018	971 277	23 400 089
Additions	2 175 518	21 611 950	916 268	24 703 736
Transfered to PP&E at the end of the lease on transfer of ownership (see Note 13)	-	(1 509 059)	(102 158)	(1 611 217)
Amortisation	(527 658)	(4 364 859)	(321 311)	(5 213 828)
Net carrying value at 31 December 2024	**1 656 654**	**38 158 050**	**1 464 076**	**41 278 780**
At 1 January 2025				
Net carrying value, opening	1 656 654	38 158 050	1 464 076	41 278 780
Additions	3 468	6 810 278	185 217	6 998 963
Transfered to PP&E at the end of the lease on transfer of ownership (see Note 13)	-	(528 041)	(171 403)	(699 444)
Amortisation	(236 901)	(2 310 122)	(124 352)	(2 671 375)
Net carrying value at 30 June 2025	**1 423 221**	**42 130 165**	**1 353 538**	**44 906 924**

All rights of use assets classified as Machinery and equipment and Other fixed assets are leased out by the Group under operating lease terms. Other types of rights of use assets are used by the Group for own purposes.

For information on incremental borrowing rates applied to lease liabilities, refer to Note 23.

Premises rent agreements that can be discontinued by sending letter to premises holder one to six months before termination, are not classified as rights of use assets since both parties have unilateral rights to terminate the contract and there is historical evidence of such right being exercised by both parties. Forklift rent agreements, without specified forklift serial number in agreement also are not classified as rights of use assets as those can be replaced by service provider and there is a history of such replacement at decision by service provider.

Amounts recognized in profit and loss:	**01.01.2025-30.06.2025 EUR**	**01.01.2024-30.06.2024 EUR**
Revenue from sub-lease of rights-of-use assets (see also Note 3)	4 076 139	2 621 226
Revenue from sub-lease of assets, for which lease liabilities are not recognized (see also Note 3)*	3 164 457	3 837 973
Expense related to variable lease payments not included in the measurement of the lease liability*	(2 499 079)	(2 930 413)
Depreciation expenses on right-of-use assets	(2 671 375)	(1 859 936)
Interest expense on lease liabilities	(877 626)	(599 176)
Expense relating to short-term leases	(922 439)	(877 037)
TOTAL:	**270 077**	**192 637**

*The Group does not recognize lease liabilities and right-of-use assets for machinery and equipment leased from split-rent vendors as the lease payments are entirely variable depending on sub-lease rental income.

15. Inventories

	30.06.2025 EUR	31.12.2024 EUR
Goods for resale (at cost)	713 274	179 113
Consumables (at cost)	808 183	667 581
TOTAL:	1 521 457	846 694

16. Trade receivables

	30.06.2025 EUR	31.12.2024 EUR
Trade receivables	10 657 532	9 752 033
Allowance for doubtful debts	(2 604 544)	(2 442 402)
TOTAL:	8 052 988	7 309 631

Interest is not charged on late payment of receivables. Generally, trade receivables are due within 15 - 45 days.

Allowance for doubtful debts is expressed as lifetime expected credit loss and is calculated on a collective basis using simplified approach under IFRS 9.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group's management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information and industry information. Sale limits are established for each customer and reviewed yearly. Any sales exceeding those limits require approval from the entity management or Group management. Monitoring customer credit risk is going on daily basis. Monitoring includes actual information from credit agency and review past due trade payables by each entity debt controllers.

Trade receivables are not secured or collaterized.

The gross carrying amount of a trade receivables is written off when the Group has no reasonable expectations of recovering a trade receivable in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amounts written off. However, trade receivables that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Changes in the allowance for doubtful debts	30.06.2025 EUR	31.12.2024 EUR
At the beginning of the year	**2 284 611**	**2 180 013**
Decrease / (Increase)	319 933	603 278
Written-off	-	(340 889)
TOTAL:	2 604 544	2 442 402

17. Contract assets and contract liabilities

The following tables provide information about receivables, contract assets and contract liabilities from contracts with customers.

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

	30.06.2025	31.12.2024
Contracts balances	**EUR**	**EUR**
Receivables, which are included in 'Trade receivables'	10 657 532	9 671 333
Contract assets	-	1 143
TOTAL:	**10 657 532**	**9 672 476**

The contract liabilities primarily relate to the loyalty points earned by the customers as part of the Group's customer loyalty program, which was launched in 2020, and advances received from customers for performance obligations not yet performed.

	30.06.2025	31.12.2024
Contracts balances	**EUR**	**EUR**
Contract liabilities – loyalty program	(57 201)	(49 380)
Contract liabilities – advances from customers	(216 200)	(310 759)
TOTAL:	**(273 401)**	**(360 139)**

Changes in contract liabilities:	**30.06.2025 EUR**	**31.12.2024 EUR**
At the beginning of the year	**(360 139)**	**(459 935)**
Revenue recognized from amounts included in contract liabilities at the beginning of the period	360 139	459 935
Revenue deferred during the period	(273 401)	(360 139)
TOTAL:	**(273 401)**	**(360 139)**

18. Other receivables

	30.06.2025 EUR	**30.06.2024 EUR**
Guarantee deposit	301 185	271 672
Advances to suppliers	53 109	69 775
Refundable value-added tax	37 123	40 404
Advances to employees	4 715	5 902
TOTAL:	**396 132**	**387 753**

19. Cash and cash equivalents

	30.06.2025 EUR	**31.12.2024 EUR**
Cash in bank and cash, EUR	12 563 270	2 504 823
Cash in bank and cash, SEK	20 987	183 207
TOTAL:	**12 584 257**	**2 688 030**

20. Share capital of the Parent company

The registered share capital of the Group’s legal Parent company was increased by EUR 15,350,000 in 2024, through a material contribution and on 31.12.2024 is 33 500 000, consisting of 33 500 000 shares. The nominal value of a share is EUR 1. All shares have equal voting right and dividend entitlement.

Parent company's shareholders as of 30 June 2024 and 31 December 2024:

Shareholder	Numbers of shares	Amount EUR	Participating interest (%)
“EEKI” SIA	16 750 000	16 750 000	50%
“Supremo” SIA	16 750 000	16 750 000	50%
TOTAL:	**33 500 000**	**33 500 000**	**100%**

Reorganization reserve

In the beginning of March 2024, the Storent Holding Group underwent a legal reorganization process, which has resulted in the transfer of the shares of five subsidiaries from Storent Investments to Storent Holding (shares of SIA “Storent” (Latvia), Storent OÜ (Estonia), UAB “Storent” (Lithuania), Storent Holding Finland Oy (Finland), and Storent AB (Sweden)).

Reorganization reserve	30.06.2025 EUR	2024 EUR
Increase of share capital	15 350 000	15 350 000
TOTAL:	**15 350 000**	**15 350 000**

21. Other provisions

	30.06.2025 EUR	31.12.2024 EUR
Provisions for employee bonuses	25 569	115 004
Provisions for expenses	74 552	23 876
TOTAL:	**100 121**	**138 880**

Provisions for employee bonuses and provisions for expenses are expected to result in cash outflows within a year of the reporting date. The uncertainty arises from the fact that the information on specific cash outflow amounts is not available to the management as at the reporting date. The Group does not expect any reimbursements with respect to the above amounts.

Changes in the provisions:	30.06.2025 EUR	31.12.2024 EUR
At the beginning of the year	**138 880**	**310 616**
Provisions made	100 121	317 449
Provision used	(138 880)	(489 185)
TOTAL:	**100 121**	**138 880**

22. Issued bonds

In 2023, the Group's Parent company Storent Holding AS issued two tranches of the first emission of bonds with maturity date 21.12.2025, coupon interest rate 11%, bond nominal value 100 EUR and total nominal value 15 000 000 EUR. Bonds are listed on the official bond list of AS "Nasdaq Riga."

In 2024, the Group's Parent company Storent Holding AS issued emission of bonds with maturity date 21.09.2026, coupon interest rate 10%, bond nominal value 100 EUR and total nominal value 10 000 000 EUR. Bonds are listed on the official bond list of AS "Nasdaq Riga."

Issued bonds	**Emission date**	**Maturity date**	**Amount**	**Actual interest rate (%)**	**30.06.2025 EUR**	**31.12.2024 EUR**
ISIN code LV0000850089	26.06.2023	21.12.2025	15 000 000	11	10 202 500	15 000 000
ISIN code LV0000850345	25.03.2024	21.09.2026	10 000 000	10	7 909 900	10 000 000
ISIN code LV0000103570	28.04.2025	25.10.2028	23 050 300	10	23 050 300	-
Accrued interest for bonds					470 420	66 250
Incremental cost allocation					(782 064)	(289 383)
				TOTAL:	**40 851 057**	**24 776 867**
				Total Non-current liabilities:	30 178 136	9 710 617
				Total Current liabilities:	10 672 920	15 066 250

Borrowings against issued bonds are unsecured. Full amount of borrowings is repayable upon maturity date. Coupon payment is payable on a quarter basis.

*Total borrowing origination fees and costs amounted to 673 917 EUR. The Group treated these fees and costs as incremental costs related to attract the financing. These fees and costs are an integral part of the effective interest rate of the loans and are treated as an adjustment to the effective interest rate.

Reconciliation of movements of issued bond liabilities to cash flows arising from financing activities:

	30.06.2025 EUR	**31.12.2024 EUR**
Balance at the beginning of the year	**24 776 867**	**14 651 215**
Proceeds from bonds	23 050 300	10 000 000
Bonds exchange	(6 887 600)	-
Total changes from financing cash flows	**16 162 700**	**10 000 000**
Incremental cost allocation	(673 762)	(214 029)
Incremental cost allocation amortization	181 082	314 681
Interest expense	1 854 074	2 817 821
Interest paid	(1 449 904)	(2 792 821)
Total liability-related other changes	**(88 510)**	**125 652**
Balance at the end of the year	**40 851 057**	**24 776 867**

According to Terms and Conditions for emission with ISIN code LV0000103570, the following financial covenants have to be met as long as any bonds are outstanding:

- Shareholders Equity to Assets Ratio may not be lower than 30 (thirty) per cent at the end of each Quarter.

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

22. Issued bonds (cont.)

- The Group's Net Debt/EBITDA Ratio for the Relevant Period at the end of each Quarter may not be higher than 4.5 x (four point five times).

Net Debt/EBITDA Ratio is calculated:
(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 the Group's interest-bearing liabilities (excluding Subordinated Debt) – (minus) cash and cash equivalents to (i) EBITDA for the Relevant Period, or (ii) if the Group has performed an Acquisition during the Relevant Period, Pro-Forma EBITDA for the Relevant Period, as applicable.

"EBITDA" means the net income of the measurement period: (a) increased by any amount of tax on profits, gains or income paid or payable; (b) a increased by any interest expense, fees for financing agreements and lease expenses; (c) before taking into account any exceptional items which are not in line with the ordinary course of business and any non-cash items (such as e.g., asset revaluation or write-down); (d) before taking into account any gains or losses on any foreign exchange gains or losses; (e) increased by any amount attributable to the amortization, depreciation or depletion of assets; and (f) reduced by any interest and similar financial income.

"Acquisition" means any transaction or series of related transactions pursuant to which the Group has acquired a participation in the equity capital of, or a control in, a person if that person pursuant to the International Financial Reporting Standards (IFRS) has to be consolidated into the Group, or any acquisition or transfer of an operating division or business unit of any other person to the Group which constitutes a transfer of enterprise or an independent part thereof (in the meaning of the Commercial Law of the Republic of Latvia (Komerclikums)) or an equivalent legal concept under the relevant laws and regulations in each country in which the Issuer or any Subsidiary operates.

"Pro-Forma EBITDA" means the sum of EBITDA over the Relevant Period plus, to the extent not already reflected in EBITDA, EBITDA over the Relevant Period of any other person or operating division or business unit of any other person acquired in an Acquisition during such period.

<u>According to Terms and Conditions for emissions with ISIN codes LV0000850089 and LV0000850345, the following financial covenants have to be met as long as any bonds are outstanding:</u>

- 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 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.

- Net Debt/EBITDA Ratio for the for the previous 12 (twelve) months based on the Issuer's consolidated financial statements:
  a) may not be higher than 2,5 till Second quarter of 2024 (including);
  b) may not be higher than 4 from Third quarter of 2024 till Second quarter of 2025 (including);
  c) from Third quarter of 2025 may not be higher than 3,5.

Net Debt/EBITDA Ratio is calculated: (a) as at the end of each Quarter determined on the basis of the Issuer's consolidated monthly financial statements for the previous 12 (twelve) months; and (b) as at 31 December each year, as determined on the consolidated basis on the basis of each of the Issuer's annual financial reports.

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

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

Transactions with bonds in 2024

<u>Emissions with ISIN codes LV0000850089 and LV0000850345</u>

In August 2024, AS "Storent Holding" announced a written procedure for obtaining bondholders' consent to amendments to the terms and conditions of the bonds with ISIN code LV0000850089 and ISIN LV0000850345. With the amendments to the Terms and Conditions, the Issuer proposes to amend the Net Debt/EBITDA ratio, providing for a net debt to EBITDA ratio of no more than 4, starting from the 3rd quarter of 2024 to the 2nd quarter of 2025, and starting from the third quarter of 2025, to reduce it to 3.5. This will allow for full compliance with the financial conditions until the redemption of the Bonds. On September 6, 2024, the vote was concluded with a positive result and the amendments to the terms and conditions have been approved.

22. Issued bonds (cont.)

Transactions with bonds in 2025

On 1 April 2025 Storent Holding AS offered to the noteholders who own the notes of Storent Holding AS maturing on 21 December 2025 (ISIN LV0000850089) and on 21 September 2026 (ISIN LV0000850345) an opportunity to exchange the Existing Notes owned by them with the New Storent Holding AS Notes (ISIN LV0000103570). The exchange ratio is one-to-one, and the noteholders may apply for the exchange with any number of the Existing Notes owned by them. On 23 April 2025 the first stage of subscription for Storent Holding AS new notes with ISIN code LV0000103570 ended, where the investors agreed to exchange the notes of Storent Holding AS maturing on maturing on 21 December 2025 (ISIN LV0000850089) and on 21 September 2026 (ISIN LV0000850345) with the New Notes in the total nominal amount of 6 887 600 EUR. Notes issued by Storent Holding AS ISIN code LV0000850089 included in the Exchange trading system was decreased to EUR 10 202 500 and with ISIN code LV0000850345 to EUR 10 202 500. The decrease is in the amount of exchanged bonds.

During 2024 and as at 30 June 2025, the Group's Parent company has complied with the above financial covenants.

	30.06.2025	31.12.2024
EBITDA 2024 total	13 315 997	13 315 997
EBITDA 2024 for period	(4 442 461)	-
EBITDA 2025 for period	5 760 989	-
EBITDA 12 month	**14 634 525**	**13 315 997**
Issued bonds	30 178 136	9 710 617
Lease liabilities	19 200 744	20 428 978
Other borrowing	1 603 052	2 040 727
Long-term liabilities	**50 981 932**	**32 180 322**
Issued bonds	10 672 920	15 066 250
Lease liabilities	7 473 862	7 135 266
Other borrowing	998 145	868 597
Short-term liabilities	**19 144 927**	**23 070 113**
Cash and cash equivalents	**(12 584 257)**	**(2 688 030)**
Net debt	**57 542 602**	**52 562 405**
Net Debt /EBITDA Ratio	**3.93**	**3.95**
Total Equity	47 539 853	51 005 887
Total assets	132 010 433	115 764 736
Shareholder equity to Assets	**36%**	**44%**

23. Lease liabilities

By asset type	*Maturity*	*Interest rate, (%)**	30.06.2025 EUR	31.12.2024 EUR
Leasing companies (various asset types)	Various (2025 - 2030)	1.8-5.5% +3M EURIBOR	21 148 353	21 852 900
Supplier funding (various asset types)	28.09.2028	2%-8.67%	3 683 799	3 699 383
Premise's rent	30.11.2029	10.3%	1 379 148	1 431 478
Car rent	Various (2025-2027)	10.3%	296 786	390 943
Warehouse forklifts	2027	10,58%	152 168	189 540
		TOTAL:	**26 660 254**	**27 564 244**
		Total Non-current liabilities:	19 186 392	20 428 978
		Total Current liabilities:	7 473 862	7 135 266

The maturity of lease liabilities disclosed in Note 31.

*Equals the incremental borrowing rate applied to measure the lease liabilities.

Reconciliation of movements of lease liabilities to cash flows arising from financing activities:

	30.06.2025 EUR	31.12.2024 EUR
Balance at the beginning of the year	**27 564 244**	**14 213 045**
Repayment of lease liabilities	(3 730 603)	(5 717 277)
Total changes from financing cash flows	**(3 730 603)**	**(5 717 277)**
New leases	2 826 613	19 068 425
Interest expenses accrued	877 626	1 537 275
Interest paid	(877 626)	(1 537 275)
Total liability-related other changes	**2 826 613**	**19 068 425**
Balance at the end of the year	**26 660 254**	**27 564 244**

Total cash outflow for leases for the reporting year amounts to:

	01.01.2025-30.06.2025 EUR	2024 EUR
Repayment of lease liabilities	3 730 603	5 717 227
Interest paid	877 626	1 537 275
Expenses relating to short-term leases	922 439	1 746 510
TOTAL:	**5 530 668**	**9 001 012**

24. Other borrowings

In 2024 the Group received loans from S.A.S Yanmar Construction Equipment Europe and LGMG Europe B.V. Total loans amounted to EUR 4 009 910 with interest rate 5,5% per annum. Loans repayment dates are showed in table below. As collateral for contracts with S.A.S Yanmar Construction Equipment Europe and LGMG Europe B.V. promissory notes for each payment have been registered.

	Maturity	Amount EUR	Actual interest rate (%)	30.06.2025 EUR	31.12.2024 EUR
Supplier credit	2028	3 919 910	5.5	2 805 607	3 097 147
Incremental cost allocation				(204 410)	(187 823)
			TOTAL:	**2 601 197**	**2 909 324**
			Total Non-current liabilities:	1 603 052	2 040 727
			Total Current liabilities:	998 145	868 597

Total loans origination fees and costs amounted to EUR 1 058 151. The Group treated these fees and costs as incremental costs related to attracted finance. These fees and costs are on integral part of the effective interest rate of the loans and are treated as an adjustment to the effective interest rate.

Reconciliation of movements of other borrowings to cash flows arising from financing activities:

	30.06.2025 EUR	31.12.2024 EUR
Balance at the beginning of the year	**2 909 324**	**676 832**
Proceeds from other borrowings	-	4 009 910
Repayment of other borrowings	(315 886)	(1 646 961)
Total changes from financing cash flows	**(315 886)**	**2 362 949**
Incremental cost allocation amortization	(89 096)	(138 992)
Interest expense	158 989	99 740
Interest paid	(62 134)	(91 204)
Total liability-related other changes	**7 759**	**(130 457)**
Balance at the end of the year	**2 601 197**	**2 909 324**

Changes in the incremental cost allocation:

	30.06.2025 EUR	31.12.2024 EUR
At the beginning of the year	**187 823**	**48 831**
Incremental cost increase	63 659	187 610
Written off as adjustment to effective interest rate	(47 072)	(48 618)
TOTAL:	**204 410**	**187 823**

25. Taxes and national mandatory social insurance contributions

	30.06.2025 EUR	31.12.2024 EUR
Personal income tax	196 150	197 790
State social security mandatory contributions	240 490	241 618
Value added tax	301 309	355 874
Risk duty	5 083	4 369
TOTAL:	**743 032**	**799 651**

26. Deferred income

	30.06.2025 EUR	31.12.2024 EUR
Gain on sale-and-leaseback transactions	242 868	280 278
TOTAL:	**242 868**	**280 278**
Total Non-current deferred income:	148 411	185 821
Total Current deferred income:	94 457	94 457

Sale-and-leaseback transactions

In 2019 and 2023, the Group entered into two sale-and-leaseback agreements, for which the Group assessed that the transactions did not result in a sale as the Group continued to control the underlying assets. The Group presents the received financing as lease liabilities and presents the excess of financing received over the carrying amount of the underlying assets as deferred liabilities.

Changes in the deferred income:	30.06.2025 EUR	31.12.2024 EUR
At the beginning of the year	**280 278**	**375 034**
Additions	-	-
Amortised and included in income of reporting year (See Note 4)	(37 410)	(94 756)
TOTAL:	**242 868**	**280 278**

27. Other liabilities

	30.06.2025 EUR	31.12.2024 EUR
Payroll	472 819	445 356
Other payables	22 770	13 230
TOTAL:	**495 589**	**458 586**

28. Accrued liabilities

	30.06.2025 EUR	31.12.2024 EUR
Accrued liabilities for unused employee vacations	1 037 301	986 803
Other accrued liabilities	498 433	495 176
Accrued liabilities for defined contribution pension insurance	52 816	39 108
TOTAL:	**1 588 550**	**1 521 087**

29. Related party transactions

29. (a) Related party transactions

Related party	Year	Goods and services received EUR	Goods and services provided EUR	Payables to related companies EUR	Receivables from related companies EUR
Companies that have control over the Group's activities:					
Supremo SIA	2024	-	-	-	-
	01.01.2025-30.06.2025	-	-	-	-
EEKI SIA	2024	-	-	-	-
	01.01.2025-30.06.2025	-	-	-	-
The companies controlled by Group's owners: *					
Aston Baltic SIA	2024	(3 226 610)	-	(532 079)	-
	01.01.2025-30.06.2025	(1 921 485)	-	(511 693)	-
Preferrent SIA	2024	(2 112 682)	58 491	(658 743)	35 750
	01.01.2025-30.06.2025	(858 566)	28 146	(449 326)	3 863
Preferrent OU	2024	(3 647)	-	(786)	-
	01.01.2025-30.06.2025	(1 475)	-	0	-
Preferrent UAB	2024	(39 822)	-	(359)	-
	01.01.2025-30.06.2025	(67 251)	-	(10 508)	-
Cargopoint SIA	2024	(837 641)	-	(165 467)	-
	01.01.2025-30.06.2025	(401 572)	-	(167 062)	-
Cargopoint OU	2024	(284 936)	-	(39 601)	-
	01.01.2025-30.06.2025	(129 937)	-	(68 700)	-
Cargopoint.lt UAB	2024	(532 600)	-	(84 365)	-
	01.01.2025-30.06.2025	(215 981)	-	(86 718)	-
Equipment Provider SIA	2024	(5 178 690)	2 153 337	(174 033)	753 236
	01.01.2025-30.06.2025	(341 380)	650 002	(61 410)	241 889
Equipment Provider OU	2024	(264 122)	-	(118 497)	-
	01.01.2025-30.06.2025	(160 555)	1 226	(44 798)	-
Equipment Provider UAB	2024	(1 306 726)	-	0	-
	01.01.2025-30.06.2025	(817 754)	1 191	(667 883)	80
Ekers Stividors LP, Liepājas speciālās ekonomiskās zonas, SIA	2024	-	611	-	-
	01.01.2025-30.06.2025	-	-	-	-
Ekers Stividors Serviss, SIA	2024	-	8 311	-	500
	01.01.2025-30.06.2025	-	5 776	-	805
Kursas kvartāls, SIA	2024	-	1 830	-	391
	01.01.2025-30.06.2025	-	3 062	-	584
	Total 2024:	**(1 962 768)**	**69 243**	**(1 773 930)**	**789 877**
	Total 01.01.2025-30.06.2025:	**(4 915 956)**	**689 403**	**(2 068 098)**	**247 221**

* Payables to the companies controlled by the Group's management or their relatives are included in the balance sheet item Trade payables, in the amount of EUR 2 068 098 as at 30 June 2025 (2024: EUR 1 773 930). Receivables by the companies controlled by the Group's management or their relatives are included in the balance sheet item Trade receivables, in the amount of EUR 247 221 as at 30 June 2025 (2024: EUR 789 877).

29. (b) Loans issued to related parties

	Maturity date	Loan amount	Actual interest rate (%)	30.06.2025 EUR	31.12.2024 EUR
EEKI SIA	31.12.2026	1 500 000	13%	763 683	763 683
Supremo SIA	31.12.2026	1 500 000	13%	1 665 404	1 665 404
Accrued interest				575 824	575 824
			Long term receivables:	**2 924 211**	**2 924 211**
			Short term receivables:	**80 700**	**80 700**

Loans to related parties issued without security and their recoverability is assessed individually.

No events of insolvency or delays of payments have been identified during the reporting year, and no other specific increase in credit risk triggers have been identified. As at 30 June 2025, all loans to related parties are assessed as Stage 1 in line with IFRS 9 requirements. Impairment allowance for expected credit loss is considered as immaterial, thus, not disclosed separately. There has been no movement of loans to related parties between the Stages during 2025.

There has been no change in the contractual terms for loans issued to related parties during 2025.

There have been no write-offs of loans issued to related parties during 2025.

The carrying amount of loans issued to related parties represents the Company’s maximum exposure to related credit risk.

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

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

30. Financial instruments

Current and non-current loans and borrowings, trade receivables, cash and finance lease are the Group's key financial instruments. The financial instruments are held to finance the operating activities of the Group. The Group handles many other financial instruments, e.g., trade and other receivables, trade and other payables that arise. None of the Group's financial assets or financial liabilities are measured at fair value. Fair value is determined at initial recognition and, for disclosure purposes, at each reporting date.

Categories of financial assets and liabilities

	As at 30.06.2025		As at 31.12.2024	
Financial assets	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Loans and receivables held at amortised cost				
- Loans to related parties	2 924 211	2 924 211	3 004 911	3 004 911
- Trade receivables	8 052 988	8 052 988	7 228 931	7 228 931
- Other receivables	396 132	396 132	387 453	387 753
- Cash and cash equivalents	12 584 257	12 584 257	2 688 030	2 688 030
TOTAL financial assets:	**23 957 587**	**23 957 587**	**13 309 625**	**13 309 625**

	As at 30.06.2025		As at 31.12.2024	
Financial liabilities	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial liabilities held at amortized cost				
- Issued bonds	40 851 057	41 264 662	24 776 867	24 940 478
- Lease liabilities	26 660 254	26 660 254	27 564 244	27 564 244
- Other borrowings	2 601 197	2 601 197	2 909 324	2 909 324
- Trade payables	10 854 719	10 854 719	5 837 981	5 837 981
- Other payables	1 283 025	1 283 025	1 270 061	1 270 061
TOTAL financial liabilities:	**82 250 253**	**82 663 858**	**62 358 477**	**62 522 088**

31. Financial risk management

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

— Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

— Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

— Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair value of Trade receivables and Other receivables with no stated interest rate and cash and cash equivalents is deemed to approximate their face value on initial recognition and carrying value on any subsequent date as the effect of discounting is immaterial and therefore not disclosed in these financial statements.

Fair value of financial liabilities with outstanding maturities shorter than six months, other than issued bonds, is deemed to approximate their face value on initial recognition and carrying value on any subsequent date as the effect of discounting is immaterial and therefore not disclosed in these financial statements.

Fair value of financial liabilities with outstanding maturities longer than six months, other than issued bonds, is estimated based on the present value of future principal and interest cash flows, discounted using the effective interest rate of the corresponding agreement which, in the management's view, represents the market rate of interest at the measurement date for companies similar to the Group.

The Group's subsidiary Storent Investments AS issued bonds are classified as Level 3 in the fair value hierarchy. The market for these bonds is not assessed as an active market. The significant non-observable key input to determing the fair value of the issued bonds is that no adjustment to the observable quotes is required.

All of the Group's financial assets and financial liabilities are determined to be Level 3 in the fair value hierarchy.

There were no transfers between fair value hierarchy levels in 2025 and in 2024.

The key risks associated with the Group's financial instruments are credit risk, liquidity risk, interest rate risk and currency risk. The management develops risk management policy in respect of each of the risks.

Credit risk

Credit risk is the risk that the Group incurred a financial loss if counterparty will fail to fulfil their obligations to the Group. The Group has credit risk exposure related to trade receivables, cash and cash equivalents. The Group controls its credit risk by closely monitoring the customer payment history and setting separate terms and conditions to individual customers. In addition, the Group closely monitors receivables balances to minimize the possibility of bad debts.

In terms of receivables as at 30 June 2025 and 31 December 2024 the Group did not have a significant credit risk concentration in respect of a single transaction partner or a group of partners of similar transactions.

The Group manages credit risk by independently assessing counterparty credit history and defining acceptable credit limit. The Group regularly monitors the overdue trade receivables. Trade receivables have a carrying amount which is reduced by loss allowances for bad and doubtful trade receivables (see Note 16).

The maximum credit risk exposure at 30 June 2025 was EUR 23 957 587 (31 December 2024 was EUR 13 309 625).

31. Financial risk management (cont.)

At 30 June 2025 and 31 December 2024, the exposure to credit risk for trade receivables by geographic region was as follows:

	Carrying amount	
EUR	**30.06.2025**	**2024**
Baltics	6 556 033	6 289 114
Nordics	1 496 955	1 020 517
Total:	**8 052 988**	**7 309 631**

30.06.2025 EUR	**Weighted-average loss rate**	**Gross carrying amount**	**Loss allowance**	**Creditimpaired**
Current (not past due)	0,0%	6 270 825	(2 580)	No
1–30 days past due	0,4%	804 414	(3 362)	No
31–60 days past due	1,6%	386 254	(6 167)	No
61–90 days past due	9,0%	177 184	(15 985)	No
More than 90 days past due	85,3%	3 018 854	(2 576 450)	Yes
Total on 30 June 2025		**10 657 532**	**(2 604 544)**	**-**

31.12.2024 EUR	**Weighted-average loss rate**	**Gross carrying amount**	**Loss allowance**	**Creditimpaired**
Current (not past due)	0,6%	4 380 963	(25 517)	No
1–30 days past due	1,1%	1 877 380	(20 707)	No
31–60 days past due	2,0%	678 124	(13 319)	No
61–90 days past due	19,3%	249 237	(94 802)	No
More than 90 days past due	85,4%	2 566 329	(2 288 057)	Yes
Total on 31 December 2024		**9 752 033**	**(2 442 402)**	**-**

31. Financial risk management (cont.)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to timely and in full to ensure fulfilling its own commitments. Liquidity risk arises when terms of payments of financial assets and liabilities are not correlating. The Group's liquidity risk management is to maintain adequate cash and cash equivalent amount and provide sufficient financing in order to be able to fulfil its obligations in time. The Group manages its liquidity risk by maintaining adequate cash and cash equivalents, planning payments of trade payables as well as developing and analysing future cash flows. The budgeting system used by the Group is helpful in the management and control of liquidity risk management.

The Group's management considers that the Group will have sufficient cash resources, and its liquidity will not be compromised. As at 30 June 2025, the Group's liquidity ratio was 0,67. As at 31 December 2024, the Group's liquidity ratio was 0,34. Please refer to Note 33 for going concern considerations.

At 30 June 2025 and 31 December 2024, the maturity of the financial liabilities of the Group, based on undiscounted payments provided for in the agreements, can be disclosed as follows:

30.06.2025	Contractual cash flows					Expected interest payments	Carrying amount
	< 3 months	**3-6 months**	**6-12 months**	**1-5 years**	**Total**	**Total**	**Total**
Issued bonds	(1 054 574)	(12 031 079)	(10 610 425)	(27 084 103)	**(50 780 181)**	(9 929 124)	40 851 057
Lease liabilities	(2 539 039)	(3 945 686)	(8 209 860)	(15 401 663)	**(30 096 248)**	(3 435 994)	26 660 254
Other borrowings	(576 949)	(522 218)	(602 040)	(1 118 258)	**(2 819 465)**	(218 268)	2 601 197
Trade payables	(10 854 719)	-	-	-	**(10 854 719)**	-	10 854 719
Tax and other payables	(1 283 025)	-	-	-	**(1 283 025)**	-	1 283 025
Total:	**(16 308 306)**	**(16 498 983)**	**(19 422 325)**	**(43 604 024)**	**(95 833 635)**	**(13 583 386)**	**82 250 252**

31.12.2024	Contractual cash flows					Expected interest payments	Carrying amount
	< 3 months	**3-6 months**	**6-12 months**	**1-5 years**	**Total**	**Total**	**Total**
Issued bonds	(662 500)	(662 500)	(16 825 000)	(10 250 000)	**(28 400 000)**	(3 623 133)	24 776 867
Lease liabilities	(1 773 005)	(2 621 591)	(8 065 849)	(19 237 863)	**(31 698 308)**	(4 134 064)	27 564 244
Other borrowings	(378 019)	(131 725)	(986 523)	(2 046 846)	**(3 543 113)**	(633 789)	2 909 324
Trade payables	(5 837 981)	-	-	-	**(5 837 981)**	-	5 837 981
Tax and other payables	(1 270 061)	-	-	-	**(1 270 061)**	-	1 270 061
Total:	**(9 921 566)**	**(3 415 816)**	**(25 877 372)**	**(31 534 709)**	**(70 749 463)**	**(8 390 986)**	**62 358 477**

Interest rate risk

Interest rate risk is the risk of financial losses incurred by the Group due to adverse fluctuations in interest rates. The Group is exposed to interest rate risk mainly related to its current and non-current lease liabilities, while the interest rates on the Group's other liabilities are fixed and, thus, not subject to interest rate risk. This exposes the Group to the risk that interest expenses will increase in a situation when interest rates go up. The average interest rate on the Group's liabilities is disclosed in Notes 22, 23, 24 and 29 c. The Group doesn't use derivative financial instruments to manage its exposure to interest rate risk.

As the variable part of the interest rate applied to lease liabilities is floored at 0%, the sensitivity of the Group's comprehensive income and equity (as a result of the lease liabilities (see Note 23) with a variable interest rate element of 3M EURIBOR) to a reasonably possible.

32. Capital management

The purpose of the management of Group capital is to provide a high credit rating and balanced structure of capital to ensure successful activity of the Group and to maximize Group's share value. The Group is not subject to any externally imposed capital requirements. The Group is controlling structure of the capital and adjusts that structure according to economic conditions. For control and adjustment of structure of the capital, the Group can change conditions of payment of dividends to shareholders, to return them part of shares or to release new shares. In 2025 and 2024 there were no changes introduced to purposes, policy or processes related to management of the capital.

	30.06.2025 EUR	31.12.2024 EUR
Interest bearing loans and borrowings	70 112 508	55 250 435
Trade and other payables	12 137 745	7 468 181
Less cash and cash equivalents	(12 584 257)	(2 688 030)
Net debt	**69 665 996**	**60 030 586**
Equity	47 539 853	50 504 110
Net debt to equity ratio:	**1.47**	**1.19**

33. Going concern of the Group

The Group's financial performance in the reporting period was a loss of EUR 3 126 181, which was driven by the impact of the revaluation reserve. However, they do not affect retained earnings, as they are fully offset by the previously recognised revaluation reserve and reflected as a reduction of the revaluation reserve and increase of retained earnings in the statement of changes in equity. The Group's operational performance without the influence of revaluation-related adjustments in the reporting year was loss of EUR 1 828 697 (2024: profit of EUR 927 813). At the end of the reporting period, the Group's current liabilities exceeded its current assets by EUR 10 490 355 (31.12.2024: current liabilities exceeded current assets by EUR 20 788 458) as a result of bond emission with repayment date in the end of 2025 short term lease borrowings with a monthly payment schedule. The Group management has made budget and cash flows plan and has not identified any events or conditions that may cast significant doubts on the Group's ability to continue as a going concern, especially taking in account that NetDebt/EBITDA ratio is in a very "healthy" level of 3.93.

The Group management has made forecast and cash flows plan and has not identified any events or conditions that may cast significant doubts on the Group's ability to continue as a going concern. Although the first half of the year ended with losses, the company's management predicts a successful second half of the year and it is planned to end 2025 with a profit.

The rental income from our own equipment increased by 19% compared to the same period last year. As we are right at the beginning of a more active rental season and the new equipment is just put into circulation, the rental income from Storent equipment is increasing every month, the July forecast shows that it will already reach increase of 30%. In July the estimated growth of rent income from own equipment by country from own equipment is following Estonia 7%, Sweden 52%, Lithuania 24%, Latvia 25% and Finland 5%.
Storent growth is fastest in the Baltic region, it makes 81% of the total revenue. Storent has successful co-operation with Rail Baltica - the biggest infrastructure project in the region, as well as with the military development.

34. Post balance sheet events

Non-adjusting events

During the period between the last day of the financial year and the date of signing of these consolidated financial statements there have been no other events that would have required adjustments or disclosure in the consolidated financial statements.