

**JOINT-STOCK COMPANY
STORENT HOLDING**
(REGISTRATION NUMBER 40203174397)

CONSOLIDATED ANNUAL REPORT 2024

PREPARED IN ACCORDANCE WITH THE
IFRS ACCOUNTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION
AND INDEPENDENT AUDITORS' REPORT

Riga, 2025

** This version of consolidated financial statements is a translation from the original, which was prepared in the Latvian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, the original language version of consolidated financial statements takes precedence over this translation.*

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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 EEKI SIA (Latvia) 50%, Eri Esta
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
Independent auditor and sworn auditor name and address	KPMG Baltics SIA Roberta Hirša street 1, Riga Latvia, LV – 1045 License No. 55 Armine Movsisjana Latvian Sworn Auditor Certificate No. 178

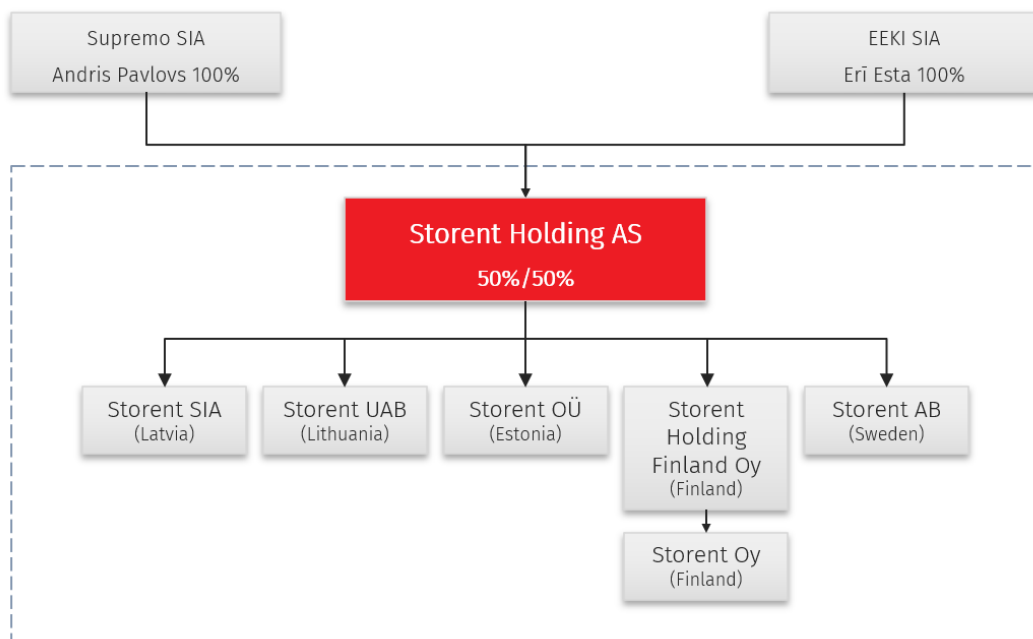
Management report

The Group's type of operations

Storent 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 depots 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.

Storent Holding AS (hereinafter – the Group's Parent company or Storent Holding) was established on 11 October 2018. In March of 2024 the shares of SIA "Storent" (Latvia), Storent OÜ (Estonia), UAB "Storent" (Lithuania), Storent Holding Finland Oy (Finland), and Storent AB (Sweden) previously held by sub-holding company Storent Investments were invested into Storent Holdings as contributions in kind and all other assets, including intangible assets, and liabilities of Storent Investments, except for its investment in subsidiary registered in Kaliningrad, were contributed into Storent Holding AS as well. The remaining Storent Investments AS legal entity containing only the investment in Storent OOO, a company registered in the Kaliningrad region, Russia, was sold to third parties and excluded from the Storent Holding Group. As a result of this reorganization, the share capital of Storent Holdings was increased to 33.5 million euros. Additionally, the corporate name of Storent Holdings was changed to Storent Holding and its corporate form was altered from a limited liability company (sabiedrība ar ierobežotu atbildību or SIA) to a joint-stock company (akciju sabiedrība or AS). The new structure of the Storent Group is illustrated below.



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

In 2024, Group operating activity net revenue reached nearly 45,3 million euro (in 2023: 42,7), representing a 6% increase, compared to the previous year. EBITDA reached 11,4 million euro according to IFRS and 13,3 million euro adjusted (alternative performance measure (APM) excluding the accounting effects related to the revaluation reserve). Although sales volumes increased, adjusted EBITDA did not show growth, primarily due to a 29% increase in personnel expenses. In 2023, the Group revalued its property, plant and equipment to fair value. In accordance with IAS 16, revalued assets must subsequently be carried at their revalued amounts, and depreciation must be calculated based on those revalued amounts. As a result of applying this standard, the Group's statement of profit or loss reflects revaluation-related adjustments in two-line items: 1,9 million euro represents additional depreciation recognised in accordance with the standard for the disposed revalued assets and 1,4 million euro increase in depreciation expense is recognised due to the higher carrying amount of assets following revaluation. Overall impact of revaluation reserve loss for the year is 3,3 million euro. Losses arising from the impact of the revaluation reserve, in the amount of EUR 3,3 million, are presented as expenses in the Consolidated statement of comprehensive income. 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 (see Consolidated statement of changes in equity).

While the company's operational profitability is strong, as indicated by EBITDA, fleet investment-related costs are having a significant impact on EBIT and EBT. It is expected that in the coming periods the investments will continue to produce strong underlying performance and are crucial for long-term growth. Storent invested nearly 24 million euros in the replacement and expansion of its fleet (including lease contracts). A substantial portion of these investments was directed towards key product groups: telescopic handlers and forklifts, earthmoving equipment, aerial lifts and working platforms, generators, ground tightening equipment and others. Currently, 32% of the fleet is newer than two years.

Storent Holding financial indicators, thousands of euro	2024 acc IFRS	2024 adjustments	2024 APM	2023 acc IFRS	Change acc IFRS %	Change vs APM, %
Net revenue	45 254	-	45 254	42 667	6.06%	6.06%
Total revenue	45 276	(1 874)	47 191	43 753	3.57%	7.86%
EBITDA	11 442	(1 874)	13 316	13 713	-16.56%	-2,89%
EBITDA %	25%	-	28%	31%		
Net result	(3 012)	(3 306)	294	4 781	-163%	-93,85%
Net result %	(6,65%)	-	0,6%	10.9%		

Throughout 2024, the Group successfully transitioned from its outdated ERP system to a new cloud-based solution across all five operating countries, marking a significant milestone in improving operational efficiency on a large scale. The implementation required substantial time and financial resources to optimize workflows and ensure continuous efficiency improvements for employees. The new system automates routine tasks, allowing employees to focus on business priorities, ultimately driving increased profitability. This optimization enables the company to achieve greater efficiency with fewer resources. The Group remains committed to investing in digital tools and technologies. The new web version for clients, set to launch in 2025, will provide an enhanced online experience, offering more features and options than the current platform.

Storent DNA is built on high achievement. To foster a high-performance culture across the company, Storent introduced Star Program, a remuneration system, which applies to most positions across the company and ensures top industry earnings for high performers by evaluating individual results and rewarding teamwork when financial targets are met. The program is designed to retain and attract the best talent in the industry—those who are proactive, result oriented and eager to develop.

In the Baltic region, Storent remains a key partner in the largest construction projects while maintaining strong cooperation with the military sector. In the Nordics, the company continues to focus on its expertise in telehandlers and lifting solutions. Staying aligned with its strategy, the company prioritizes the use of its own rental equipment, reducing reliance on split-rent and improving overall results across all regions.

In 2024, Storent successfully completed its bond issue program, raising 10 million euros. The funds from this bond issue were utilized in expanding and renewing our fleet. This equipment was selected through close collaboration among country managers, taking into account each market's unique characteristics, customer needs, and future strategies. We renewed a diverse range of lifts and earthmoving equipment, and made significant investments in the telescopic handler segment.

The Group's consolidated balance sheet has a stable structure consisting of 44% shareholders equity, 28% long term liabilities and 28% short term liabilities. Non-current assets constitute 90% of the total assets. The Group's business peculiarity historically was always having a working capital deficit due to large amount of liabilities to finance investments in rental equipment. The Group considers this peculiarity and strategizes accordingly. In the reporting year the Group has doubled funds in total bank account balance at the end of the reporting period. This amount is sufficient to ensure the Group's operational activities and have a reserve in advance. Following table shows main historical balance sheet ratios:

Thousands of euros	31.12.2024	31.12.2023
Shareholder equity	51 006	58 023
Total assets	115 765	96 006
Shareholder equity to Assets	44%	60%
Net debt	52 562	28 726
EBITDA based on IFRS measures	11 442	13 713
Effect of revaluations*	1 874	-
EBITDA APM for covenants	13 316	13 713
Net debt/EBITDA APM for covenants	3.95	2.09

*According to Storent Holding AS General Term and Conditions of the Notes point 16.2. ““EBITDA” means net profit of the Group for the Relevant Period calculated according to the most recent Financial Reports: (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)”. Please also see discussion on APMs in the consolidated financial statements.

In the Baltic region, Storent remains a key partner in the largest construction projects while maintaining strong cooperation with the military sector. In the Nordics, the company continues to focus on its expertise in telehandlers and lifting solutions. Staying aligned with its strategy, the company prioritizes the use of its own rental equipment, reducing reliance on split-rent and improving overall results across all regions. In 2025 planned sales increase of 10-15% and EBITDA growth of 15-25%, which management expects to achieve in existing markets and potential targets.

The future development of the Group

The Storent Group is gearing up for expansion, planning to grow its fleet and open new rental depots. An additional up to €20 million investment is set to be made before the start of the high season. At the beginning of 2025, the Group opened a new rental depot in Kaunas, Lithuania, marking its 30th location, along with another new depot in Gulbene, Latvia. Storent sees the highest potential for growth in the Baltic region; however, Nordic markets are also showing positive trends after a period of recession.

Alongside expansion, Storent is heavily investing in its team, implementing extensive training programs across key areas such as sales, product knowledge, management, and repair & maintenance. Additionally, Storent is developing a digital platform to centralize training materials, ensuring continuous learning opportunities for all employees. These initiatives ensure that employees are equipped with the necessary expertise to drive growth and operational excellence.

As the development of the construction market has a big impact on the Group, the management is closely monitoring the situation and adjusting strategies in each country, where its subsidiaries operate. In addition to that, the Group is using other market opportunities to ensure optimal business returns, such as the military sector, events and farming. The focus of the Storent Group in 2025 is increasing the market share and improving the Group's profitability. After careful evaluation of the market trends and the Group management's strategies, the Group launched its next bond issue in April of 2025 raising total amount of 23 million euros.

Please see Note 35 for the management consideration of the Group's ability to continue as a going concern.

Financial risk management

The Group's key principles of financial risk management are laid out in Note 33.

Conditions and events after the end of the reporting year

In April 2025, Storent Holding AS announced a new bond issue of EUR 35 million, that was the third bond issue for the Group. As a result of the big investor interest, through issuance of bonds the Group raised total amount of 23 million EUR in April 2025, which we consider to be an excellent result given the current geopolitical sentiment globally and in the Baltics. The Group will use the proceeds for new investments, further mergers and acquisition and to refinance its liabilities.

Storent Holding is looking for further growth in all countries using investments in rental fleet and continuing to look for Merger and Acquisition deals. Shareholders of the Group are looking for capital increase and considering an initial public offering (IPO) to be one of the options. The Group has signed a letter of intent with a potential acquisition target in Texas, the United States, and, subject to satisfactory due diligence, plans to acquire a 70% stake in the target company. It is envisaged that the two existing shareholders of the target company will each retain a 15% stake, together holding 30% of the remaining shares, and will continue contributing to the business operations of the target company, while the Group will leverage its expertise particularly in IT and business development.

During the period between the last day of the reporting year and the date of signing of these consolidated financial statements, there have been no other events requiring adjustment of or disclosure in these consolidated financial statements or notes thereto.

On behalf of the Group, the management report was signed on May 30, 2025 by:

Andris Pavlovs, Chairman of the Board

Baiba Onkele, Board member

Consolidated annual report is approved in shareholders meeting on 30 May 2025

Statement of management's responsibility

The Group's management confirms that the consolidated financial statements have been prepared in accordance with the applicable legislation requirements and present a true and fair view of the Group's financial position as at 31 December 2024 and as at 31 December 2023 and its financial performance and cash flows for the years 2024 and 2023 then ended. The management report contains a clear summary of the Group's business development and financial performance. The consolidated financial statements have been prepared according to the IFRS Accounting Standards as adopted by the European Union. During the preparation of the Group's consolidated financial statements the management:

- ♦ used and consequently applied appropriate accounting policies;
- ♦ provided reasonable and prudent judgments and estimates;
- ♦ applied a going concern principle unless the application of the principle wouldn't be justifiable.

The Group's management is responsible for maintaining appropriate accounting records that would provide a true and fair presentation of the Group's financial position at a particular date and financial performance and cash flows and enable the management to prepare the consolidated financial statements according to the IFRS Accounting Standards as adopted by the European Union.

On behalf of the Group, this statement of management's responsibility was signed on May 30, 2025 by:
This document is electronically signed with a secure electronic signature and contains a time stamp

Andris Pavlovs, Chairman of the Board

Baiba Onkele, Board member

Consolidated statement of comprehensive income

	Notes	2024	2024	2024	2023
		IFRS measure reported	PPE revaluation effects**	Non-IFRS APM: results of operations before revaluation effects**	IFRS measure reported restated*
		EUR	EUR	EUR	EUR
Net revenue	3	45 253 919	-	45 253 919	42 667 128
Other operating income	4	62 345	(1 874 244)	1 936 589	1 086 126
Cost of materials and services	5	(15 474 257)	-	(15 474 257)	(15 499 946)
Personnel costs	11	(11 399 901)	-	(11 399 901)	(8 830 068)
Other operating expenses	6	(6 736 887)	-	(6 736 887)	(6 185 693)
Impairment gain / (loss) on trade receivables and contract asset	17	(263 466)	-	(263 466)	475 170
EBITDA***		11 441 753	(1 874 244)	13 315 997	13 712 717
Depreciation and amortization	7	(9 403 131)	(1 431 781)	(7 971 350)	(6 135 910)
Finance income	8	394 930	-	394 930	680 403
Finance expenses	9	(4 811 764)	-	(4 811 764)	(2 751 468)
Profit / (loss) before income tax**		(2 378 212)	(3 306 025)	927 813	5 505 742
Income tax income / (expenses)	10	(745 577)	-	(745 577)	(690 570)
Deferred income tax	10	111 891	-	111 891	(211 891)
Profit/(loss) from continuing operations**		(3 011 898)	(3 306 025)	294 127	4 603 281
Profit/(loss) from discontinuing operation, net of tax		-	-	-	177 782
Profit / (loss) for the year**		(3 011 898)	(3 306 025)	294 127	4 781 063
Items that may be reclassified subsequently to profit or loss					
Exchange differences on foreign currency operations		78 993	-	78 993	(47 192)
Revaluation of property, plant and equipment	13	-	-	-	32 629 762
Other comprehensive income/(loss) for the year		78 993	-	78 993	32 582 570
Total comprehensive income/(loss) for the year*		(2 932 905)	(3 306 025)	373 120	37 363 633

*Please see Note 13.

**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 1 431 781 calculated in 2024 and the increased cost of previously revalued items of PPE that were disposed in 2024 of EUR 1 874 244 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 3 306 025, 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 13 to 61 are an integral part of these consolidated financial statements.

On behalf of the Group these consolidated financial statements were signed on May 30, 2025 by:

Andris Pavlovs, Chairman of the Board

Baiba Onkele, Board member

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Consolidated statement of financial position**ASSETS**

	Note	31.12.2024	31.12.2023 restated*
		EUR	EUR
NON-CURRENT ASSETS			
Intangible assets			
Licences and similar rights		32 570	44 084
Computer software		4 731 877	2 364 665
Intangible assets in progress		372 450	252 950
Goodwill		10 987 122	10 987 122
TOTAL Intangible assets	12	16 124 019	13 648 821
Property, plant and equipment			
Land and buildibgs		167 675	178 335
Machinery and equipment		43 098 192	45 608 657
Other fixed assets		452 967	300 582
Construction of property, plant and equipment		214 644	706 589
TOTAL Property, plant and equipment	13	43 933 478	46 794 163
Right of use assets (Property, plant and equipment under lease and loan agreements)			
Right of use assets (Property, plant and equipment under lease and loan agreements)	14	41 278 780	23 400 089
Other non-current assets			
Loans to related parties	31(b)	2 924 211	3 000 000
TOTAL Other non-current assets		2 924 211	3 000 000
TOTAL NON- CURRENT ASSETS		104 260 488	86 843 073
CURRENT ASSETS			
Inventories	15	846 694	804 899
Non-current assets held for sale	16	-	188 820
Trade and other receivables			
Trade receivables	17	7 309 631	5 768 478
Contract assets	18	1 143	1 143
Other receivables	19	387 753	362 880
Deferred expenses	20	270 997	320 117
TOTAL Receivables		7 969 524	6 452 618
Cash and cash equivalents	21	2 688 030	1 717 088
TOTAL CURRENT ASSETS		11 504 248	9 163 425
TOTAL ASSETS		115 764 736	96 006 498

*Please see Note 13.

The notes on pages 13 to 61 are an integral part of these consolidated financial statements.

On behalf of the Group these consolidated financial statements were signed on May 30, 2025 by:

Andris Pavlovs, Chairman of the Board

Baiba Onkele, Board member

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Consolidated statement of financial position

EQUITY AND LIABILITIES	Note	31.12.2024	31.12.2023 restated*
		EUR	EUR
EQUITY			
Share capital	22	33 500 000	18 150 000
Reserves:			
Revaluation reserve	13	29 323 737	32 629 762
Reorganization reserve	22	(15 350 000)	-
Foreign currency translation reserve		-	(78 993)
Other reserves		26 774	26 774
Retained earnings:			
Retained earnings/ (accumulated losses)		3 505 376	7 294 973
TOTAL EQUITY		51 005 887	58 022 516
CREDITORS			
Long-term liabilities			
Issued bonds	24	9 710 617	14 609 965
Lease liabilities	25	20 428 978	10 071 222
Other borrowing	26	2 040 727	-
Deferred income	28	185 821	280 577
Deferred income tax liabilities	10	100 000	211 891
TOTAL Long-term liabilities		32 466 143	25 173 655
Short-term liabilities			
Issued bonds	24	15 066 250	41 250
Borrowings from related parties	31(d)	-	901 717
Lease liabilities	25	7 135 266	4 141 824
Other borrowing	26	868 597	676 832
Liabilities directly associated with the assets held for sale	16	-	88 820
Contract liabilities	18	360 139	459 935
Trade payables		5 837 969	3 882 760
Corporate income tax		11 824	36 835
Taxes and mandatory state social insurance contributions	27	799 651	541 407
Deferred income	28	94 457	94 457
Other provisions	23	138 880	310 616
Other liabilities	29	458 586	418 728
Accrued liabilities	30	1 521 087	1 215 146
TOTAL Short-term liabilities		32 292 706	12 810 327
TOTAL LIABILITIES		64 758 849	37 983 982
TOTAL EQUITY AND LIABILITIES		115 764 736	96 006 498

*Please see Note 13.

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Andris Pavlovs, Chairman of the Board

Baiba Onkele, Board member

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Consolidated statement of cash flows			
	Notes	2024	2023
Cash flows from operating activities		EUR	EUR
Profit (Loss) for the year		(3 011 898)	4 781 063
Adjustments:			
Income tax expenses		633 686	902 461
Amortisation of intangible assets and depreciation of fixed assets, plant and equipment	12,13,14	9 403 132	6 135 910
Net result on disposal of property, plant and equipment		861 571	(140 970)
Interest expenses	9	4 472 247	2 386 048
Interest income	8	(394 930)	(219 486)
Provision decrease		(178 003)	181 660
Cash flows from operating activities before changes in working capital		11 785 805	14 026 686
Receivables (increase)/ decrease		(1 595 091)	1 695 074
Inventories decrease / (increase)		450 150	379 818
Payables (decrease) / increase		2 152 810	(1 377 454)
Gross cash flows from operating activities		12 793 674	14 724 124
Interest paid		(4 477 478)	(2 241 914)
Corporate income tax paid		(558 697)	(654 266)
Net cash flows from operating activities		7 757 499	11 827 944
Cash flows from investing activities			
Purchase of intangible assets and property, plant and equipment		(11 433 955)	(3 359 948)
Proceeds from sale of property, plant and equipment		2 338 616	1 513 895
Loans granted		2 017 900	-
Loans repaid		(1 547 181)	(3 000 000)
Net cash flows from investing activities		(8 624 620)	(4 846 053)
Cash flows from financing activities			
Proceeds from bonds	24	10 000 000	15 000 000
Proceeds from other borrowings	26	4 009 910	-
Repayment of bonds		-	(4 870 500)
Repayment of borrowings from related parties	31 (d)	(901 717)	-
Repayment of other borrowings	26	(1 646 961)	(6 879 077)
Repayment of lease liabilities	25	(5 717 227)	(6 744 616)
Paid dividends		(3 905 942)	(2 398 470)
Net cash flows from financing activities		1 838 063	(5 892 663)
Foreign currency exchange		-	(47 192)
Net cash flows for the years		970 942	1 042 036
Cash and cash equivalents at the beginning of the reporting year		1 717 088	675 052
Cash at the end of the reporting year	21	2 688 030	1 717 088

The notes on pages 13 to 61 are an integral part of these consolidated financial statements.

On behalf of the Group these consolidated financial statements were signed on May 30, 2025 by:

Andris Pavlovs, Chairman of the Board

Baiba Onkele, Board member

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Consolidated statement of changes in equity

	Share capital	Foreign currency translation reserve	Revaluation reserve** (restated)	Reorganization reserve***	Other reserves*	Retained earnings / (losses)	Total (restated)**
	EUR	EUR	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 comprehensive income / (expenses) (restated)	-	(47 192)	32 629 762	-	-	-	32 582 570
Total comprehensive income (restated)	-	(47 192)	32 629 762	-	-	4 781 063	37 363 633
Transactions with owners of the Company:							
Dividends paid	-	-	-	-	-	(2 398 470)	(2 398 470)
Balance at 31 December 2023 (restated)	18 150 000	(78 993)	32 629 762	-	26 774	7 294 973	58 022 516
Loss for the year	-	-	-	-	-	(3 011 898)	(3 011 898)
Other comprehensive income	-	78 993	-	-	-	-	78 993
Total comprehensive 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 (Note 22)	15 350 000	-	-	(15 350 000)	-	(177 781)	(177 781)
Dividends paid (Note 31c)	-	-	-	-	-	(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

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

** Please see Note 13.

*** Please see Note 22.

The notes on pages 13 to 61 are an integral part of these consolidated financial statements.

On behalf of the Group these consolidated financial statements were signed on May 30, 2025 by:

Andris Pavlovs, Chairman of the Board

Baiba Onkele, Board member

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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

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union (EU) and the interpretations issued by the International Financial Reporting Issues Committee as adopted by the EU. The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

The consolidated financial statements have been prepared on the historical cost basis, except for Property, plant and equipment – Machinery and equipment and Right of use assets – Machinery and equipment, which are carried at revalued amounts. Income statement classified by expense type. Statement of cash flows is prepared using the indirect method.

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

These Consolidated Financial Statements are authorized for issue by the Company’s Management Board on May ____, 2025, and are subject to the approval of the shareholders. The shareholders have the right to reject these Consolidated Financial Statements prepared and issued by the Management Board and the right to request that new Consolidated Financial Statements are prepared and issued.

b) Consolidation

As at 31 December 2024, the Group’s Parent company had direct and indirect control over the following subsidiaries (hereinafter – Subsidiaries):

Name	Country	Type of business	Date of incorporation / 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

During 2023, the subsidiary SEL Investments SIA was merged with Storent Investments AS, and indirect subsidiaries Selectia SIA and Selectia Plus SIA were merged with Storent SIA. Both mergers have been finished as of 30 November 2023 with no impact on consolidated financial statements for 2023.

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, the increase of share capital of Storent Holding to EUR 33 500 000, the change in the corporate form to a joint stock company, the change in the corporate name of Storent Holdings SIA to Storent Holding AS and disposal of the indirect equity interest in Storent OOO.

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 31 December.

European Central Bank reference exchange rates:

	31.12.2024	31.12.2023
	EUR	EUR
1 USD	0.96255	0.90498
1 GBP	1.20601	1.15068
1 SEK	0.08726	0.08716

d) Consolidation of foreign subsidiaries

Consolidating foreign subsidiaries into the consolidated financial statements, 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. Taking into consideration the Group's planned level of activities and the estimated value in use of the assets, the Group's management considers that no significant adjustments to the carrying values of intangible assets and fixed assets are necessary as of 31 December 2024.

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. In 2024 error in the estimate of fair value of property, plant and equipment as at 31 December 2023 resulting from the Group management not using all available information on market transactions in determining the fair values was discovered. Effects of correction of error are described in Note 13.

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. In 2024 Group reviewed useful lives for the most significant product groups revalued as of 31 December 2023.

f) Cash Flow Statement and Significant Judgments

The Group prepares its consolidated statement of cash using the indirect method. Cash flows are classified into operating, investing, and financing activities based on the nature of the underlying transactions. Management has made the following significant judgments in the preparation of the cash flow statement:

Classification of Interest and Dividends: Management has determined that interest paid is classified as a operating activity, and interest received is classified as an investing activity, reflecting the nature of the underlying transactions and the Group's financing structure. Dividends received are classified as investing activities, while dividends paid are classified as financing activities. This classification was based on the Group's business model and industry practice.

Presentation of Cash and Cash Equivalents: Management has exercised judgment in determining the composition of cash and cash equivalents, including deposits with original maturities of three months or less, which are subject to an insignificant risk of changes in value. Bank overdrafts that form an integral part of the Group's cash management are included in cash and cash equivalents for the purpose of the cash flow statement.

Treatment of Foreign Currency Cash Flows: Cash flows arising from transactions in foreign currencies are translated using the exchange rates at the dates of the cash flows. Management has judged that the effects of exchange rate changes on cash and cash equivalents are presented separately in the cash flow statement to provide more relevant information about cash movements.

2. Summary of significant accounting policies (cont.)

g) 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).

Where the fair value of a financial instrument at initial recognition differs from the transaction price, the difference is recognized as follows:

- if the fair value is evidenced by a quoted price in an active market for an identical asset or liability (Level 1 input) or based on observable market data (Level 2 input), the difference is recognized immediately in profit or loss.
- if the fair value is not based on observable inputs (Level 3 inputs), the initial difference is deferred and recognized in profit or loss over the life of the instrument, or when observable market inputs become available, or when the instrument is derecognized.

h) Business combinations

According to IFRS 3 Business is 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.
-

i) 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 the 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.

2. Summary of significant accounting policies (cont.)

j) 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.

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

Transport and related services revenue

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.

Fulfilment 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.

Revenue from sale of inventories and property, plant and equipment used for renting

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.

2. Summary of significant accounting policies (cont.)**k) 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.

l) 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, recognized revaluation reserve 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.

The Group has evaluated the expected timing of reversal of taxable temporary differences and concluded that these are mostly expected to be set-off using the unused tax losses carried forward. As the remaining amount of taxable temporary differences is assessed as not material, it is not presented separately.

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. As at 31 December 2024, the parent company has determined that a certain amount of the subsidiary's in Latvia profits will be distributed in the beginning of 2025, while the majority of retained earnings will be used for reinvestment considering significant growth plans of the Group. As a result, the Group has recognized deferred tax liability in the amount of EUR 100 000.

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) 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.

Finance costs are recognized in the period in which they are incurred. Finance costs are generally measured based on the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the life of the financial instrument (such as a loan or bond) to the net carrying amount of the liability.

2. Summary of significant accounting policies (cont.)

o) Intangible assets

Goodwill

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in comprehensive income as incurred. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is disclosed in intangible assets section.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Impairment test is performed annually or more frequently if events or changes in circumstances indicate that it might be impaired. For the purpose of impairment testing, recoverable amount - value in use - is determined by discounting the future cash flows generated from the continuing use of assets and was based on the following key assumptions: Cash flows were projected based on financial budgets approved by the management covering a five-year period. Each of the Group's subsidiaries was determined to be a separate cash-generating unit ("CGU"), while consideration was given to the practice to relocate fleet (mostly owned by Latvian subsidiary) to other geographical locations. Cash flows were calculated separately for each CGU, key assumptions for calculations are the same for all CGU: five-year business plan for each CGU, discount factor, which is based on WACC calculation, and Group total interest-bearing debt was divided between each CGU according to fleet proportion. The five-year business plan is based on the following assumptions: Group's amortisation and depreciation costs, IT costs, management fee, insurance costs and interest expenses are allocated to individual budget of each CGU according to fleet proportion allocated. Fleet proportion was calculated as a percent from total Group fleet according to fleet location to the date, when impairment test was performed, and adjusted for expected changes in fleet location based on business plan assumptions. By using the same fleet proportion all Group's liabilities for equipment purchase are allocated in impairment calculation. Any loss from goodwill impairment is recognized in consolidated statement of comprehensive income. Please, also refer to Note 12.

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. In the reporting period, the Group did not incur any research costs.

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. Starting in 2024, the Group began using a newly developed software solution, designed specifically to meet the Group's operational requirements. The software is classified as an intangible asset and is amortised on a straight-line basis over its estimated useful life of 10 years. The amortisation period reflects the software's technological sustainability, its strategic importance to the Group's operations, and management's assessment that no significant replacement or modification will be required within the next 10 years.

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.)

p) Property, plant and equipment

The acquisition costs include all expenditures attributable to bringing 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.)

q) *Impairment of tangible and intangible assets other than goodwill*

At the end of each reporting period, the Group assesses the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Each Group's subsidiary was determined as separate CGU.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated statement of comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

r) *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.

s) *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.

t) *Non-current assets and disposal groups classified as held for sale*

Non-current assets and disposal groups that will be recovered through sale rather than through continuing use are classified as non-current assets and disposal groups classified as held for sale. An asset or a disposal group held for sale is measured at the lower of its previous carrying value and fair value less costs to sell.

The conditions that must be met before a non-current asset or a disposal group can be classified as held for sale or discounted operations are as follows:

- The non-current asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets or disposal groups; and
- Its sale must be highly probable, i.e.
 - management must be committed to a plan to sell the non-current assets or disposal group;
 - an active program to locate a buyer and complete the plan must be initiated;
 - the non-current assets or disposal group must be actively marketed for sale at a reasonable price in relation to its current fair value;
 - the sale should be expected to qualify for recognition as a completed sale within one year from date of classification;
 - actions required to complete the plan should indicate that it is unlikely that the plan be changed significantly or be withdrawn.

Non-current assets that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

2. Summary of significant accounting policies (cont.)

At the end of the reporting year 2022, the Group management had committed to a plan to sell a subsidiary company. This subsidiary was presented as a disposal group held for sale as at 31.12.2023. Expected fair value less costs to sell is lower than the net carrying amount of the disposal group's assets and liabilities. Remeasurement loss on a reclassification of disposal group as held for sale is allocated first to impairment loss on goodwill, and then to the remaining assets. Please see Note 16.

u) 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.

v) 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.

w) 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.

x) Trade and Other Payables

Trade and other payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, unless the impact of discounting is immaterial. Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the reporting period that are unpaid at the reporting date.

The obligations are generally unsecured and are usually settled within the normal credit terms of suppliers. Trade and other payables are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the reporting date.

y) 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 receivables. 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 an earlier arrangement without any profit arising

2. Summary of significant accounting policies (cont.)

y) **Financial assets and financial liabilities (cont.)**

- 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 17). 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.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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.

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.

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.

2. Summary of significant accounting policies (cont.)

z) 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.

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.

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, except for right-of-use assets for equipment and machinery, which are measured at revalued amount being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses, same as similar fixed assets. See also Note 2. (n).

Right-of-use assets are depreciated over the period of the lease term or the useful life of the underlying asset if it is longer and the asset's ownership is transferred to the Group after the end of the lease term.

2. Summary of significant accounting policies (cont.)**aa) 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;
 - 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.

bb) Common control transactions

Common control transactions are transactions between entities that are under the control of the same parent company or the same group of owners. Such transactions are not accounted for under the provisions of IFRS 3 "Business Combinations", as they fall outside the scope of that standard.

The Company accounts for such transactions based on an accounting policy that reflects the economic substance of the transaction. Typically, such transactions are accounted for using the book value method, meaning that the acquired assets and liabilities are recognized at their carrying amounts as recorded in the transferring entity's financial statements on the date of the transaction.

Income and expenses related to these transactions are not recognized in the statement of profit or loss unless they arise from actual exchanges of goods or services. Any differences arising from such transactions are recognized in equity under the heading "Unrealized gains or losses from transactions under common control".

Reorganization

During the reporting year, a group restructuring was carried out under common control, whereby several subsidiaries were transferred as a non-cash contribution to the share capital of the parent company. As the transaction occurred between entities under common control, it was not recognised in the statement of profit or loss. This transaction had no impact on the Group's consolidated results, assets, liabilities or cash flows as the Group has chosen to carry over subsidiary values used in previous consolidations.

cc) 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.

dd) 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.

2. Summary of significant accounting policies (cont.)

ee) 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.

Standards and amendments to existing standards issued by IASB but that are not yet effective

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, unless stated otherwise.

3. Net revenue and operating segments

	2024	2023	2023 Discontinued*
	EUR	EUR	EUR
<i>Net revenue by products and services</i>			
Rental revenue – own equipment	22 027 118	21 712 188	707 477
Rental revenue – sub-lease of right-of-use assets (see also Note 14)	6 984 424	4 706 655	-
Rental revenue – equipment under split rent arrangements (see also Note 14)	8 136 542	6 907 316	15 439
TOTAL Rental income:	37 148 084	33 326 159	722 916
Transport and related services revenue	7 727 582	7 607 979	43 019
Revenue from sale of inventories	415 700	1 785 341	9 705
Cash discounts to customers	(37 447)	(52 351)	-
TOTAL Revenue from contracts with customers:	8 105 835	9 340 969	52 724
TOTAL:	45 253 919	42 667 128	775 640

*Please see Note 16

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.

	2024	2023
	EUR	EUR
<i>Net revenue per geographical location</i>		
Latvia	17 352 234	16 550 030
Lithuania	9 446 113	10 141 307
Estonia	5 996 854	4 248 294
TOTAL Baltic (Latvia, Estonia and Lithuania):	32 795 201	30 939 631
Finland	10 070 126	9 064 359
Sweden	2 388 592	2 663 138
TOTAL Nordic (Finland and Sweden):	12 458 718	11 727 497
Russia, Kaliningrad (discontinued)	-	775 640
TOTAL:	45 253 919	43 442 768

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).

	2024	2023
	EUR	EUR
<i>Operating result per geographical location</i>		
Baltic (Latvia, Estonia and Lithuania)	3 916 409	7 554 632
Nordic (Finland and Sweden)	(1 600 049)	(121 390)
Elimination of inter-segment operating result	(277 737)	143 565
Finance income	394 930	680 403
Finance expenses	(4 811 764)	(2 751 468)
Consolidated profit/(loss) before income tax from continuing operations:	(2 378 212)	5 505 742

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.

<i>Property, plant and equipment and right of use assets per geographical location, net book value</i>	31.12.2024 EUR	31.12.2023 EUR
Finland	18 338 462	16 686 365
Sweden	3 679 684	2 372 474
TOTAL Nordic (Finland and Sweden):	22 018 146	19 058 839
Latvia	33 238 707	26 758 008
Lithuania	17 252 392	15 520 849
Estonia	12 703 013	8 856 556
TOTAL Baltic (Latvia, Estonia and Lithuania):	63 194 112	51 135 413
TOTAL:	85 212 258	70 194 252
<i>Intangible assets (including goodwill) and right of use assets per geographical location, net book value</i>	31.12.2024 EUR	31.12.2023 EUR
Finland	2 127 401	1 654 139
Sweden	221 814	89 887
TOTAL Nordic (Finland and Sweden):	2 349 215	1 744 026
Latvia	2 815 465	1 827 017
Lithuania	9 684 597	9 233 099
Estonia	1 274 742	844 679
TOTAL Baltic (Latvia, Estonia and Lithuania):	13 774 804	11 904 795
TOTAL:	16 124 019	13 648 821
TOTAL NON-CURRENT NON-FINANCIAL ASSETS:	101 336 277	83 843 073

4. Other operating income

<i>By type</i>	2024 EUR	2023 EUR	2023 Discontinued* EUR
Insurance reimbursements received	299 764	206 397	-
Cost reimbursement	144 852	88 639	-
Recognized deferred income (see also Note 28)	94 756	48 609	-
Other income	15 693	8 222	3 867
Gains/(losses) on sale of property, plant and equipment used for renting, net*	(492 720)	734 259	72 368
TOTAL:	62 345	1 086 126	76 235

*Please see Note 16

4. Other operating income (cont.)

*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.

	2024	2023	2023
	EUR	EUR	Discontinued* EUR
<i>Gains / (losses) on sale of property, plant and equipment used for renting, net calculation:</i>			
Gross income from sale of property, plant and equipment used for renting	2 338 616	1 140 031	410 928
Cost of sold property, plant and equipment used for renting	(2 831 336)	(405 772)	(338 560)
TOTAL Gains / (losses) on sale of property, plant and equipment used for renting, net:	(492 720)	734 259	72 368

Net gains are presented under Other operating income, while Net losses are presented under Other operating expenses.

*Please see Note 16

5. Cost of materials and services**a) Costs of raw materials and ancillary materials**

	2024	2023	2023
	EUR	EUR	Discontinued * EUR
Cost of materials	320 553	858 026	7 252
Renting equipment adjustments as a result of stock counts	51 115	63	-
TOTAL:	371 668	858 089	7 252

b) Other external costs

	2024	2023	2023
	EUR	EUR	Discontinued * EUR
Equipment rent related costs (see also Note 14)	6 348 891	5 568 417	11 883
Transport and assembly services	5 457 647	5 868 476	35 830
Repairs and maintenance services	3 296 051	3 204 964	62 042
TOTAL:	15 102 589	14 641 857	109 755
TOTAL:	15 474 257	15 499 946	117 007

*Please see Note 16

6. Other operating expenses

	2024	2023	2023
	EUR	EUR	Discontinued * EUR
Rent of offices, areas and maintenance costs	2 669 301	2 460 606	51 123
IT expenses	822 127	739 858	5 292
Other administrative expenses	772 690	584 570	11 457
Administration transport costs	604 229	478 097	8 470
Marketing expenses	463 572	393 691	6 120
Insurance costs	372 034	361 553	170
Remuneration to contractors	319 604	336 070	-
Written-off doubtful debts	340 889	275 191	10 132
Legal services	112 090	206 626	-
Communication expenses	94 538	87 932	2 344
Consulting and other services**	165 813	261 499	-
TOTAL:	6 736 887	6 185 693	95 108

*Please see Note 16.

**including fees to independent auditor KPMG Baltics SIA:

	2024	2023
	EUR	EUR
Statutory audit of financial statements	118 039	117 705
TOTAL:	118 039	117 705

7. Depreciation and amortization

	2024	2023	2023
	EUR	EUR	Discontinued * EUR
Depreciation of property, plant and equipment used for renting	3 650 616	2 528 910	87 671
Depreciation of property, plant and equipment used for own needs	251 348	234 319	6 062
Rights of use assets amortization	5 213 828	2 568 153	-
Amortization of intangible assets	287 339	804 528	543
TOTAL:	9 403 131	6 135 910	94 276

*Please see Note 16.

8. Finance income

	2024	2023
	EUR	EUR
Interest income calculated using the effective interest method	394 930	219 486
Discount for fully repaid loan before the stated maturity	-	460 917
TOTAL:	394 930	680 403

9. Finance expenses	2024	2023	2023
	EUR	EUR	Discontinued *
			EUR
Interest on borrowings** calculated using the effective interest method	108 740	574 199	-
Interest on leases	1 537 275	676 735	-
Interest on bonds** calculated using the effective interest method	2 817 821	1 063 826	-
Interest on factoring***	8 411	5 806	-
Foreign exchange losses	1 598	141 299	14 612
Other expenses	337 919	289 603	-
TOTAL:	4 811 764	2 751 468	14 612

*Please see Note 16.

**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 this contract has been prolonged till 31.03.2026.

10. Income tax and deferred income tax assets / liabilities

	2024	2023	2023 Discontinued *
	EUR	EUR	EUR
Corporate income tax calculated for the year	(745 577)	(690 570)	(93 622)
Deferred income tax changes due to temporary differences	111 891	(211 891)	-
Corporate income tax recognized in consolidated statement of comprehensive income:	(633 686)	(902 461)	(93 622)

*Please see Note 16.

The Group's reconciliation of the effective tax rate is based on its domestic tax rate, with a reconciling item in respect of tax rates applied by Group companies in other jurisdictions. The reconciliation of the effective tax rate is based on an applicable tax rate that provides the most meaningful information to users.

Reconciliation of the actual corporate income tax with calculated theoretical tax:

		2024 EUR		2023 EUR
Profit / (loss) before income tax, subject to corporate income tax		(2 378 212)		5 505 742
The calculated theoretical corporate income tax – at 20%	20,0%	(475 643)	20,0%	1 101 148
Effect of tax rates in foreign jurisdictions	(0,61%)	(14 428)	(0,48%)	26 459
Permanent differences:				
Impact of profit distribution	(23,37%)	(781 188)	8,71%	(479 694)
Impact of revaluation reserve change	32,85%	661 205		
Non-deductible expenses and other permanent differences	8,98%	213 493	(2,30%)	126 723
Unrecognized temporary differences (tax losses carried forward)	43,32%	1 030 247	(2,32%)	127 825
The actual corporate income tax for the reporting year:		26,65%	633 686	(16,39%)
			902 461	

Deferred income tax:

The Group management has determined that a part of eligible subsidiary's profits in Latvia will be distributed in the first quarter of 2025 while for the remaining part there is no Group management's decision on distribution in the foreseeable future, and, thus, the Group has recognized related deferred tax liabilities only to the extent profit distribution is known. The recognized deferred tax liabilities as at 31 December 2024 amount to EUR 100 000 (31.12.2023: EUR 211 891) and unrecognized deferred tax liabilities as at 31 December 2024 amount to EUR 739 610 (31.12.2023: EUR 1 583 684).

The unused tax losses, for which deferred tax asset is recognized only to the extent of taxable temporary differences, as at 31 December 2024 consist of EUR 6 202 485 (31.12.2023: EUR 4 566 527) that expire from 2028 to 2034 and EUR 8 335 655 (31.12.2023: EUR 7 321 821) that, under certain conditions, do not expire. There are no other material deductible temporary differences and unused tax credits for which no deferred tax asset is recognised.

The Group's management has prepared a business plan for the next five-years. Based on the five-year business plan for Finland, Sweden and Lithuania the management think that the next five-years' taxable profit will cover part of the previous tax losses. As a result, the Group's management decided to recognize deferred tax assets only in the amount equal to the deferred tax liabilities arising from taxable temporary differences that are expected to reverse in future reporting periods.

10. Income tax income and deferred income tax assets / liabilities (cont.)

Movement in deferred tax balances 2024 EUR	Net balance at 1 January	Recognised in profit or loss	Currency revaluation effect	Balance at 31 December 2024		
				Net	Deferred tax assets	Deferred tax liabilities
Accelerated depreciation for tax purposes	(339 421)	185 385	-	(154 036)	-	(154 036)
Tax losses carried forward	2 353 293	409 201	-	2 762 494	2 762 494	-
Other items	(175 419)	175 419	-	-	-	-
Expected profit distribution	(211 891)	111 891	-	(100 000)	-	(100 000)
Unrecognized deferred tax asset	(1 838 453)	(770 005)	-	(2 608 458)	(2 608 458)	-
	(211 891)	111 891	-	(100 000)	154 036	(254 036)
				Set-off	(154 036)	154 036
				Net deferred tax	-	(100 000)

Movement in deferred tax balances 2023 EUR	Net balance at 1 January	Recognised in profit or loss	Currency revaluation effect	Balance at 31 December 2023		
				Net	Deferred tax assets	Deferred tax liabilities
Accelerated depreciation for tax purposes	(108 279)	(231 142)	-	(339 421)	-	(339 421)
Tax losses carried forward	2 260 133	93 160	-	2 353 293	2 353 293	-
Other items	(175 419)	-	-	(175 419)	-	(175 419)
Expected profit distribution	-	(211 891)	-	(211 891)	-	(211 891)
Unrecognized deferred tax asset	(1 976 435)	137 982	-	(1 838 453)	(1 838 453)	-
	-	(211 891)	-	(211 891)	514 840	(726 731)
				Set-off	(514 840)	514 840
				Net deferred tax	-	(211 891)

11. Personnel costs and number of employees

	2024	2023	2023 Discontinued *
	EUR	EUR	EUR
Salaries	8 878 254	6 857 929	101 364
State social security mandatory contributions	1 849 057	1 547 122	21 798
Other personnel costs	672 590	425 017	13 631
TOTAL:	11 399 901	8 830 068	136 793

Executive management remuneration:	2024	2023
	EUR	EUR

Board members

Salaries	91 470	113 522
State social security mandatory contributions	21 652	31 523
TOTAL:	113 122	145 045

	2024	2023
Average number of employees during the reporting year	244	231
TOTAL:	244	231

	2024	2023	2023 Discontinued *
	EUR	EUR	EUR
Personnel costs by function:			
Sales	4 282 585	3 317 179	51 389
Customer services	4 639 851	3 593 909	55 676
Administration and finance staff	2 477 465	1 918 980	29 728
TOTAL:	11 399 901	8 830 068	136 793

*Please see Note 16.

12. Intangible assets

	Licences and similar rights	Computer software	Intangible assets in progress	Goodwill	TOTAL
	EUR	EUR	EUR	EUR	EUR
At 31 December 2022					
Historical cost	561 682	6 870 154	-	10 987 122	18 418 958
Accumulated amortisation and depreciation	(503 974)	(4 851 543)	-	-	(5 355 517)
Net carrying value	57 708	2 018 611	-	10 987 122	13 063 441
FY 2023					
Net carrying value, opening	57 708	2 018 611	-	10 987 122	13 063 441
Additions	-	1 136 958	252 950	-	1 389 908
Write-off	-	(4 239 862)	-	-	(4 239 862)
Excluded amortisation	-	4 239 862	-	-	4 239 862
Amortisation	(13 624)	(790 904)	-	-	(804 528)
Net carrying value	44 084	2 364 665	252 950	10 987 122	13 648 821
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
Transferred 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

All

intangible assets are used by the Group.

Fully amortized intangible assets. On 31 December 2024, intangible assets of the Group included assets with acquisition value of EUR 854 221 (31.12.2023.: EUR 1 319 789), 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 2024 and 2023, 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.

12. Intangible assets (cont.)

Goodwill by CGU	31.12.2024 EUR	31.12.2023 EUR
Storent SIA	680 035	680 035
Storent UAB	8 742 675	8 742 675
Storent OU	542 475	542 475
Storent Oy	1 021 937	1 021 937
	10 987 122	10 987 122
Investment value by CGU	31.12.2024 EUR	31.12.2023 EUR
Storent SIA	22 550 000	10 927 613
Storent UAB	8 610 000	12 442 694
Storent OU	5 875 000	13 110 558
Storent Oy	4 550 000	4 872 500
Storent AB	1 114 584	3 847 323
	42 699 584	45 200 688

Investment value has changed in 2024 as a result of internal reorganization (please refer to Note 22) and independent valuation done upon reorganization. Nevertheless, considering the fact that the reorganization was treated as transaction under common control, book value accounting was used in consolidated financial statements and the reorganization had no effect on the values used in consolidated accounts.

The key assumptions used in the estimation of the recoverable amount (value in use) of the Group's CGUs are the following:

31.12.2024	Storent SIA	Storent UAB	Storent OU	Storent Oy	Storent AB
EBITDA margin	38%-45% in years 2025-2028, 45% in terminal year (2024 actual: 38%)	29%-36% in years 2025-2028, 36% in terminal year (2024 actual: 27%)	24%-32% in years 2025-2028, 32% in terminal year (2024 actual: 21%)	26%-33% in years 2025-2028, 32% in terminal year (2024 actual: 20%)	21%-34% in years 2025-2028, 34% in terminal year (2024 actual: 11%)
EBITDA growth rate per year**	10,16%	15,2%	53,8%	12,7%	49,6%
Period of cash flows forecast	5 years + terminal year	5 years + terminal year	5 years + terminal year	5 years + terminal year	5 years + terminal year
WACC*	10,67%	10,76%	10,58%	10,32%	10,12 %
Terminal growth rate	2%	2%	2%	2%	2%

* Discount rate forecasts are based on the actual cost of capital of group companies.

** The increase in the nominal EBITDA growth rate is due to the additional financing raised by the Group which enables increased investments in rental fleet expansion and renewal.

12. Intangible assets (cont.)

31.12.2023	Storent SIA	Storent UAB	Storent OU	Storent Oy	Storent AB
EBITDA margin	34%-41% in years 2024-2027, 34% in terminal year (2023 actual: 43%)	30%-33% in years 2024-2027, 30% in terminal year (2023 actual: 29%)	31%-33% in years 2024-2027, 32% in terminal year (2023 actual: 12%)	28%-32% in years 2024-2027, 28% in terminal year (2023 actual: 30%)	24%-32% in years 2024-2027, 32% in terminal year (2023 actual: -13%)
EBITDA growth rate per year**	5.4%	17.1%	63.4%	15.3%	65.7%
Period of cash flows forecast	5 years + terminal year	5 years + terminal year	5 years + terminal year	5 years + terminal year	5 years + terminal year
WACC*	8,96%	8,96%	8,96%	8,96%	8,96%
Terminal growth rate	2%	2%	2%	2%	2%

* Discount rate forecasts are based on the actual cost of capital of group companies.

** The increase in the nominal EBITDA growth rate is due to the additional financing raised by the Group which enables increased investments in rental fleet expansion and renewal.

To determine the key assumptions of EBITDA margin and EBITDA growth rate, the Group management has considered both the Group's past experience as well the future trends and forecasts of the construction market in the specific country where the CGU is located.

The recoverable amount of intangible assets and other long-term non-financial assets depends on the growth in net revenue of the Storent Holding Group, the EBITDA margin (resulting from internal cost optimisation), the timing and scale of EBITDA growth, the applied discount rate, as well as management's ability to deliver on these assumptions and the overall development of the construction equipment rental market in the Baltics and the Nordics. Any unfavourable changes in these assumptions that may be caused by volatility of the market, in which the Group operate, may have a negative influence of the carrying amount goodwill and other non-current non-financial assets recognized on the Group's consolidated balance sheet as of 31 December 2024. Please refer further to Notes 35 and 36.

It must be noted as well as the majority of long-term non-financial assets are owned by the Latvian subsidiary of the Group that shows the strongest performance at current stage, rents fleet to other subsidiaries and is able to absorb certain level of asset relocations if dictated by business necessities.

Sensitivity analysis

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the CGUs to which goodwill is allocated. Analysis of the sensitivity is based on same assumptions as impairment test and as described above. Management estimated that all countries will ultimately reach a similar EBITDA margin level by increasing sales and significantly improving efficiency as outlined above, especially in Estonia and Sweden. The Latvian CGU result has been achieved because it serves as the Group's operational hub, has the largest number of rental depots, managing the distribution of the new fleet.

The key assumptions that can affect the recoverable value and, thus, the carrying amount of the cash-generating units are the fulfilment of the EBITDA budget and the weighted average cost of capital. The table below shows the impact of the change in these two assumptions on the value headroom/(impairment) of the cash-generating unit.

	Weighted average cost of capital 10,12%-10,76% (8,96% in 2023)				EBITDA target reached by 90%			
	EBITDA target reached by 90%	EBITDA target reached by 80%	EBITDA target reached by 90%	EBITDA target reached by 80%	Weighted average cost of capital (1,0%)	Weighted average cost of capital +1,0%	Weighted average cost of capital 7,96%	Weighted average cost of capital 9,96%
m EUR	2024	2024	2023	2023	2024	2024	2023	2023
Latvia	27,3	18,2	39,7	31,86	33,3	22,6	46,77	34,43
Lithuania	4,8	0,8	15,08	10,48	7,3	2,8	19,33	11,91
Estonia	2,2	-0,9	-3,27	-7,39	4,4	0,5	0,82	-6,34
Sweden	0,6	-0,4	4,29	1,24	1,5	0,08	7,61	1,79
Finland	7,7	4,5	7,97	4,15	9,9	6,0	11,27	5,49
TOTAL:	42,6	22,2	63,77	40,34	56,4	32,0	85,80	47,28

12. Intangible assets (cont.)

Based on the calculations performed by management, a decrease in EBITDA or increase in discount rate would lead to the fact that the carrying amount of Estonian and Sweden CGU, including the allocated corporate assets, may not reach the expected recoverable amount as of December 31, 2024. The management of the group, in close cooperation with the management of the Estonian and Sweden CGU, carefully considers and implements the sales strategy in Estonia and Sweden in order to prevent non-compliance with the planned EBITDA level. Every following month in 2025 shows rent income increase in Estonia and Sweden, as a result of experienced and goal-oriented management and sales team from the industry that joined the subsidiary in late 2023. The Group's management supports the Estonian and Swedish entity with new investments, according to internal budget Estonia and Sweden will get significant share from Group's total capital expenditure plan in 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 2022					
Historical cost	302 978	43 742 073	4 033 720	-	48 078 771
Accumulated amortisation and depreciation	(113 964)	(25 820 263)	(3 681 281)	-	(29 615 508)
Net carrying value	189 014	17 921 810	352 439	-	18 463 263
FY 2023*					
Net carrying value, opening	189 014	17 921 810	352 439	-	18 463 263
Additions	-	1 558 621	206 837	706 589	2 472 047
Revaluation to fair value	-	29 306 822	-	-	29 306 822
Transferred from ROU at the end of the lease (Note 14)	-	633 537	54 745	-	688 282
Write-off	-	(1 283 223)	(89 799)	-	(1 373 022)
Amortisation	(10 679)	(2 528 910)	(223 640)	-	(2 763 229)
Net carrying value	178 335	45 608 657	300 582	706 589	46 794 163
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
Transferred	-	706 589	-	(706 589)	0
Transferred 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

*Restatement – please see description below in this Note.

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 management of the Group has changed the accounting estimate of fixed assets depreciation by introducing residual value (previously, residual value was presumed to be zero), as its necessity was evidenced by the profitable sale of equipment on the secondary market. Storent Group conducted several large machinery sales auctions in Europe with very good profit indicators. That gave additional evidence that the depreciation rates of fixed assets applied in the previous reporting periods reduced the carrying amount of the fixed assets balance too quickly. The depreciation of fixed assets by month was recalculated accordingly for the whole year 2023. Residual value determination is a change in estimate, applied prospectively. Had the Storent Group not introduced residual values in 2023, the depreciation charge would be by 2 487 413 EUR higher than the actual depreciation charge recognized in 2023.

13. Property, plant and equipment (cont.)

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.

Error in the Fair Value Estimate as at 31 December 2023

Fair value was originally set at 31 December 2023, based on an independent valuation covering all units in the Group's rental fleet and market data obtained from reliable sources. Following the analysis of auctions held during 2024 (including the first half of 2024) and their financial outcomes, the Group's management concluded that the revaluation of certain groups of property, plant and equipment performed in 2023 was based on limited amount of data on market transactions and relatively optimistic approach on 31 December 2023. It is no less important to consider that the Group's rental fleet consists of several tens of thousands of units, which makes detailed analysis of each unit difficult. Specifically, the management concluded that the coefficients applied to determine fair values of such items of property, plant and equipment where sales prices could be derived from auctions only, were set too high when estimating potential sales price in the most advantageous market. As a result, fair values of certain items as of 31 December 2023 exceeded the carrying amount by more than 2.5 times. The management revised the assumptions concluding that adjusted fair value should be approximately 40% of the original acquisition cost. This assumption is based on market evidence indicating that similar equipment is typically sold at auction (assets sold in groups and at short notice) for around 30% (net result after transportation costs and auctions commissions) of its original purchase price, and that auction prices are typically 20–40% below results of regular market individual asset sale transactions. Based on the above reassessment, management concluded that the revaluation reserve recognised in 2023 should be reduced by EUR 7 789 267.

<i>Line item:</i>	Previously reported EUR	Adjustment EUR	Restated EUR
Machinery and equipment	53 397 924	(7 789 267)	45 608 657
Total Assets	103 795 765	(7 789 267)	96 006 498
Revaluation reserve	40 419 029	(7 789 267)	32 629 762
Total Equity	65 811 783	(7 789 267)	58 022 516
Revaluation of property, plant and equipment	40 419 029	(7 789 267)	32 629 762
Other comprehensive income	40 371 836	(7 789 267)	32 582 569
Total comprehensive income (loss) for the year	45 152 900	(7 789 267)	37 363 633

In management view, this reassessment indicates error in prior year estimate as opposed to change in estimate to be accounted for prospectively because of the following reasons:

- While the reassessment was triggered by 2024 auctions, negative auction results were observed throughout the year, including the first half of 2024. Furthermore, there were no specific adverse market developments in 2024 that would trigger equipment price drops.
- No 2024 hindsight or new information was used by the management in coefficient estimates as outlined above; instead, the management believes that in 2023 revaluation process, given the significant volume of equipment, did not fully reflect some material differences in value.. Upon review of available auction sales results prices in 2023 evidence relevant to the Group was confirmed by wider market data.

This correction was recognised as a downward restatement in revaluation reserve as at 31 December 2023 with corresponding reduction in the carrying value of property, plant and equipment. No third statement of financial position is presented as the correction only affects financial position as at 31 December 2023.

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.

Changes in the revaluation reserve	31.12.2024 EUR	31.12.2023 EUR (restated)
At the beginning of the year	32 629 762	-
Revaluation reserve transferred to retained earnings on disposal of property, plant and equipment	(1 874 244)	-
Increase due to revaluation of own machinery and equipment	-	29 306 822
Revaluation reserve transferred to retained earnings due to depreciation revalued property, plant and equipment	(1 431 781)	-
Increase due to revaluation of rights of use assets	-	3 322 940
Written-off	-	-
TOTAL:	29 323 737	32 629 762

14. Rights of use assets

	Land and buildings	Machinery and equipment	Other fixed assets	TOTAL
	EUR	EUR	EUR	EUR
At 1 January 2023				
Net carrying value, opening	270 484	8 966 494	690 298	9 927 276
Additions	3 312	12 806 304	596 694	13 406 310
Revaluation to fair value*	-	3 322 940	-	3 322 940
Transferred to PP&E at the end of the lease on transfer of ownership (see Note 13)	-	(633 537)	(54 745)	(688 282)
Amortisation	(265 002)	(2 042 183)	(260 970)	(2 568 155)
Net carrying value at 31 December 2023*	8 794	22 420 018	971 277	23 400 089
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
Transferred 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

*For detailed information about Revaluation to fair value please see Note 13.

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 25.

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.

	2024	2023	2023 Discontinued*
Amounts recognized in profit and loss:	EUR	EUR	EUR
Revenue from sub-lease of rights-of-use assets (see also Note 3)	6 984 424	4 706 655	-
Revenue from sub-lease of assets, for which lease liabilities are not recognized (see also Note 3)**	8 136 542	6 907 316	15 439
Expense related to variable lease payments not included in the measurement of the lease liability**	(6 348 891)	(5 568 417)	(11 883)
Depreciation expenses on right-of-use assets	(5 213 828)	(2 568 155)	-
Interest expense on lease liabilities	(1 499 537)	(676 735)	-
Expense relating to short-term leases	(1 746 510)	(1 666 412)	(33 058)
TOTAL:	312 200	1 134 252	(29 502)

*Please see Note 16.

**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

	31.12.2024 EUR	31.12.2023 EUR
Goods for resale (at cost)	667 581	628 692
Consumables (at cost)	179 113	176 207
TOTAL:	846 694	804 899

16. Non-current assets and disposal groups held for sale**Disposal group classified as held for sale**

Considering the geopolitical situation, the Group has limited opportunities to manage and develop its subsidiary in Russia. In March 2024, the Group has completed an internal reorganization process, which has resulted in the transfer of the shares of five subsidiaries from Storent Investments to Storent Holding and disposal of the indirect equity interest in Storent OOO.

Impairment loss	2023 EUR
Impairment loss on goodwill	-
Loss on remeasurement of the disposal group	142 190
TOTAL:	142 190

Results of discounted operation

	Notes	2023 EUR
Net revenue	3	775 640
Other operating income	4	76 235
Cost of materials and services	5	(117 007)
Personnel costs	11	(136 793)
Other operating expenses	6	(95 108)
Depreciation and amortization	7	(94 276)
Impairment gain / (loss) on trade receivables and contract asset		(9 708)
Finance income	8	14 611
Finance expenses	9	-
Result from operating activities		413 594
Income tax income / (expenses)	10	(93 622)
Result from operating activities, net of tax		319 972
Impairment loss on goodwill		-
Loss on remeasurement of disposal group for sale		(142 190)
Profit/(loss) from discontinuing operation, net of tax		177 782

In the consolidated statement profit from discontinuing operations EUR 177 782 for 2023.

Cash flows from (used in) discounted operation

	2023 EUR
Net cash from operating activities	295 217
TOTAL:	295 217

16. Non-current assets and disposal groups held for sale (cont.)**Effects of disposal group on the financial position of the Group**

	31.12.2023 EUR	Remeasurement of the disposal group	Fair value less costs to sell
Property, plant and equipment	354 928	(354 928)	-
Trade receivables and inventory	65 069	(65 069)	-
Cash and cash equivalents	295 217	(106 397)	188 820
Trade payables	(88 820)	-	(88 820)
TOTAL:	626 394	(526 394)	100 000

17. Trade receivables

	31.12.2024 EUR	31.12.2023 EUR
Trade receivables	9 752 033	7 948 491
Allowance for doubtful debts	(2 442 402)	(2 180 013)
TOTAL:	7 309 631	5 768 478

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. Please also see Note 33.

Main assumption of simplified approach under IFRS 9:

The appropriate grouping	Group uses debt grouping by countries for measurement of loss allowances on a collective basis
Period	Group uses a 2-year period to estimate historical loss rate
Historical loss rate	Calculation done, excluding intercompany sales and sales to lease companies (lease-back).
Timeframes used in calculation	Current / Due 1-30 / Due 31-60 / Due 61-90 / Due 91-180 / Due 181-360 / Due 361+ / Never Paid
Macro-economic factors	The Group did not find any material connection between actual credit loss rate and macro-economic factors. In the management's view, this is due to the construction sector often used to stimulate economic activity during an economic downturn.
Forward-looking information	In line with the conclusion on macro-economic factors above, the Group presumes that historical loss rates will prevail also in the future, and no adjustments at historical loss rates are done.

Trade receivables are not secured or collateralized.

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.

17. Trade receivables (continuation)

Changes in the allowance for doubtful debts	31.12.2024 EUR	31.12.2023 EUR
At the beginning of the year	2 180 013	2 653 950
Increase / (decrease), net	603 278	(198 746)
Written-off	(340 889)	(275 191)
TOTAL:	<u>2 442 402</u>	<u>2 180 013</u>

18. 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.

Contracts balances	31.12.2024 EUR	31.12.2023 EUR
Receivables, which are included in 'Trade receivables'	9 671 333	7 948 491
Contract assets	1 143	1 143
TOTAL:	<u>9 672 476</u>	<u>7 949 634</u>

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.

Contracts balances	31.12.2024 EUR	31.12.2023 EUR
Contract liabilities – loyalty program	(49 380)	(173 800)
Contract liabilities – advances from customers	(310 759)	(286 135)
TOTAL:	<u>(360 139)</u>	<u>(459 935)</u>

Changes in contract liabilities:	31.12.2024 EUR	31.12.2023 EUR
At the beginning of the year	(459 935)	(337 402)
Revenue recognized from amounts included in contract liabilities at the beginning of the period	459 935	337 402
Revenue deferred during the period	(360 139)	(459 935)
TOTAL:	<u>(360 139)</u>	<u>(459 935)</u>

19. Other receivables

	31.12.2024 EUR	31.12.2023 EUR
Guarantee deposit	271 672	236 526
Advances to suppliers	69 775	68 692
Refundable value-added tax	40 404	56 785
Other receivables	5 626	-
Advances to employees	276	877
TOTAL:	<u>387 753</u>	<u>362 880</u>

20. Deferred expenses

	31.12.2024 EUR	31.12.2023 EUR
Other deferred expenses	270 997	320 117
TOTAL:	270 997	320 117

21. Cash and cash equivalents

	31.12.2024 EUR	31.12.2023 EUR
Cash in bank and cash, EUR	2 504 823	1 688 560
Cash in bank and cash, SEK	183 207	28 528
TOTAL:	2 688 030	1 717 088

22. 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 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%

The registered share capital of the Group's legal Parent company on 31.12.2023 is 18 150 000, consisting of 18 150 000 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 31 December 2023 and 31 December 2022:

Shareholder	Numbers of shares	Amount EUR	Participating interest (%)
"EEKI" SIA	9 075 000	9 075 000	50%
"Supremo" SIA	9 075 000	9 075 000	50%
TOTAL:	18 150 000	18 150 000	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)).

As a result of this reorganization, the share capital of Storent Holdings was increased by 15.4 million euros.

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

23. Other provisions

	31.12.2024 EUR	31.12.2023 EUR
Provisions for employee bonuses	115 004	243 712
Other provisions	23 876	66 904
Total:	138 880	310 616

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.

<i>Changes in the provisions:</i>	31.12.2024 EUR	31.12.2023 EUR
At the beginning of the year	310 616	128 956
Provisions made	317 449	456 135
Provision used	(489 185)	(274 475)
TOTAL:	138 880	310 616

24. Issued bonds

In 2024, the Group's Parent company Storent Holding AS issued new tranche 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."

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."

	Emission date	Maturity date	Amount	Actual interest rate (%)	31.12.2024 EUR	31.12.2023 EUR
Issued bonds						
ISIN code LV0000850089	26.06.2023	21.12.2025	15 000 000	11	15 000 000	15 000 000
ISIN code LV0000850345	21.03.2024	21.09.2026	10 000 000	10	10 000 000	-
Accrued interest for bonds coupon payment					66 250	41 250
Incremental cost allocation emission*					(289 383)	(390 035)
					TOTAL: 24 776 867	14 651 215
					Total Non-current liabilities: 9 710 617	14 609 965
					Total Current liabilities: 15 066 250	41 250

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 incurred related to the new emission in 2023 and 2024 amounted to 695 823 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:

	31.12.2024 EUR	31.12.2023 EUR
Balance at the beginning of the year	14 651 215	4 898 735
Proceeds from bonds	10 000 000	15 000 000
Repayment bonds	-	(4 870 500)
Total changes from financing cash flows	10 000 000	10 129 500
Incremental cost allocation	(214 029)	(473 273)
Incremental cost allocation amortization	314 681	133 381
Interest expense	2 817 821	930 445
Interest paid	(2 792 821)	(967 573)
Total liability-related other changes	125 652	(377 020)
Balance at the end of the year	24 776 867	14 651 215

24. Issued bonds (cont.)

According to Terms and Conditions for both emissions, the following financial covenants have to be met from the Issue date 26.06.2023 and as long as any bonds are outstanding:

- Shareholders Equity to Assets Ratio may not be lower than 25 (twenty-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.

During 2024 and as at 31 December 2024, the Group’s Parent company has complied with the above financial covenants.

Transactions with bonds in 2024

Emissions with ISIN codes LV0000850089 and LV0000850345

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.

Transactions with bonds in 2023

Emission with ISIN code LV0000802411

On 14 June 2023 Storent Investments AS offered to the noteholders who own the notes of Storent Investments AS maturing on 19 October 2023 (ISIN LV0000802411) an opportunity to exchange the Existing Notes owned by them with the New Storent Holding AS Notes (ISIN LV0000850089). 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 21 June 2023 the first stage of subscription for Storent Holding AS new notes with ISIN code LV0000850089 ended, where the investors agreed to exchange the notes of Storent Investments AS maturing on 19 October 2023 (ISIN LV0000802411) with the New Notes in the total nominal amount of 3 202 300 EUR. Notes issued by Storent Investments AS (ISIN: LV0000802411) included in the Exchange trading system was decreased to EUR 1 668 200. The decrease is in the amount of exchanged bonds.

On 18 July 2023 Storent Investments AS has redeemed the notes (ISIN LV0000802411) included in the Exchange trading system by transferring principal and interest payments to the bondholders.

25. Lease liabilities

By asset type	Maturity	Interest rate, (%)*	31.12.2024	31.12.2023	Balance sheet value of leased assets on 31.12.2024
			EUR	EUR	EUR
Leasing companies (various asset types)	Various (2024 - 2028)	1.8-5.5% +3M EURIBOR	21 852 900	13 422 383	36 102 336
Supplier funding (various asset types)	31.12.2025	2%-8.67%	3 699 383	327 223	4 828 572
Premise's rent	30.11.2029	10.3%	1 431 478	16 359	2 078 740
Car rent	Various (2024-2027)	10.3%	390 943	187 076	1 828 428
Warehouse forklifts	2027	10,58%	189 540	260 005	406 363
Total:			27 564 244	14 213 046	45 244 439
Total Non-current liabilities:			20 428 978	10 071 222	
Total Current liabilities:			7 135 266	4 141 824	

The maturity of lease liabilities disclosed in Note 33.

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

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

	31.12.2024 EUR	31.12.2023 EUR
Balance at the beginning of the year	14 213 046	7 049 443
Repayment of lease liabilities	(5 717 227)	(6 744 616)
Total changes from financing cash flows	(5 717 227)	(6 744 616)
New leases	19 068 425	13 908 219
Interest expenses accrued	1 537 275	673 557
Interest paid	(1 537 275)	(673 557)
Total liability-related other changes	19 068 425	13 908 219
Balance at the end of the year	27 564 244	14 213 046

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

	2024 EUR	2023 EUR
Repayment of lease liabilities	5 717 227	6 744 616
Interest paid	1 537 275	673 557
Expenses relating to short-term leases	1 746 510	1 666 412
TOTAL:	9 001 012	9 084 585

26. 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.

In 2015 – 2019, the Group received loans from Haulotte Group AB, Yanmar Construction Equipment Europe S.A.S. and SA Manitou BF. Total loans amounted to EUR 16 254 002 with interest rate 2,49% - 4% per annum. Loans repayment dates are showed in table below. As collateral for contracts with Haulotte Group AB, Yanmar Construction Equipment Europe S.A.S Group and SA Manitou BF promissory notes for each payment have been registered.

	Maturity	Amount EUR	Actual interest rate (%)	31.12.2024 EUR	31.12.2023 EUR
Haulotte Group SA	01.08.2024	2 009 115	2.8	-	302 794
Yanmar Construction Equipment Europe SAS	04.08.2024	803 768	2.8	-	121 137
SA Manitou BF	04.08.2024	1 403 000	2.8	-	301 732
Yanmar Construction Equipment Europe SAS	02.10.2028	1 909 925	5.5	1 541 643	-
LGMG Europe B.V.	01.07.2028	2 099 985	5.5	1 555 504	-
Incremental cost allocation		(236 441)		(187 823)	(48 831)
			Total:	2 909 324	676 832
			Total Non-current liabilities:	2 040 727	-
			Total Current liabilities:	868 597	676 832

Total loans origination fees and costs in 2023-2024 amounted to EUR 236 441. 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:

	31.12.2023 EUR	31.12.2023 EUR
Balance at the beginning of the year	676 832	7 057 854
Proceeds from other borrowings	4 009 910	-
Repayment of other borrowings	(1 646 961)	(6 427 819)
Total changes from financing cash flows	2 362 949	(6 427 819)
Incremental cost allocation amortization	(138 993)	(29 680)
Decrease in outstanding amount due to full repayment before the stated maturity	-	(460 918)
Interest expense	99 740	574 199
Interest paid	(91 204)	(36 804)
Total liability-related other changes	(130 457)	46 797
Balance at the end of the year	2 909 324	676 832

Changes in the incremental cost allocation:

	31.12.2024 EUR	31.12.2023 EUR
At the beginning of the year	48 831	19 151
Incremental cost increase	187 610	48 401
Written off as adjustment to effective interest rate	(48 618)	(18 721)
TOTAL:	187 823	48 831

27. Taxes and national mandatory social insurance contributions

	31.12.2024 EUR	31.12.2023 EUR
Personal income tax	197 790	154 536
State social security mandatory contributions	241 618	189 552
Value added tax	355 874	193 714
Risk duty	4 369	3 605
TOTAL:	799 651	541 407

28. Deferred income

	31.12.2024 EUR	31.12.2023 EUR
Gain on sale-and-leaseback transactions	280 278	375 034
Total:	280 278	375 034
Total Non-current deferred income:	185 821	280 577
Total Current deferred income:	94 457	94 457

Sale-and-leaseback transactions

In 2019 and 2023, the Group entered into several 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:	31.12.2024 EUR	31.12.2023 EUR
At the beginning of the year	375 034	49 540
Additions	-	374 103
Amortised and included in income of reporting year (See Note 4)	(94 756)	(48 609)
TOTAL:	280 278	375 034

29. Other liabilities

	31.12.2024 EUR	31.12.2023 EUR
Payroll	445 356	390 625
Other payables	13 230	28 103
TOTAL:	458 586	418 728

30. Accrued liabilities

	31.12.2024 EUR	31.12.2023 EUR
Accrued liabilities for unused employee vacations	986 803	759 706
Other accrued liabilities	495 176	416 628
Accrued liabilities for defined contribution pension insurance	39 108	38 812
TOTAL:	1 521 087	1 215 146

31. Related party transactions**31. (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	2023	-	-	-	-
	2024	-	-	-	-
EEKI SIA	2023	-	-	-	-
	2024	-	-	-	-
The companies controlled by the Group's officers or their relatives: *					
Meistari ZS	2023	(5 612)	-	(308)	-
	2024	(5 900)	-	(1 259)	-
The companies controlled by Group's owners: *					
Aston Baltic SIA	21.09.2023- 31.12.2023	(1 128 775)	-	(396 852)	-
	2024	(3 226 610)	-	(532 079)	-
Preferrent SIA	28.04.2023- 31.12.2023	(1 945 246)	90 979	(81 634)	17 711
	2024	(2 112 682)	58 491	(658 743)	35 750
Preferrent OU	28.04.2023- 31.12.2023	(7 250)	-	(791)	-
	2024	(3 647)	-	(786)	-
Preferrent UAB	28.04.2023- 31.12.2023	(87 493)	-	(8 336)	-
	2024	(39 822)	-	(359)	-
Cargopoint SIA	28.04.2023- 31.12.2023	(671 637)	-	(157 775)	-
	2024	(837 641)	-	(165 467)	-
Cargopoint OU	28.04.2023- 31.12.2023	(223 994)	-	(51 431)	-
	2024	(284 936)	-	(39 601)	-
Cargopoint.It UAB	28.04.2023- 31.12.2023	(426 819)	-	(100 116)	-
	2024	(532 600)	-	(84 365)	-
Equipment Provider SIA	2023	-	-	-	-
	2024	(5 178 690)	2 153 337	(174 033)	753 236
Equipment Provider OU	2023	-	-	-	-
	2024	(264 122)	-	(118 497)	-
Equipment Provider UAB	2023	-	-	-	-
	2024	(1 306 726)	-	-	-
Ekers Stivadors LP, Liepājas speciālās ekonomiskās zonas, SIA	2023	-	42 040	-	77
	2024	-	611	-	-
Ekers Stivadors Serviss, SIA	2023	-	32 819	-	64
	2024	-	8 311	-	500
Kursas kvartāls, SIA	2023	-	10 571	-	-
	2024	-	1 830	-	391
	Total 2023:	(4 496 826)	176 409	(797 243)	17 852
	Total 2024:	(13 793 376)	2 222 580	(1 775 189)	789 877

* 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 1 775 189 as at 31 December 2024 (2023: EUR 797 243). 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 789 877 as at 31 December 2024 (2023: EUR 17 852).

31. (b) Loans issued to related parties

	Maturity date	Loan amount	Actual interest rate (%)	31.12.2024 EUR	31.12.2023 EUR
EEKI SIA	31.12.2026	1 500 000	13%	763 683	1 500 000
Supremo SIA	31.12.2026	1 500 000	13%	1 665 404	1 500 000
Accrued interest				575 824	201 824
		Long term receivables:		2 924 211	3 000 000
		Short term receivables:		80 700	201 824

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 31 December 2024, 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 2024.

There has been no change in the contractual terms for loans issued to related parties during 2024.

There have been no write-offs of loans issued to related parties during 2024.

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

31. (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.

On 22 March 2024 and on 21 June 2024, the shareholders' meeting approved the distribution of dividends in the amount of EUR 3,905,943 from retained earnings of previous years. The dividends were paid out in March and June 2024.

31. (d) Borrowings from related companies

	Maturity	Interest rate %	31.12.2024 EUR	31.12.2023 EUR
EEKI SIA	31.12.2024	6	-	901 717
		Total Non-current liabilities:	-	-
		Total current liabilities:	-	901 717

Full amount of loans is repayable upon maturity date.

Reconciliation of movements of borrowing from related companies to cash flows arising from financing activities:

	31.12.2024 EUR	31.12.2023 EUR
Balance at the beginning of the year	901 717	1 339 536
Repayment of the borrowings from related companies	(901 717)	(451 258)
Total changes from financing cash flows	(901 717)	(451 258)
Interest expense	9 000	98 340
Interest paid	(9 000)	(84 901)
Total liability-related other changes	-	13 439
Balance at the end of the year	-	901 717

32. Financial instruments

Current and non-current loans, issued bonds 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 31.12.2024		As at 31.12.2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
<i>Loans and receivables held at amortised cost</i>				
- Loans to related parties	3 004 911	3 004 911	3 000 000	3 201 824
- Trade receivables	7 228 931	7 228 931	5 566 654	5 566 654
- Other receivables	387 453	387 753	362 880	161 056
- Cash and cash equivalents	2 688 030	2 688 030	1 717 088	1 717 088
TOTAL financial assets:	13 309 625	13 309 625	10 646 622	10 848 446

	As at 31.12.2024		As at 31.12.2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
<i>Financial liabilities held at amortized cost</i>				
- Issued bonds	24 776 867	24 940 478	14 651 215	15 030 925
- Loans from related companies	-	-	901 717	901 717
- Lease liabilities	27 564 244	27 564 244	14 213 046	13 988 284
- Other borrowings	2 909 324	2 909 324	676 832	676 832
- Trade payables	5 837 981	5 837 981	3 883 121	3 883 121
- Other payables	1 270 061	1 270 061	1 456 904	1 456 904
TOTAL financial liabilities:	62 358 477	62 522 088	35 782 835	35 937 783

33. 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 loans to related parties with outstanding maturities longer than six months and issued with a stated interest rate, 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 related party.

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 Parent company Storent Holding 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 determining 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 2024 and 2023.

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, loans to related parties, other 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 31 December 2024 and 2023 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.

In terms of loans to related parties as at 31 December 2024 the Group had a significant credit risk concentration in respect of its transaction partners – its shareholders.

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 17).

The maximum credit risk exposure at 31 December 2024 was EUR 13 309 625 (31.12.2023: EUR 10 646 622).

33. Financial risk management (cont.)

At 31 December 2024 and 31 December 2023, the exposure to credit risk for trade receivables by geographic region was as follows:

EUR	Carrying amount	
	2024	2023
Baltics	6 289 114	4 603 055
Nordics	1 020 517	1 165 423
	7 309 631	5 768 478

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 at 31 December 2024		9 752 033	(2 442 402)	-

EUR	Weighted-average loss rate	Gross carrying amount	Loss allowance	Creditimpaired
Current (not past due)	0,1%	4 032 413	(4 683)	No
1–30 days past due	0,8%	1 219 894	(9 608)	No
31–60 days past due	6,1%	343 330	(20 982)	No
61–90 days past due	17,8%	209 737	(37 325)	No
More than 90 days past due	98,3%	2 143 117	(2 107 415)	Yes
Total at 31 December 2023		7 948 491	(2 180 013)	-

Sensitivity analysis

A reasonably possible change in the weighted average loss rates at 31 December would have affected the measurement of loss allowance of trade receivables and affected profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant, and that loss rate is floored at 0% and capped at 100% of the gross carrying amount.

Effect in euro	31 December j2024		31 December 2023	
	Increase	Decrease	Increase	Decrease
Change in loss rate of 3 percentage points	292 346	(260 282)	233 165	(169 399)

33. 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 31 December 2024, the Group's liquidity ratio was 0,34. As at 31 December 2023, the Group's liquidity ratio was 0,71. Please refer to Note 35 for going concern considerations.

At 31 December 2024 and 2023 the maturity of the financial liabilities of the Group, based on undiscounted payments provided for in the agreements can be disclosed as follows:

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
Loans from related companies	-	-	-	-	-	-	-
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
	(9 921 566)	(3 415 816)	(25 877 372)	(31 534 709)	(70 749 463)	(8 390 986)	62 358 477

31.12.2023.	Contractual cash flows					Expected interest payments	Carrying amount
	< 3 months	3-6 months	6-12 months	1-5 years	Total	Total	Total
Issued bonds	(412 500)	(412 500)	(825 000)	(16 650 000)	(18 300 000)	(3 648 785)	14 651 215
Loans from related companies	(13 500)	(13 500)	(928 717)	-	(955 717)	(54 000)	901 717
Lease liabilities	(888 003)	(1 477 708)	(2 596 919)	(11 261 008)	(16 223 638)	(2 010 592)	14 213 046
Other borrowings	(302 629)	(142 613)	(292 826)	-	(738 068)	(61 236)	676 832
Trade payables	(3 883 119)	-	-	-	(3 883 119)	-	3 883 119
Tax and other payables	(1 456 905)	-	-	-	(1 456 905)	-	1 456 905
	(6 956 656)	(2 046 321)	(4 643 462)	(27 911 008)	(41 557 447)	(5 774 613)	35 782 834

Please also see Note 35 describing liquidity management and going concern considerations.

33. Financial risk management (cont)*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 24, 25, 26 and 31 (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 25) with a variable interest rate element of 3M EURIBOR) to a reasonably possible interest rate change of +/- 0.5%, other variables remaining constant, is considered immaterial to the Group's financial performance.

Foreign currency risk

Foreign currency risk is the risk of financial losses incurred by the Group due to adverse fluctuations in foreign currency exchange rates. This risk arises when financial assets denominated in a foreign currency do not match financial liabilities in that currency, which results in open currency positions.

The Group does not have any material balances of financial assets and liabilities denominated in currencies other than the Euro. All of the Group's borrowings and lease liabilities are denominated in Euro, and, thus, not subject to foreign currency risk.

The Group is exposed to foreign currency risk mainly arising from transactions denominated in the Swedish krona (SEK) due to entity operating in Sweden and in 2023 Russian rubles (RUB) due to entity held for sale operating in Russia Kaliningrad region.

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	31 December 2024		31 December 2023	
	SEK	RUB	SEK	RUB
Trade receivables	254 982	-	410 911	-
Trade payables	(150 308)	-	(135 875)	-
Net statement of financial position exposure	104 674	-	275 036	-
Next six months' forecast sales	1 004 262	-	1 630 890	454 165
Next six months' forecast purchases	(876 482)	-	(1 332 002)	(197 510)
Net forecast transaction exposure	127 780	-	298 888	256 655
Net exposure	232 454	-	573 924	256 655

The following exchange rates have been applied.

EUR	Average rate		Year-end spot rate	
	2024	2023	2024	2023
SEK 1	0.08747	0.0872	0.08727	0.0901
RUB 1	-	0.0109	-	0.01015

Sensitivity analysis

A reasonably possible strengthening (weakening) of Swedish krona against the euro as at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in euro	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
SEK (10% movement)	41 236	(41 236)	(65 287)	65 287

34. 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 the 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 2024 and 2023 there were no changes introduced to purposes, policy or processes related to management of the capital.

	31.12.2024 EUR	31.12.2023 EUR
Interest bearing loans and borrowings	55 250 435	30 442 809
Trade and other payables	7 468 181	5 340 026
Less cash and cash equivalents	(2 688 030)	(1 717 088)
Net debt	60 030 586	34 065 747
Equity	50 504 110	65 811 782
Net liabilities to equity ratio:	1.19	0.52

35. Going concern of the Group

The Group's financial performance in the reporting year was a loss of EUR 3 011 898, 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 profit of EUR 294 127 (2023: profit of EUR 4 781 063). At the end of the year, the Group's current liabilities exceeded its current assets by EUR 20 788 460 (31.12.2023: current liabilities exceeded current assets by EUR 3 646 903) 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 3.95.

In 2024, total revenue reached 45 million euro, representing a 6% increase, compared to the previous year. EBITDA reached 11 million euro. While the company's operational profitability is strong, as indicated by EBITDA, fleet investment-related costs are having a significant impact on EBIT and EBT. It is expected that in the coming periods the investments will continue to produce strong underlying performance and are crucial for long-term growth. In 2024, Storent invested nearly 24 million euros in the replacement and expansion of its fleet. A substantial portion of these investments was directed towards key product groups: telescopic handlers and forklifts, earthmoving equipment, aerial lifts and working platforms, generators, ground tightening equipment and others. Currently, 32% of the fleet is newer than two years.

In the Baltic region, Storent remains a key partner in the largest construction projects while maintaining strong cooperation with the military sector. In the Nordics, the company continues to focus on its expertise in telehandlers and lifting solutions. Staying aligned with its strategy, the company prioritizes the use of its own rental equipment, reducing reliance on split-rent and improving overall results across all regions.

Latvia: Storent maintains its position as a market leader. Latvia, the country where Storent was established, serves as the company's operational hub, hosting the largest number of rental depots, managing the distribution of the new fleet, and housing its headquarters. In addition to great results in fleet management across all markets, sales team in Latvia has reached the biggest rent income increase in numbers, compared to same period last year. In the fourth quarter, these results were partly driven by the favorable high temperatures, which allowed construction projects to continue without interruptions.

Estonia: The biggest growth of total rent income, 38%, was reached in Estonia with rent income from own equipment amounting to impressive 48%. These results highlight the positive impact of the Group's rapid investment strategy and the strengths of the team. Project managers adapted fast to the new opportunities that the new fleet offers, reinforcing Estonia as a key driver of growth for the Group.

Lithuania: Storent Lithuania has shown an increase of the rent income. The team is adjusting to new management practices, with strong focus on effective distribution of equipment across regions, extensive training programs, clear goal setting and execution, and additional sales activities to attract clients. In January of 2025 a new depot in Kaunas opened, reaching the milestone of 30 rental depots for the Group.

Finland: In the 2024, targeted efficiency measures were implemented, improving financial performance per employee. Efforts are directed towards expanding and diversifying the client base. Historically, the company has operated in the niche market of lifting solutions and access equipment rental. Starting in 2024, expansion also includes generator and scaffolding rentals. With a positive market forecast for 2025, the focus remains on further enhancing profitability.

Sweden: The new team has been successfully established and the company continues to focus on renting telehandlers and lifting equipment. The focus is on finding more long-term partners for the future.

First quarter results show rent income increase and rent income forecast for Q2 shows two-digit income growth as a result of significant investments in rental fleet. In 2025 planned sales increase of 10-15% and EBITDA growth of 15-25%, which management expects to achieve in existing markets and potential targets.

In April 2025, the Group has successfully organized 23m EUR bond issuance program to finance investments and further the Group's growth. Group short term liabilities significantly increased because of issued bond with repayment date in October 2025, in April 2025 already 5m bonds has been exchanged to bonds from new issue. The rest part – 10m EUR, planned to be replaced in 2025. The increase in total amount of liabilities is also due to lease liabilities and borrowing used to finance the purchase of new equipment.

Taking into account the information currently available, the most recent key performance indicators of the Group's parent company and its subsidiary entities and the actions taken by management, the Group's parent company and its subsidiary entities expect to continue operations as a going concern.

36. Post balance sheet events

Non-adjusting events

In April 2025, Storent Holding AS announced a new bond issue of EUR 35 million, that was the third bond. As a result of the big investor interest, through issuance of bonds the Group raised total amount of 23 million EUR in April 2025. The Group will use the proceeds for new investments, further mergers and acquisition and to refinance its liabilities.

Storent Holding is looking for further growth in all countries using investments in rental fleet and continuing to look for Merger and Acquisition deals. Shareholders of the Group are looking for capital increase and considering an initial public offering (IPO) to be one of the options. The Group has signed a letter of intent with a potential acquisition target in Texas, the United States, and, subject to satisfactory due diligence, plans to acquire a 70% stake in the target company. It is envisaged that the two existing shareholders of the target company will each retain a 15% stake, together holding 30% of the remaining shares, and will continue contributing to the business operations of the target company, while the Group will leverage its expertise particularly in IT and business development.

During the period between the last day of the reporting year and the date of signing of these consolidated financial statements, there have been no other events requiring adjustment of or disclosure in the consolidated financial statements.

On behalf of the Group these consolidated financial statements were signed on May 30, 2025 by:

Andris Pavlovs, Chairman of the Board

Baiba Onkele, Board member

This document is electronically signed with a secure electronic signature and contains a time stamp



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Independent Auditors' Report

To the shareholders of Storent Holding AS

Report on the Audit of the Consolidated Financial Statements

Our Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Storent Holding AS ("the Company") and its subsidiaries ("the Group") set out on pages 8 to 61 of the accompanying consolidated Annual Report, which comprise:

- the consolidated statement of financial position as at 31 December 2024,
- the consolidated statement of comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended, and
- the notes to the consolidated financial statements, which include a summary of material accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Storent Holding AS and its subsidiaries as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

In accordance with the 'Law on Audit Services' of the Republic of Latvia we conducted our audit in accordance with International Standards on Auditing adopted in the Republic of Latvia (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibility for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) developed by the International Ethics Standards Board for Accountants (IESBA Code) and the independence requirements included in the 'Law on Audit Services' of the Republic of Latvia that are relevant to our audit of the consolidated financial statements in the Republic of Latvia. We have also fulfilled our other professional ethics responsibilities and objectivity requirements in accordance with the IESBA Code and the 'Law on Audit Services' of the Republic of Latvia.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.



Impairment assessment of goodwill and other non-current non-financial assets

The Group's goodwill and other non-current non-financial assets as at 31 December 2024 amounted to EUR 101 336 277 (31 December 2023: EUR 83 843 073).

Reference to the consolidated financial statements: Note 2 (e) "Use of judgements, estimates and assumptions", Note 2 (o) "Intangible assets", Note 2 (p) "Property, plant and equipment" and Note 2 (q) "Impairment of tangible and intangible assets other than goodwill" (accounting policies); Note 12 "Intangible assets", Note 13 "Property, plant and equipment" and Note 14 "Rights of use assets" (Notes to the consolidated financial statements).

Key audit matter

As discussed in Note 12, the Group estimated the recoverable amount of its cash generating units, to which goodwill and other non-current non-financial assets are allocated, as at 31 December 2024 to assess, whether there is any impairment loss to be recognized at the above date.

The assessment of the recoverable amount and impairment loss, if any, of the Group's goodwill and other non-current non-financial asset balances incorporated significant management judgement in respect of assumptions regarding the Storent Holding Group's forecast financial performance, such as net turnover growth, EBITDA margin, timing and magnitude of EBITDA growth (among other things, as a result of internal cost optimization), as well as discount rates used. Small changes in the above assumptions can result in materially different outcomes. This, therefore, gives rise to inherent estimation uncertainty in the recoverable value of these assets recorded in the consolidated financial statements.

Due to the above factors, we considered impairment assessment of goodwill and other non-current non-financial assets to be a key audit matter.

Our response

Our audit procedures included, among others:

- evaluating against the requirements of the relevant financial reporting standards the Group's accounting policy for identification of impairment, measurement of recoverable value and recognition of any impairment losses in respect of goodwill and other non-current non-financial assets;
- understanding the Group's business planning process, including the preparation and validation of financial and cash flows forecasts and testing the design and implementation of selected key internal controls over the Group's business planning process;
- assisted by our own valuation specialists, challenging the reasonableness of the key assumptions used in the determination of the prospective financial information, such as the forecast amounts of sales and timing of cash collections, forecast amounts of expenses, capital expenditure and timing of cash disbursements, discount rate and terminal growth rate based on our understanding of the Group's activities and by reference to publicly available industry/market reports;
- considering the reasonableness of the Group's performed sensitivity analysis showing the impact of a reasonable change in the impairment testing assumptions, to determine whether an impairment charge was required;



- performing independent sensitivity analysis, including assessing the effect of a reasonably possible change in the key assumptions;
- considering whether the Group's disclosures regarding the sensitivity of the outcome of the impairment testing to changes in key assumptions completely and accurately reflected the estimation uncertainty in the recoverable value of these assets in line with the applicable requirements of the relevant financial reporting standards.

Estimation of fair values of property, plant and equipment and right of use assets under revaluation method of measurement and subsequent depreciation

The Group's property, plant and equipment and right of use assets as at 31 December 2024 amounted to EUR 85 212 258 (31 December 2023: EUR 70 194 252). Revaluation reserve as at 31 December 2024 amounted to EUR 29 323 737 (as at 31 December 2023: EUR 32 629 762). Depreciation of property, plant and equipment and amortization of right of use assets amounted to EUR 9 115 792 (as at 31 December 2023: EUR 5 331 382). Corresponding figures as at 31 December 2023 were restated in the current year to reflect an error in property, plant and equipment fair value estimate as at 31 December 2023.

Reference to the consolidated financial statements: Note 2 (e) "Use of judgements, estimates and assumptions", Note 2 (p) "Property, plant and equipment" (accounting policies); Note 7 "Depreciation and amortization", Note 13 "Property, plant and equipment" and Note 14 "Rights of use assets" (Notes to the consolidated financial statements).

Key audit matter

As discussed in Note 13 and Note 14, the Group has changed its measurement basis for property, plant and equipment and right of use assets from cost to revaluation method as at 31 December 2023. The fair value measurements were based on data obtained from reputable market sources and estimates by a certified independent appraiser and were determined using two methods: for equipment with individual serial numbers the Market approach was used, while for non-serial equipment the Depreciated Replacement Cost Method was used. As described in Note 13, the Group subsequently, during 2024, discovered an error in the estimate of fair value of certain groups of assets as at 31 December 2023 as a result of not considering all relevant information on recent asset sale

Our response

Our audit procedures included, among others:

- evaluating against the requirements of the relevant financial reporting standards the Group's accounting policy for fair value measurement, application of revaluation method, as well as the determination of useful lives and salvage values in respect of property, plant and equipment and right of use assets;
- obtaining understanding of the changes made to the selection of the assumptions and data used in Group's revaluation process as at 31 December 2023 and assessing for reasonableness the changes in the selection of the assumptions and data required for the



transactions that was available as at 31 December 2023.

The measurements of the fair value incorporated significant judgement in respect of methods, such as the use of depreciated replacement cost method of fair value estimation for assets with limited market data availability, assumptions such as comparable market data, replacement cost and useful life of the individual assets, and data. Small changes in the above assumptions can result in materially different outcomes. This, therefore, gives rise to inherent estimation uncertainty in the fair value of these assets recorded in the consolidated financial statements.

Furthermore, as a result of the revaluation, the Group revised expected useful lives and salvage values at the end of usage for the most significant groups of its property, plant and equipment. Determination of estimated depreciation rates and salvage values involves significant judgement.

Due to the above factors, we considered revaluation of property, plant and equipment and right of use assets and their subsequent depreciation to be a key audit matter.

fair value measurement of property, plant and equipment;

- assessing the relevance and reliability of input data and significant assumptions used in the estimation for a statistical sample of property, plant and equipment, including assessing if the changes in data and assumptions used constituted a correction of error or a change in accounting estimate;
- developing an independent estimate of the fair value for a statistical sample of property, plant and equipment, comparing our amount to the Group's revised estimates as at 31 December 2023, and seeking management explanations for any significant deviations;
- assessing for reasonableness the selection of the methods, assumptions and data used by the management to estimate the useful lives and salvage values of property, plant and equipment and right of use assets;
- developing an independent expectation of depreciation cost estimate of property, plant and equipment and right of use assets and comparing our amount to the Group's depreciation cost estimate for the year ended 31 December 2024 and seeking management explanations for any significant deviation;
- considering whether the Group's disclosures regarding the fair value estimates of property, plant and equipment and right of use assets applied under revaluation method of measurement, as well as the corresponding revaluation reserve, applied depreciation rates and salvage values and the restatements made as at 31 December 2023 are in line with the applicable requirements of the relevant financial reporting standards.



Reporting on Other Information

The Group's management is responsible for the other information. The other information comprises:

- General information, as set out on page 3 of the accompanying consolidated Annual Report,
- the Management Report, as set out on pages 4 to 6 of the accompanying consolidated Annual Report,
- the Statement on Management Responsibility, as set out on page 7 of the accompanying consolidated Annual Report,
- the Statement of Corporate Governance for 2024, as set out in a separate statement provided by Storent Holding AS management and available on the Nasdaq Baltic exchange website <https://nasdaqbaltic.com>, Storent Holding AS, section Reports.

Our opinion on the consolidated financial statements does not cover the other information included in the consolidated Annual Report, and we do not express any form of assurance conclusion thereon, except as described in the *Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia Related to Other Information* section of our report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and in light of the knowledge and understanding of the Group and its environment obtained in the course of our audit, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Reporting Responsibilities in Accordance with the Legislation of the Republic of Latvia Related to Other Information

In addition, in accordance with the 'Law on Audit Services' of the Republic of Latvia with respect to the Management Report, our responsibility is to consider whether the Management Report is prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

Based solely on the work required to be undertaken in the course of our audit, in our opinion, in all material respects:

- the information given in the Management Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- the Management Report has been prepared in accordance with the requirements of the 'Law on the Annual Reports and Consolidated Annual Reports' of the Republic of Latvia.

In accordance with the 'Law on Audit Services' of the Republic of Latvia with respect to the Statement of Corporate Governance, our responsibility is to consider whether the Statement of Corporate Governance includes the information required in section 56.2, second paragraph, clauses 5 and 8, and third paragraph of the 'Financial Instruments Market Law' of the Republic of Latvia.



In our opinion, the Statement of Corporate Governance includes the information required in section 56.2, second paragraph, clauses 5 and 8, and third paragraph of the 'Financial Instruments Market Law' of the Republic of Latvia.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our



auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Other Reporting Responsibilities and Confirmations Required by the Legislation of the Republic of Latvia and the European Union when Providing Audit Services to Public Interest Entities

We were appointed by the Company's shareholders' meeting on 18 September 2024 to audit the consolidated financial statements of Storent Holding AS and its subsidiaries for the year ended 31 December 2024. Our total uninterrupted period of engagement is 3 years, covering the periods ending 31 December 2022 to 31 December 2024.

We confirm that:

- our audit opinion is consistent with the additional report presented to the Audit Committee of the Group;
- as referred to in the paragraph 37.6 of the 'Law on Audit Services' of the Republic of Latvia we have not provided to the Group the prohibited non-audit services (NASs) referred to of EU Regulation (EU) No 537/2014. We also remained independent of the audited group in conducting the audit.

For the period to which our statutory audit relates, we have not provided any services to the Group in addition to the audit, which have not been disclosed in the Management Report or in the consolidated financial statements of the Group.



Report on the Auditors' Examination of the European Single Electronic Format (ESEF) Report

In addition to our audit of the accompanying consolidated financial statements, as included in the consolidated Annual Report, we have also been engaged by the management of the Group to express an opinion on compliance of the consolidated financial statements prepared in a format that enables uniform electronic reporting ("the ESEF Report") with the requirements of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "RTS on ESEF").

Responsibilities of Management and Those Charged with Governance for the ESEF Report

Management is responsible for the preparation of the consolidated financial statements in a format that enables uniform electronic reporting that complies with the RTS on ESEF. This responsibility includes:

- the preparation of the consolidated financial statements in the applicable xHTML format;
- the selection and application of appropriate iXBRL tags, using judgment where necessary;
- ensuring consistency between digitised information and the consolidated financial statements presented in human-readable format; and
- the design, implementation and maintenance of internal control relevant to the application of the RTS on ESEF.

Those charged with governance are responsible for overseeing the financial reporting process.

Auditors' Responsibility for the Examination of the ESEF Report

Our responsibility is to express an opinion on whether the ESEF report complies, in all material respects, with the RTS on ESEF, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with *International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000)* issued by the International Auditing and Assurance Standards Board.

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about compliance with the RTS on ESEF. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements of set out in the RTS on ESEF, whether due to fraud or error. Our procedures included, among other things:

- obtaining an understanding of the tagging process;
- tracing the tagged data to the consolidated financial statements of the Group presented in human-readable format;
- evaluating the completeness of the Group's tagging of the consolidated financial statements;
- evaluating the appropriateness of the Group's use of iXBRL elements selected from the ESEF taxonomy and creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- evaluating the use of anchoring in relation to the extension elements; and
- evaluating the appropriateness of the format of the consolidated financial statements.



We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the ESEF Report of the Group as at and for the year ended 31 December 2024 has been prepared, in all material respects, in accordance with the requirements of the RTS on ESEF.

KPMG Baltics SIA
Licence No. 55

Armine Movsisjana
Chairperson of the Board
Latvian Sworn Auditor
Certificate No. 178
Riga, Latvia
30 May 2025

THIS DOCUMENT HAS BEEN SIGNED WITH A SECURE ELECTRONIC SIGNATURE AND IT HAS A TIME-STAMP.