JOINT-STOCK COMPANY
STORENT HOLDING
(REGISTRATION NUMBER 40203174397)

CONSOLIDATED INTERIM REPORT FOR THE 6 MONTHS OF 2024

NOT AUDITED

RIGA, 2024

CONTENT

General information

Name of the Group's Parent company	Storent Holding (previously until 05.03.2024 – Storent Holdings)
Legal status of the Group's Parent company	Joint-stock company (previously until 05.03.2024 – limited liability company)
The Group Parent company's registration number, place and date	40203174397 Riga, 11 October 2018
Registered address of the Group's Parent company	15a Matrozu Street, Riga, LV-1048, Latvia
Shareholders of the Group's Parent company	Supremo SIA (Latvia) 50%, Andris Pavlovs, since 28.12.2022 EEKI SIA (Latvia) 50%, Eri Esta, since 28.12.2022 Supremo SIA (Latvia) 33,33%%, Andris Pavlovs, till 28.12.2022 EEKI SIA (Latvia) 33,33%%, Eri Esta, till 28.12.2022 Bomaria SIA (Latvia) 33,33%, Andris Bisnieks till 28.12.2022
Members of the Board	Andris Pavlovs, Chairman of the Board Eri Esta, Member of the Board (until 30.06.2024)
Supervisory Board	Baiba Onkele, Chairperson of the Supervisory Board (from 05.03.2024) Eri Esta, Deputy Chairman of the Supervisory Board (from 01.07.2024) Daiga Auziņa-Melalksne, Member of the Supervisory Board (from 01.07.2024) Deniss Mironcevs, Deputy Chairman of the Supervisory Board (from 05.03.2024 until 30.06.2024) Anzela Serkevica, Member of the Supervisory Board (from 05.03.2024 until 30.06.2024)
Group's type of operations	Renting and leasing of construction machinery and equipment
Group's NACE code	77.32 (2.0 rev) Rental and leasing of construction and civil engineering machinery and equipment

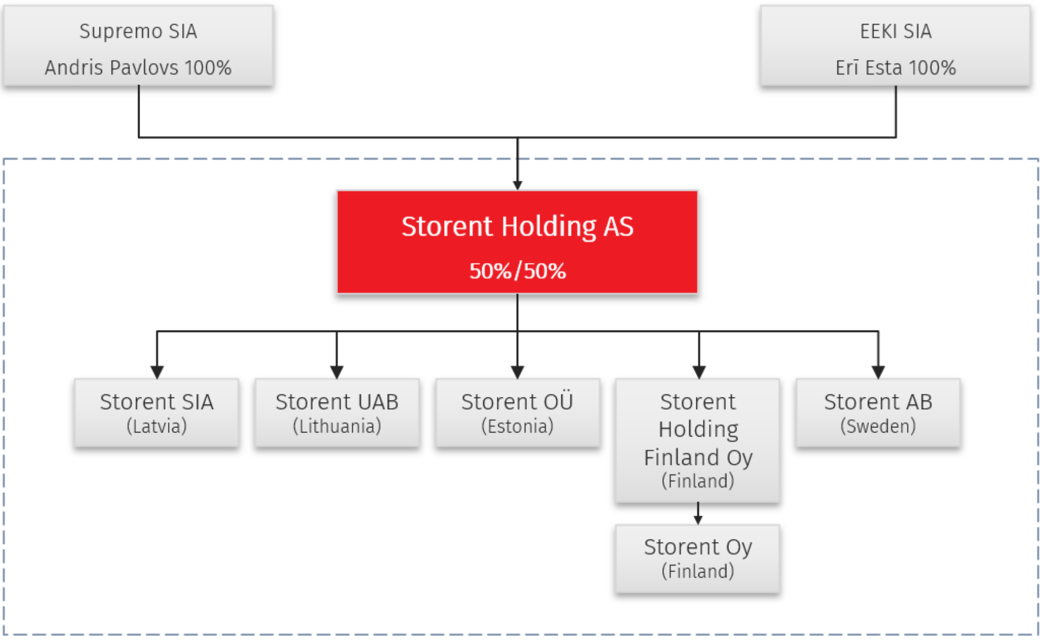
Management report

The Group's type of operations

Storent Holding AS (hereinafter – Storent or Group) group's first entity was founded in Latvia in 2008 with the primary goal of establishing itself as the most efficient and innovative construction equipment rental company in the Baltics and the Nordic countries. Currently, the Group is operating in Europe with 28 rental depos over five countries.

The Group's objective is to provide customers 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.

In March of 2024 Group's legal structure was simplified. The shares of SIA "Storent" (Latvia), Storent OÜ (Estonia), UAB "Storent" (Lithuania), Storent Holding Finland Oy (Finland), and Storent AB (Sweden) from 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. 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 period

In the first half of 2024, Storent reached a consolidated revenue of almost 20 million euros. In order to accelerate its long-term growth, Storent has invested significantly in equipment, information technology and human resources. Such investments are the first precondition to any rental company to enable further growth. Investment decisions Storent management made based on upcoming years market potential and growth. According forecast of the construction market research company Forecon, the rental equipment market is expected to grow by 6% in 2025 in Baltics, and by 8% in Finland and 4% in Sweden in 2025. The largest growth, 11%, is expected to be in Latvia, which is the Groups biggest market. To be able to realize favorable market condition in 2025, the Group needs to make significant investments already in 2024.

During the first 6 months of 2024, Storent invested 15,5 million euros in replacement and expansion of its fleet. In the coming months, total investments in the fleet will reach 25 million euros. The investments in fleet have been made taking into account the specifics and demand of each market Storent operates in. Significant part of investments is spent on the product groups of lifts, earthmoving equipment, telescopic handlers and generators.

In accordance with the Group's strategic framework, as of January 1st, the Group has completed very complicated transition from existing ERP systems to new cloud-based systems in all 5 operating countries and holding company consisting of Intelligent Rental Management System (IRMS), Microsoft Dynamics 365 for finance and operations, business intelligent system Microsoft Power BI, Private web shop and GPS Telemetry with integration with PreferRent Marketplace, PreferRent Equipment sharing, PreferRent Equipment provision and Cargopoint Digital Freight Platform. The total investment in all IT systems by the end of June 2024 is 4.7 million euro and additionally 1 million euro will be invested to obtain full benefits and efficiency from the new IT systems.

To ensure continuous growth of the Company, the Group is investing significant resources in the main asset – team of experts Experienced specialists were added to the team, including a new independent Board Member of the Group, and a new Country Manager in Sweden. To retain employees and promote high achievement, the Group is developing a new ermuneration system. To enhance effectiveness, Storent is offering its employees training, as well as ongoing support in performing tasks. Special attention is paid to mastering the new equipment and enhancing a work culture based on Storent's values. Storent works relentlessly to become the most attractive employer in the industry. As a result of the implemented changes, the personnel costs have increased by 18%.

The profit indicators of the first half of the year were negatively affected by the increasing personnel costs, depreciation and significantly higher interest payments. Although the first half of the year ended with losses, the Group's management predicts a successful second half of the year and it is planned to end 2024 with a profit. In the rental turnover for first half of the year, the largest increase, 21%, was for split rented equipment. This turnover brings much less profit to the Group. However, the significant increase of the indicator proves that the Group is capable of renting out much larger volumes of equipment than it currently has available and can invest more in its own fleet. The rental income from our own equipment increased by 3% compared to the same period last year. As it is the beginning of high season in rental, and the new equipment is just put into circulation, the rental income from Storent equipment is increasing every month. The forecast for July shows that income from own equipment will reach increase of 30%. By country the growth of rent income from own equipment shall reach 96% in Estonia, 41% in Sweden, 24% in Lithuania, 22% in Latvia and 15% in Finland.

Main financial results of Storent, H1 and Q2

Thousands euro	2024 H1	2023 H1	Difference	Difference %	2024 Q2	2023 Q2	Difference	Difference %
Total revenue	**19 858**	**19 866**	**-8**	**0%**	**11 400**	**10 904**	**496**	**5%**
Total rent income	**15 998**	**15 041**	**957**	**6%**	**9 138**	**8 347**	**791**	**9%**
Rent income own fleet	12 160	11 863	297	3%	6 895	6 672	223	3%
Rent income splitrent	3 838	3 178	660	21%	2 243	1 675	568	34%
EBITDA	**4 442**	**5 797**	**-1 355**	**-23%**	**2 765**	**3 668**	**-903**	**-25%**
EBITDA %	22%	29%			24%	34%		
EBIT	**710**	**2 633**	**-1 923**	**-73%**	**768**	**2 105**	**-1 337**	**-64%**
EBIT %	4%	13%			7%	19%		
EBT	**-1 224**	**1 647**	**-2 871**	**-174%**	**-281**	**1 549**	**-1 830**	**-118%**
EBT %	-6%	8%			-2%	14%		

The return of new investments is reflected in the financial indicators gradually. When companies invest intensively, their debt increases instantly but the effect on EBITDA will come in the next 12 months. As a result of the rapid investments, on 30.06.2024 Storent Holding exceeded the financial indicator Net Debt/EBITDA reaching 3.74 instead of the previously agreed 2.5. Larger amount of investment in equipment and IT increased Group's liabilities in the short term while investments in human resources decreased EBITDA.

Net debt is calculated by subtracting the amount of cash from the Group's liabilities. Storent liabilities increased due to financing of the new equipment, but cash decreased as dividend payments were made to allow the owners to make a final settlement with the previous owner. As a result, a commercial pledge on the company's assets worth 15 million was released. At the end of reporting period Storent doesn't have any other commercial pledges for assets.

In order to further develop and seize the market potential, Storent will initiate a voting for bondholders with an offer to change the Net Debt / EBITDA financial indicator. In the equipment rental industry, this financial ratio is usually above 4. For example, for the Europe's largest companies, Loxam No.1 in Europe and Boel No.4 in Europe, whose subsidiaries (Ramirent and Cramo) are Storent's main competitors in the Baltics and Nordic countries, this ratio is 4.7 and 3.5. The second financial indicator, the ratio of equity capital to total assets as of 30.06.2024 for Storent Holding is 51%, which is significantly higher than the competitors' indicator and also above the minimum amount of 35% stipulated in the bond prospectus.

The comparison of financial indicators, *thousand euro*

	Storent	Storent	Loxam[1]	Boels[1]
	30.06.2024	31.12.2023	31.12.2023	31.12.2023
EBITDA 12 month	12 358	13 713	926 200	555 910
Long-term liabilities	40 638	24 681	3 925 155	1 856 540
Short-term liabilities	6 347	5 762	560 187	136 451
Cash and cash equivalents	(742)	(1 717)	(140 793)	(41 709)
Net debt	46 243	28 726	4 344 549	1 951 282
Net Debt /EBITDA ratio	**3.74**	**2.1**	**4.7**	**3.5**
Total equity	60 263	65 812	785 231	515 578
Total assets	118 837	103 796	6 040 331	2 908 794
Shareholder equity to assets ratio	**51%**	**63%**	**13%**	**18%**

[1]Public available annual reports of Loxam and Boels for 2023

In mid-August, Storent will offer bondholders a vote on changing the financial indicators, allowing the NetDebt/EBITDA to be lower than 4 starting from the 3rd quarter of 2024 to the 2nd quarter of 2025, while starting from the third quarter of 2025, it will offer to reduce it to 3.5.

Additionally, Storent's management has made a forecast for the remaining months of the year and made sure that it secures cash flow, and the Group is able to cover all liabilities, including bond interest. Non-current fixed asset fair value has increased up to 89.6 million euros at the same time Group's interest bearing debt is almost two times lower reaching 47.0 million euros. 54.1 million euro from tangible fixed assets are not pledged and fully belongs to Storent. Right of use assets (fixed assets bought through leasing) in fair value of 35.5 million euros have lease liability debt in amount of 19.3 million euros.

Overview by Region

In the Baltic region, Storent is involved in all the biggest construction projects, such as RailBaltica. The company has a notable income from co-operation with the military segment. In the Nordics, Storent has a good reputation for offering a wide range of lifting solutions and, specifically in Sweden – the company is known for its expertise in telehandlers. The Storent Group has opened new rental depots in Saldus, Latvia and Vilnius, Lithuania as well as expanded operations in the East of Finland.

Changes in Storen's revenue by regions H1 2024, as compared to H1 2023

Region	Total revenue	Total rent income	Rent income own fleet	Rent income split-rent
Storent total	0%	+ 6%	+ 3%	+ 21%
Baltic	+ 3%	+ 8%	+ 5%	+ 21%
Nordics	- 3%	+1%	- 2%	+ 8%

As shown in the table, Storent growth is fastest in the Baltic region, it makes 72% of the total revenue.

Latvia: The goal of the Storent is to maintain the leading market position. Rent income grew by 8%. In the spring, a rental depot was opened in Saldus, West Latvia. Storent is present in all of the biggest construction projects in the country. Also, there are numerous signed agreements for the upcoming projects in residential building and road construction.

Estonia: In Estonia, the first half of 2024 has been the most successful ever. In Q1, rental income increased by 23%, in Q2 - by 60%compared to the same period last year. It is estimated that Storent will double its income in July, as compared to the last year, despite stagnation of the rental market. The sales activities have significantly increased, and the sales strategy has proven to be successful. Storent is involved in the biggest infrastructure projects in the region including power station renovations. As Storent is not covering the whole territory of the country, there is still room for expansion in the area and higher income rates.

Lithuania: With a focus on Vilnius and Kaunas areas, Storent shows positive trend in other regions as well. A new depot opened in Vilnius in July, and further expansion in other areas is planned. The results show positive trends. The market is favorable for further development with extensive road reconstruction in Vilnius, as well as new military bases development.

Sweden: Storent continues to advance in its chosen niche, focusing on renting telehandlers and lifting equipment, and engaging in construction projects throughout Sweden. The depot has moved to new premises, offering better service to customers and better working conditions for employees. Due to significant gaps in the team, the results are still behind plan, making recruitment a main objective for the first half of 2024. Nevertheless, Storent managed to increase significantly in telescopic handler product group replacing numerous split-rent machines with newly acquired own equipment units which will result in 41% increase in own equipment rent estimation in July 2024. Market forecasts indicate positive trends for 2025, this ending several yearlong economic crisis.

Finland: The stagnating Finnish construction market forces Storent to look for new business opportunities in other regions and sectors, as well as broaden its services. Storent has expanded activities in the Eastern regions of the country and introduced itself to the Finnish market as a supplier of generators and scaffolding solutions. Efforts to push into new sectors are showing positive trends and of the 50 biggest customers 44% are new. Truck-mounted crane services remain a significant and profitable part of Storent's business, with revenue results improving by 7% compared to last year. In July rent income estimate of own equipment shows 15% increase.

The future development of the Group

The Group management plans further development of subsidiaries in five countries as a part of Storent Holding group. In second half of 2024, Storent will continue to focus on an improvement of sales process efficiency, additions to and renewal of rental fleet, as well as develop online sales and digitalization. The Group will continue to transform its IT strategy to comply with the scalability needs.

Statement of management's responsibility

On the basis of information held by the management board of the groups parent company the financial and other additional information published in the Interim report January– June 2024 is true and complete. Consolidated financial statement gives a true and fair view of the actual financial position and results of operations. The interim management report contains true information.

Consolidated financial statements in the report for the period January – June 2024 is not yet audited.

Andris Pavlovs

Chairman of the Management Board

Consolidated statement of comprehensive income

	Notes	**01.01.2024-30.06.2024 EUR**	**01.01.2023-30.06.2023 EUR**
Net revenue	3	19 390 969	19 447 907
Other operating income	4	467 261	418 556
Cost of materials and services	5	(7 309 298)	(7 149 983)
Personnel costs	11	(4 950 575)	(4 197 845)
Other operating expenses	6	(3 050 205)	(3 002 853)
Depreciation and amotrization	7	(3 732 536)	(3 164 339)
Impairement gain / (loss) on trade receivables and contract asset		(105 691)	281 488
Finance income	8	233 135	421
Finance expenses	9	(2 166 830)	(986 447)
Profit / (loss) before income tax		**(1 223 770)**	**1 646 905**
Income tax income / (expenses)	10	(498 457)	1 687
Profit/(loss) from continuing operations		**(1 722 227)**	**1 648 592**
Profit/(loss) from discontinuing operation, net of tax			149 830
Profit / (loss) for the year		**(1 722 227)**	**1 798 422**
Items that may be reclasified subsequently to profit or loss			
Exchange differences on foreign currency operations		78 993	(26 478)
Other comprehensive income/(loss) for the year		**78 993**	**(26 478)**
Total comprehensive income/(loss) for the year		**(1 643 234)**	**1 771 944**

The notes on pages 12 to 47 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

ASSETS

NON-CURRENT ASSETS	Note	30.06.2024 EUR	31.12.2023 EUR
Intangible assets			
Licences and similar rights		38 206	44 084
Computer software		2 997 892	2 364 665
Intangible assets in process		658 280	252 950
Goodwill		10 987 122	10 987 122
TOTAL Intangible assets	12	**14 681 500**	**13 648 821**
Property, plat and equipment			
Lands and buildings		173 005	178 335
Machinery and equipment		52 774 832	53 397 924
Other fixed assets		736 505	300 582
Fixed assets in process		396 987	706 589
TOTAL Property, plat and equipment	13	**54 081 329**	**54 583 430**
Right of use assets			
Right of use assets	14	**35 501 850**	**23 400 089**
Other non-current assets			
Loans to Company's shareholders		2 845 352	3 000 000
TOTAL Other non-current assets		**2 845 352**	**3 000 000**
TOTAL NON-CURRENT ASSETS		**107 110 031**	**94 632 340**
CURRENT ASSETS			
Inventories	15	1 415 694	804 899
Receivables			
Trade receivables	16	8 134 680	5 768 478
Contract assets	17	1 143	1 143
Other receivables	18	1 114 099	362 880
Prepaid expenses		319 732	320 117
TOTAL Receivables		**9 569 654**	**6 452 618**
Cash and cash equivalents	19	741 836	1 717 088
Non-current assets held for sale		-	188 820
TOTAL CURRENT ASSETS		**11 727 184**	**9 163 425**
TOTAL ASSETS		**118 837 215**	**103 795 765**

The notes on pages 12 to 47 are an integral part of these consolidated financial statements.

Consolidated statement of financial position

EQUITY AND LIABILITIES

	Note	30.06.2024	31.12.2023
EQUITY		**EUR**	**EUR**
Share capital	20	33 500 000	18 150 000
Reserves:			
Fair value reserves		40 419 028	40 419 028
Reorganisation reserve		(15 350 000)	-
Foreign currency translation reserve		-	(78 993)
Other reserves		26 774	26 774
Accumulated losses:			
Retained earings/ (accumulated losses)		1 666 804	7 294 973
TOTAL EQUITY		**60 262 606**	**65 811 782**
CREDITORS			
Long-term liabilities			
Issued bonds	22	24 582 011	14 609 965
Lease liabilities	23	13 972 106	10 071 222
Other borrowing	24	2 083 859	-
Deferred income	26	228 215	280 577
Deferred income tax liabilities		-	211 891
TOTAL Long-term liabilities		**40 866 191**	**25 173 655**
Short-term liabilities			
Issued bonds	22	66 250	41 250
Borrowings from related parties	29(c)	-	901 717
Lease liabilities	23	5 340 726	4 141 824
Other borrowing	24	940 281	676 832
Contract liabilities	17	456 445	459 935
Trade payables		7 207 331	3 882 761
Corporate income tax		480 400	36 835
Taxes and mandatory state social insurance contributions	25	561 378	541 407
Deferred income	26	94 457	94 457
Other provisions	21	98 612	310 616
Other liabilities	27	373 736	418 728
Accured liabilities	28	2 088 802	1 215 146
Liabilities directly associated with the assets held for sale		-	88 820
TOTAL Short-term liabilities		**17 708 418**	**12 810 328**
TOTAL LIABILITIES		**58 574 609**	**37 983 983**
TOTAL EQUITY ND LIABILITIES		**118 837 215**	**103 795 765**

The notes on pages 12 to 47 are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

	Notes	01.01.2024-30.06.2024 EUR	01.01.2023-30.06.2023 EUR
Cash flows from operating activities			
Loss for the year		(1 722 227)	539 497
Adjustments:			
Amortisation of intagible assets and depreciation of fixed assets, plant and equipment	12,13,14	3 732 536	4 423 292
Net result on diposal of property, plant and equipment		(218 224)	294 257
Interest expenses	9	1 829 526	843 092
Provision decrease		(221 831)	36 338
Cash flows from operating activities before changes in working capital		***3 399 780***	***6 136 476***
Receivables (increase)/ decrease		(3 117 043)	1 388 118
Inventories decrease / (increase)		(421 975)	(2 597 737)
Payables (decrease) / increase		3 905 462	2 267 626
Gross cash flows from operating activities		***3 766 224***	***7 194 483***
Interest paid		(1 993 786)	(1 080 595)
Corporate income tax paid		443 565	(531)
Net cash flows from operating activities		**2 216 003**	**6 113 357**
Cash flows from investing activities			
Purchase of intangible assets and property, plant and equipment		(17 306 276)	(4 720 170)
Proceeds from sale of property, plant and equipment		1 159 630	365 325
Loans granted		154 648	-
Net cash flows from investing activities		**(15 991 998)**	**(4 354 845)**
Cash flows from financing activities			
Proceeds from bonds		10 000 000	7 297 700
Proceeds from financial lease liabilities		8 582 494	1 729 787
Proceeds from borrowings		2 938 971	-
Loans issued		-	(484 100)
Repayment of borrowings from related parties		(901 717)	
Repayment of other borrowings		(430 357)	(1 516 357)
Repayment of lease liabilities		(3 482 706)	(1 703 466)
Dividends paid		(3 905 942)	
Net cash flows from financing activities		**12 800 743**	**5 323 564**
Foreign currency exchange			
Net cash flows for the years		**(975 252)**	**7 082 076**
Cash and cash equivalents at the beginning of the reporting year		1 717 088	675 051
Cash at the end of the reporting year	19	**741 836**	**7 757 127**

The notes on pages 12 to 47 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	Share capital	Foreign currency translation reserve	Other reserves*	Retained earnings / (accumulated losses)	Total
	EUR	EUR	EUR	EUR	EUR
Balance at 31 December 2021	**150 000**	**(48 136)**	**26 774**	**11 985 211**	**12 113 849**
Profit fot the year	-	-	-	4 774 540	4 774 540
Other comrehensive expenses	-	16 335	-	-	16 335
Transactions with ownets:					-
Recapitalization 28 December 2022	12 000 000	-	-	(11 847 371)	152 629
Share capital increase	6 000 000	-	-	-	6 000 000
Balance at 31 December 2022	**18 150 000**	**(31 801)**	**26 774**	**4 912 380**	**23 057 353**
Profit for the year	-	-	-	4 781 063	4 781 063
Other comrehensive expenses	-	(47 192)	40 419 028	-	40 371 836
Transactions with ownets:					-
Dividends paid	-	-	-	(2 398 470)	(2 398 470)
Share capital increase					-
Balance at 31 December 2023	**18 150 000**	**(78 993)**	**40 445 802**	**7 294 973**	**65 811 782**
Loss for the period	-	-	-	(1 722 227)	(1 722 227)
Other comrehensive expenses	-	78 993	-	-	78 993
Transactions with ownets:					-
Share capital increase	15 350 000	-	(15 350 000)	-	-
Dividends paid	-	-	-	(3 905 942)	(3 905 942)
Balance at 30 June 2024	**33 500 000**	**-**	**25 095 802**	**1 666 804**	**60 262 606**

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

The notes on pages 12 to 47 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. General information

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

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

2. Summary of significant accounting policies

(a) Basis of preparation

These unaudited condensed consolidated interim financial statements of Group for 6 months 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31.12.2023. They do not include all of the information required for the complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the end of last annual financial statements.

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

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

(b) Consolidation

As at 30 June 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

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 Holdings SIA and its subsidiaries Storent Investments AS, Storent SIA, Storent UAB, Storent OÜ, Storent Holding Finland Oy, Storent AB, Storent AS, and Storent Oy in the manner as if Storent Holdings SIA and its subsidiaries were a single entity.

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

(c) Foreign currency transactions

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

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

European Central Bank reference exchange rates:

	30.06.2024	**31.12.2023**
	EUR	**EUR**
1 USD	1.07050	0.90498
1 GBP	0.84638	1.15068
1 NOK	0.08774	0.08896
1 SEK	0.08803	0.08716

(d) Consolidation of foreign subsidiaries

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

2. Summary of significant accounting policies (cont.)

(e) Use of judgements, estimates and assumptions

Preparation of the consolidated financial statements according to the IFRS 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 2023.

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 equipmentat 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.

(f) Fair value

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

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

(g) Business combinations

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

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

2. Summary of significant accounting policies (cont.)

(h) Segment information

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

(i) Revenue recognition

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

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

The following criteria are used for determination of contractual relations:

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

Determination of contract performance obligation.

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

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

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.

2. Summary of significant accounting policies (cont.)

(i) Revenue recognition (cont.)

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.

Fulfillment of performance obligations for transport and related services is measured based on the output method – performance to date, and there is no significant judgement applied to determine the fulfilment of the performance obligations. 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.

(j) Employee benefits

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

(k) Income tax

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

Current tax

Corporate income tax for the reporting year (Lithuania)

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

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

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

Corporate income tax for the reporting year (Finland)

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

Corporate income tax for the reporting year (Sweden)

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

Deferred tax

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

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

2. Summary of significant accounting policies (cont.)

(k) Income tax (cont.)

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

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

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

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

(l) Finance income and finance costs

The Group's finance income and finance costs include:

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

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

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

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

(m) Intangible assets

Other intangible assets

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

Development costs of intangible assets

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

A project initiated by the Group met all the above criteria. The item "Intangible assets in process" included only those costs that the Group can reliably estimate. This intangible asset is recognized as a corporate asset because it cannot generate independent cash flows but will be used in the operations of all Group companies. At the end of 2023 and 2024, this item was not assessed separately and was included in the impairment test of total assets, allocating this item by CGU equal to the current IT cost allocation in the Storent group. In December 2022, the roll-out process of the new IT system has started and the development costs were transferred to Computer software, and subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. The implementation of the new IT system is planned to be completed by the end of 2024.

2. Summary of significant accounting policies (cont.)

(m) Intangible assets (cont.)

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

Amortisation

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

Trademarks and domains	5 years
Software licenses	3 years

(n) Property, plant and equipment

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

Until 30.12.2023 Property plant and equipment, including machinery and equipment is stated at historical cost less accumulated depreciation and impairment. At 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. 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. The impact of the change is presented in the current reporting period.

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 (there were no changes in depreciation periods due to indroduction of scrap value):

Machinery and equipment	4 - 12 years
Other	2 - 5 years

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.

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. Any gain or loss on disposal of an item of property, plant and equipment is recognised in comprehensive income. 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

2. Summary of significant accounting policies (cont.)

(n) Property, plant and equipment (cont.)

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.

The Group measures machinery and equipment at revalued amount 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.

Depreciation on revalued assets is recognised in statement of comprehensive income. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation or fair value reserve is transferred directly to retained earnings.

(o) 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.

(p) 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.

(q) 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.

(r) 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.

(s) Provisions

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

2. Summary of significant accounting policies (cont.)

(t) Financial assets and financial liabilities

Financial assets

Recognition, classification and subsequent measurement

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

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

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

A financial asset is derecognized if:

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

Impairment of financial assets

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

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

Factoring

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

2. Summary of significant accounting policies (cont.)

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

Financial liabilities

Recognition, classification and subsequent measurement

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

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

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

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

Offsetting

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

(u) Leases

The Group as lessor

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

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

The Group as lessee

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

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

2. Summary of significant accounting policies (cont.)

(u) Leases (cont.)

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

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

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

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

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

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

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

(v) Related party transaction

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

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

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

2. Summary of significant accounting policies (cont.)

(v) Related party transaction (cont.)

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

(w) 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.

(x) 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 2023, have not had a material impact on these consolidated financial statements.

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

A number of new standards are effective for annual periods beginning after 1 January 2023 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 2023 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)
- 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 2023 (effective dates refer to IFRS Accounting Standards, as issued by the IASB).

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

3. Net revenue and operating segments

Net revenue by products and services	01.01.2024-30.06.2024 EUR	01.01.2023-30.06.2023 EUR
Rental revenue – own equipment	9 538 648	9 789 000
Rental revenue – sub-lease of right-of-use assets (see also Note 14)	2 621 226	2 073 244
Rental revenue – equipment under split rent arrangements (see also Note 14)	3 837 973	3 178 370
TOTAL Rental income:	**15 997 847**	**15 040 615**
Transport and related services revenue	3 189 871	3 538 060
Revenue from sale of inventories	216 046	892 642
Cash discounts to customers	(12 795)	(23 410)
TOTAL Revenue from contracts with customers:	**3 393 122**	**4 407 292**
TOTAL:	**19 390 969**	**19 447 907**

Operating segments

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

Net revenue per geographical location	01.01.2024-30.06.2024 EUR	01.01.2023-30.06.2023 EUR
Latvia	7 359 143	7 635 653
Lithuania	4 037 600	4 459 273
Estonia	2 591 419	1 876 336
TOTAL Baltic (Latvia, Estonia and Lithuania):	**13 988 162**	**13 971 262**
Finland	4 167 157	4 290 232
Sweden	1 235 650	1 186 413
TOTAL Nordic (Finland and Sweden):	**5 402 807**	**5 476 645**
Russia, Kaliningrad (discontinued)	-	394 914
TOTAL:	**19 390 969**	**19 842 821**

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

Operating result per geographical location	01.01.2024-30.06.2024 EUR	01.01.2023-30.06.2023 EUR
Baltic (Latvia, Estonia and Lithuania)	1 676 265	2 194 718
Nordic (Finland and Sweden)	(1 088 700)	482 987
Elimination of inter-segment operating result	122 361	(44 774)
Finance income	233 135	421
Finance expenses	(2 166 831)	(986 447)
Consolidated profit/(loss) before tax from continuing operations:	**(1 223 770)**	**1 646 905**

3. Net revenue and operating segments (cont.)

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

Property, plant and equipment and right of use assets per geographical location, net book value	**30.06.2024 EUR**	**30.06.2023 EUR**
Finland	20 682 843	7 198 533
Sweden	3 802 992	935 124
TOTAL Nordic (Finland and Sweden):	**24 485 835**	**8 133 657**
Latvia	32 401 626	10 936 416
Lithuania	19 165 572	6 562 205
Estonia	13 133 159	3 771 661
TOTAL Baltic (Latvia, Estonia and Lithuania):	**64 700 357**	**21 270 282**
TOTAL:	**89 186 192**	**29 403 939**

Intangible assets (including goodwill) and right of use assets per geographical location, net book value	**30.06.2024 EUR**	**30.06.2023 EUR**
Finland	3 404 733	1 813 542
Sweden	626 035	196 351
TOTAL Nordic (Finland and Sweden):	**4 030 768**	**2 009 893**
Latvia	5 333 836	1 421 539
Lithuania	3 154 965	8 871 187
Estonia	2 161 931	643 644
TOTAL Baltic (Latvia, Estonia and Lithuania):	**10 650 732**	**10 936 370**
TOTAL:	**14 681 500**	**12 946 263**
TOTAL NON-CURRENT NON-FINANCIAL ASSETS:	**103 867 692**	**41 091 277**

4. Other operating income

By type	**01.01.2024-30.06.2024 EUR**	**01.01.2023-30.06.2023 EUR**
Insurance reimbursements received	54 254	104 256
Cost reimbursement	9 796	32 966
Recognized deferred income (see also Note 26)	52 362	14 954
Other income	11 718	7 700
Gains on sale of property, plant and equipment used for renting, net*	339 131	258 680
TOTAL:	**467 261**	**418 556**

*Storent SIA and Storent Oy, on an ongoing basis, performs optimization of the rental equipment fleet by selling equipment, which is no longer in demand in rental market. The increase in rental equipment sold in 2024 and 2023 is related to the management's initiated change in the Group's operating model to increase the share of rental equipment provided by split-rent vendors.

5. Cost of materials and services

a) **Costs of raw materials and ancillary materials**

	01.01.2024-30.06.2024 EUR	01.01.2023-30.06.2023 EUR
Cost of materials	144 698	381 418
Renting equipment adjustments as a result of stock counts	24 423	63 970
TOTAL:	**169 121**	**445 388**

b) **Other external costs**

	01.01.2024-30.06.2024 EUR	01.01.2023-30.06.2023 EUR
Equipment rent related costs (see also Note 14)	2 930 413	2 373 496
Transport and assembly services	2 683 938	2 717 433
Repairs and maintenance services	1 525 826	1 613 666
TOTAL:	**7 140 177**	**6 704 595**
TOTAL:	**7 309 298**	**7 149 983**

6. Other operating expenses

	01.01.2024-30.06.2024 EUR	01.01.2023-30.06.2023 EUR
Rent of offices, areas and maintenance costs	1 333 728	1 233 001
IT expenses	353 879	396 714
Other administrative expenses	350 949	322 837
Administration transport costs	220 537	227 928
Marketing expenses	270 610	226 276
Insurance costs	169 083	166 434
Remuneration to contractors	155 023	154 093
Legal services	61 820	55 169
Consulting and other services	52 992	80 007
Communication expenses	45 440	44 487
Written-off doubtful debts	36 144	95 907
TOTAL:	**3 050 205**	**3 002 853**

7. Depreciation and amortization

	01.01.2024-30.06.2024 EUR	01.01.2023-30.06.2023 EUR
Depreciation of property, plant and equipment used for renting	1 455 829	821 321
Depreciation of property, plant and equipment used for own needs	58 721	91 256
Rights of use assets amortization	1 859 936	1 688 437
Amortization of intangible assets	358 050	563 325
TOTAL:	**3 732 536**	**3 164 339**

8. Finance income

	01.01.2024-30.06.2024 EUR	01.01.2023-30.06.2023 EUR
Interest income	233 135	-
Other income	-	421
TOTAL:	**233 135**	**421**

9. Finance expenses

	01.01.2024-30.06.2024 EUR	01.01.2023-30.06.2023 EUR
Interest on bonds* calculated using the effective interest method	1 201 613	234 531
Interest on leases	599 176	254 564
Interest on borrowings* calculated using the effective interest method	25 289	350 820
Interest on factoring**	3 204	3 076
Interest on overdraft	244	101
Foreign exchange losses	14 978	137 919
Other expenses	322 326	5 436
TOTAL:	**2 166 830**	**986 447**

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

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

10. Income tax and deferred income tax assets / liabilities

	2024 EUR	2023 EUR
Corporate income tax calculated for the year	498 457	1 687
Deferred income tax changes due to temporary differences	-	-
Corporate income tax recognized in consolidated statement of comprehensive income:	**498 457**	**1 687**

11. Personnel costs and number of employees

	01.01.2024-30.06.2024 EUR	01.01.2023-30.06.2023 EUR
Salaries	3 696 590	3 215 812
State social security mandatory contributions	892 209	748 675
Other personnel costs	361 776	233 358
TOTAL:	**4 950 575**	**4 197 845**

Executive management remuneration:	01.01.2024-30.06.2024 EUR	01.01.2023-30.06.2023 EUR
Board members		
Salaries	53 929	55 273
State social security mandatory contributions	12 718	13 039
TOTAL:	**66 647**	**68 312**

	01.01.2024-30.06.2024	01.01.2023-30.06.2023
Average number of employees during the reporting year	242	238
TOTAL:	**242**	**238**

Personnel costs by function:	01.01.2024-30.06.2024 EUR	01.01.2023-30.06.2023 EUR
Sales	1 859 775	1 576 998
Customer services	2 014 924	1 708 557
Administration and finance staff	1 075 876	912 290
TOTAL:	**4 950 575**	**4 197 845**

12. Intangible assets

	Licences and similar rights	Other intagible assets	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	-	-	-	-	-
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**
01.01.2024-30.06.2024					
Net carrying value, opening	44 084	2 364 665	252 950	10 987 122	13 648 821
Additions	-	985 399	405 330	-	1 390 729
Write-off	-	-	-	-	-
Amortisation	(5 878)	(352 172)	-	-	(358 050)
Net carrying value	**38 206**	**2 997 892**	**658 280**	**10 987 122**	**14 681 500**
At 30 June 2024					
Historical cost	561 682	4 752 649	658 280	10 987 122	16 959 733
Accumulated amortisation and depreciation	(523 476)	(1 754 757)	-	-	(2 278 233)
Net carrying value	**38 206**	**2 997 892**	**658 280**	**10 987 122**	**14 681 500**

All intangible assets are used by the Group.

Fully amortized intangible assets

On 30 June 2024, intangible assets of the Group included assets with acquisition value of EUR 1 328 094 (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 investments". The roll-out of the new ERP system is planned to be completed by the middle of 2024. 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 2023 and 2022, there are only external intangible development costs capitalized.

13. Property, plant and equipment

	Land and buildings	Machinery and equipment	Other fixed assets	TOTAL
	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	1 765 458
Revaluaton to fair value	-	37 096 089	0	37 096 089
Transfered 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**	**53 397 924**	**300 582**	**53 876 841**
At 31 December 2023				
Historical cost	302 978	81 747 097	4 205 503	86 255 578
Accumulated amortisation and depreciation	(124 643)	(28 349 173)	(3 904 921)	(32 378 737)
Net carrying value	**178 335**	**53 397 924**	**300 582**	**53 876 841**
01.01.2024-30.04.2024				
Net carrying value, opening	178 335	53 397 924	300 582	53 876 841
Additions	-	1 053 770	503 092	1 556 862
Write-off	-	(221 033)	(13 778)	(234 811)
Amortisation	(5 330)	(1 455 829)	(53 391)	(1 514 550)
Net carrying value	**173 005**	**52 774 832**	**736 505**	**53 684 342**
At 31 December 2023				
Historical cost	302 978	82 579 834	4 694 817	87 577 629
Accumulated amortisation and depreciation	(129 973)	(29 805 002)	(3 958 312)	(33 893 287)
Net carrying value	**173 005**	**52 774 832**	**736 505**	**53 684 342**

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.

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 the reporting period, the depreciation charge would be by 2 487 413 EUR higher than the actual depreciation charge recognized in the reporting period.

13. Property, plant and equipment (cont.)

The Group 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. As of 31 December 2023, the carrying amount of machinery and equipment measured at fair value amounted to 53 397 923 EUR for own fixed assets and 22 420 018 EUR for rights of use assets. The carrying amount of this machinery and equipment under the cost method would have been 16 301 835 EUR for own fixed assets and 19 097 078 EUR for rights of use assets. The Group has, generally, used two methods to estimate the fair value of the individual assets – for equipment with individual serial numbers the Market approach was used, while for non-serial equipment the Depreciated Replacement Cost Method was used. For Market approach, the key assumptions used included observed market prices for the same or similar assets, adjusting them for differences such as production year and usage of the asset. For Depreciated Replacement Cost Method, the key assumptions used included prices of new same or similar equipment based on quotes provided by manufacturers, which was adjusted by estimated useful life and estimated residual value to arrive at a similar level to the particular asset's depreciation.

The revaluation surplus is disclosed in revaluation or fair value reserve. The revaluation surplus cannot be distributed to the shareholders due to legal restrictions in the country of incorporation.

All of the Group's revalued property, plant and equipment are determined to be Level 3 in the fair value hierarchy.

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	0	3 322 940
Transfered 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	293 143	13 286 766	378 788	13 958 697
Amortisation	(21 307)	(1 723 984)	(114 645)	(1 859 936)
Net carrying value at 30 June 2024	**280 630**	**33 982 800**	**1 235 420**	**35 498 850**

All rights of use assets classified as Machinery and equipment and Other fixed assets are leased out by the Group under operating lease terms. Other types of rights of use assets are used by the Group for own purposes.
For information on incremental borrowing rates applied to lease liabilities, refer to Note 23.

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

14. Rights of use assets (cont.)

Amounts recognized in profit and loss:	01.01.2024-30.06.2024 EUR	01.01.2023-30.06.2023 EUR
Revenue from sub-lease of rights-of-use assets (see also Note 3)	2 621 226	2 073 244
Revenue from sub-lease of assets, for which lease liabilities are not recognized (see also Note 3)*	3 837 973	3 178 370
Expense related to variable lease payments not included in the measurement of the lease liability*	(2 930 413)	(2 373 085)
Depreciation expenses on right-of-use assets	(1 859 936)	(1 688 437)
Interest expense on lease liabilities	(599 176)	(254 564)
Expense relating to short-term leases	(877 037)	(823 731)
TOTAL:	**192 637**	**111 797**

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

15. Inventories

	30.06.2024 EUR	31.12.2023 EUR
Goods for resale (at cost)	665 244	176 207
Consumables (at cost)	750 450	628 692
TOTAL:	**1 415 694**	**804 899**

16. Trade receivables

	30.06.2024 EUR	31.12.2023 EUR
Trade receivables	10 419 291	7 948 491
Allowance for doubtful debts	(2 284 611)	(2 180 013)
TOTAL:	**8 134 680**	**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.

Trade receivables are not secured or collaterized.

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

16. Trade receivables (cont.)

Changes in the allowance for doubtful debts	**30.06.2024 EUR**	**31.12.2023 EUR**
At the beginning of the year	**2 180 013**	**2 653 950**
Decrease / (Increase)	140 742	(198 746)
Written-off	(36 144)	(275 191)
TOTAL:	**2 284 611**	**2 180 013**

17. Contract assets and contract liabilities

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

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

Contracts balances	**30.06.2024 EUR**	**31.12.2023 EUR**
Receivables, which are included in 'Trade receivables'	10 419 291	7 948 491
Contract assets	1 143	1 143
TOTAL:	**10 420 434**	**7 949 634**

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	**30.06.2024 EUR**	**31.12.2023 EUR**
Contract liabilities – loyalty program	(218 913)	(173 800)
Contract liabilities – advances from customers	(237 532)	(286 135)
TOTAL:	**(456 445)**	**(459 935)**

Changes in contract liabilities:	**30.06.2024 EUR**	**31.12.2023 EUR**
At the beginning of the year	**(459 935)**	**(404 345)**
Revenue recognized from amounts included in contract liabilities at the beginning of the period	459 935	404 345
Revenue deferred during the period	(456 445)	(459 935)
TOTAL:	**(456 445)**	**(459 935)**

18. Other receivables

	30.06.2024 EUR	**31.12.2023 EUR**
Guarantee deposit	258 357	236 526
Advances to suppliers	425 628	68 692
Refundable value-added tax	425 055	56 785
Advances to employees	5 059	877
TOTAL:	**1 114 099**	**362 880**

19. Cash and cash equivalents

	30.06.2024 EUR	31.12.2023 EUR
Cash in bank and cash, EUR	658 968	1 688 560
Cash in bank and cash, SEK	82 868	28 528
TOTAL:	**741 836**	**1 717 088**

20. Share capital of the Parent company

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:

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%**

In 2024, registered share capital of the Group's legal Parent company was increased by EUR 15 350 000 and the registered share capital of the Group's legal Parent company on 30.06.2024 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. Share capital was increased by new share issue with non-financial contribution.

Parent company's shareholders as of 30 June 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%**

21. Other provisions

	30.06.2024 EUR	31.12.2023 EUR
Provisions for employee bonuses	92 817	243 712
Provisions for expenses	5 795	66 904
TOTAL:	**98 612**	**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.

Changes in the provisions:	**30.06.2024 EUR**	**31.12.2023 EUR**
At the beginning of the year	**310 616**	**128 956**
Provisions made	(50 634)	456 135
Provision used	(161 370)	(274 475)
TOTAL:	**98 612**	**310 616**

22. Issued bonds

In In 2020, the Group's subsidiary Storent Investments AS issued the second emission of bonds with maturity date 19.10.2023, coupon interest rate 8%, bond nominal value 100 EUR and total nominal value 15 000 000 EUR. Bonds were listed on the official bond list of AS "Nasdaq Riga." During 2023, this emission of bonds was fully settled.

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

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

Issued bonds	**Emission date**	**Maturity date**	**Amount**	**Actual interest rate (%)**	**30.06.2024 EUR**	**31.12.2023 EUR**
ISIN code LV0000850089	26.06.2023	21.12.2025	15 000 000	11	15 000 000	15 000 000
ISIN code LV0000850345	25.03.2024	21.09.2026	10 000 000	10	10 000 000	-
Accrued interest for bonds coupon payment (LV0000850089)					41 250	41 250
Accrued interest for bonds coupon payment (LV0000850345)					25 000	-
Incremental cost allocation					(417 989)	(390 035)
				TOTAL:	**24 648 261**	**14 651 215**
				Total Non-current liabilities:	24 582 011	14 609 965
				Total Current liabilities:	66 250	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 amounted to 673 917 EUR. The Group treated these fees and costs as incremental costs related to attract the financing. These fees and costs are an integral part of the effective interest rate of the loans and are treated as an adjustment to the effective interest rate.

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

	30.06.2024 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
Bonds exchange	-	(4 870 500)
Total changes from financing cash flows	**10 000 000**	**10 129 500**
Incremental cost allocation	(145 108)	(473 273)
Incremental cost allocation amortization	117 154	133 381
Interest expense	1 082 492	930 445
Interest paid	(1 057 492)	(967 573)
Total liability-related other changes	**(2 954)**	**(377 020)**
Balance at the end of the year	**24 648 261**	**14 651 215**

22. Issued bonds (cont.)

According to Terms and Conditions the following financial covenants have to be met:

- Shareholders Equity to Assets Ratio may not be lower than 35 (thirty-five) per cent at the end of each Quarter. "Shareholders Equity to Assets Ratio" means the Issuer's total shareholders' equity expressed as a per cent of the Issuer's consolidated amount of assets as at the end of each Quarter determined on the basis of the Issuer's consolidated quarterly financial statements.
- Net Debt/EBITDA Ratio for the for the previous 12 (twelve) months may not be higher than 2.5: (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 re-valuation, disposal or writing off of assets.

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.

Transactions with bonds in 2024

As a result of the rapid investments, on 30.06.2024 Storent Holding has exceeded the financial indicator Net Debt/EBITDA reaching 3.77 instead of the previously agreed 2.5. A larger amount of investment in the equipment and IT increased company liabilities in the short term and investments in human resourced decreased EBITDA.

In mid-August, Storent will offer bondholders a vote on changing the financial indicators, allowing the NetDebt/EBITDA to be lower than 4 starting from the 3rd quarter of 2024 to the 2nd quarter of 2025, while starting from the third quarter of 2025, it will offer to reduce it to 3.5

23. Lease liabilities

By asset type	***Maturity***	***Interest rate, (%)****	**30.06.2024 EUR**	**31.12.2023 EUR**
Leasing companies (various asset types)	Various (2021 - 2024)	1.8-5.5% +3M EURIBOR	17 877 509	13 422 383
Supplier funding (various asset types)	28.09.2028	2%-8.67%	607 189	327 223
Premise's rent	31.12.2023	10.3%	390 643	16 359
Car rent	Various (2021-2023)	10.3%	211 815	187 076
Warehouse forklifts	2027	10,58%	225 676	260 005
		TOTAL:	**19 312 832**	**14 213 046**
		Total Non-current liabilities:	13 972 106	10 071 222
		Total Current liabilities:	5 340 726	4 141 824

The maturity of lease liabilities disclosed in Note 31.

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

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

	30.06.2024 EUR	**31.12.2023 EUR**
Balance at the beginning of the year	**14 213 046**	**7 049 443**
Repayment of lease liabilities	(3 482 706)	(6 744 616)
Total changes from financing cash flows	**(3 482 706)**	**(6 744 616)**
New leases	8 582 494	13 908 219
Interest expenses accrued	599 270	673 557
Interest paid	(599 270)	(673 557)
Total liability-related other changes	**8 582 494**	**13 908 219**
Balance at the end of the year	**19 312 832**	**14 213 046**

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

	01.01.2024-30.06.2024 EUR	**2023 EUR**
Repayment of lease liabilities	3 482 706	6 744 616
Interest paid	599 270	673 557
Expenses relating to short-term leases	877 037	1 666 412
TOTAL:	**4 959 013**	**9 084 585**

24. Other borrowings

2019 - 2024, the Group received loans from Haulotte Group AB, Yanmar Construction Equipment Europe S.A.S. SA Manitou BF and LGMG Europe B.V. Total loans amounted to EUR 16 254 002 with interest rate 2,49% - 4% per annum. Loans repayment date is 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 (%)	30.06.2024 EUR	31.12.2023 EUR
Haulotte Group SA	01.08.2024	2 009 115	2.8	100 453	302 794
Yanmar Construction Equipment Europe SAS	04.08.2024	803 768	2.8	40 188	121 137
Yanmar Construction Equipment Europe SAS	02.10.2028	1 909 925	5.5	1 160 344	-
SA Manitou BF	04.08.2024	1 403 000	2.8	149 069	301 732
LGMG Europe B.V.	01.07.2028	2 009 985	5.5	1 778 627	-
Incremental cost allocation				(204 541)	(48 831)
			TOTAL:	**3 024 140**	**676 832**
			Total Non-current liabilities:	2 083 859	-
			Total Current liabilities:	940 281	676 832

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

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

	30.06.2024 EUR	31.12.2023 EUR
Balance at the beginning of the year	**676 832**	**7 057 854**
Proceeds from other borrowings	2 938 971	-
Repayment of other borrowings	(430 356)	(6 427 819)
Total changes from financing cash flows	**2 508 615**	**(6 427 819)**
Incremental cost allocation amortization	(155 710)	(29 680)
Decrease in outstanding amount due to full repayment before the stated maturity	-	(460 918)
Interest expense	6 130	574 199
Interest paid	(11 727)	(36 804)
Total liability-related other changes	**(161 307)**	**46 797**
Balance at the end of the year	**3 024 140**	**676 832**

Changes in the incremental cost allocation:

	30.06.2024 EUR	31.12.2023 EUR
At the beginning of the year	**48 831**	**19 151**
Incremental cost increase	155 710	48 401
Written off as adjustment to effective interest rate	-	(18 721)
TOTAL:	**204 541**	**48 831**

25. Taxes and national mandatory social insurance contributions

	30.06.2024 EUR	31.12.2023 EUR
Personal income tax	233 051	154 536
State social security mandatory contributions	323 967	189 552
Value added tax	-	193 714
Risk duty	4 360	3 605
TOTAL:	**561 378**	**541 407**

26. Deferred income

	30.06.2024 EUR	31.12.2023 EUR
Gain on sale-and-leaseback transactions	322 672	375 034
TOTAL:	**322 672**	**375 034**
Total Non-current deferred income:	228 215	280 577
Total Current deferred income:	94 457	94 457

Sale-and-leaseback transactions

In 2016 to 2018, the Group entered into sale-and-leaseback transactions that resulted in sales proceeds exceeding the carrying amount of these assets, and the difference has been accounted as Deferred income. In line with IFRS 16 transition requirements, the Group continues to amortize the deferred gain on a strength-line method over the lease term for each of such assets.

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

Changes in the deferred income:	30.06.2024 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)	(52 362)	(48 609)
TOTAL:	**322 672**	**375 034**

27. Other liabilities

	30.06.2024 EUR	31.12.2023 EUR
Payroll	373 736	390 625
Other payables	-	28 103
TOTAL:	**373 736**	**418 728**

28. Accrued liabilities

	30.06.2024 EUR	31.12.2023 EUR
Accrues liabilities for unused employee vacations	949 784	759 706
Other accrued liabilities	1 080 623	416 628
Accrued liabilities for defined contribution pension insurance	58 395	38 812
TOTAL:	**2 088 802**	**1 215 146**

29. Related party transactions

29. (a) Related party transactions

Related party	Year	Goods and services received EUR	Payables to related companies EUR
Companies with significant influence 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	(2 012)	(406)
	2024	(2 012)	(406)
	TOTAL 2023:	**2 012**	**406**
	TOTAL 2024:	**2 012**	**406**

* 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 406 as at 30 June 2024 (2023: EUR 406).

29. (b) 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.

29. (c) Borrowings from related companies

	Maturity	Interest rate %	30.06.2024 EUR	31.12.2023 EUR
EEKI SIA	31.12.2023	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:

	30.06.2024 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	-	98 340
Interest paid	-	(84 901)
Total liability-related other changes	**-**	13 439
Balance at the end of the year	**-**	**901 717**

30. Financial instruments

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

Categories of financial assets and liabilities

	As at 30.06.2024		As at 31.12.2023	
Financial assets	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Loans and receivables held at amortised cost				
- Loans to related parties	2 845 352	2 845 352	3 201 824	3 201 824
- Trade receivables	8 134 680	8 134 680	5 566 654	5 566 654
- Other receivables	1 114 099	1 114 099	362 880	362 880
- Cash and cash equivalents	741 836	741 836	1 717 088	1 717 088
TOTAL financial assets:	**12 835 967**	**12 835 967**	**10 848 446**	**10 848 446**

	As at 30.06.2024		As at 31.12.2023	
Financial liabilities	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial liabilities held at amortized cost				
- Issued bonds	24 648 261	25 427 420	14 651 215	15 030 925
- Loans from related companies	-	-	901 717	901 717
- Lease liabilities	19 312 832	18 926 575	14 213 046	13 988 284
- Other borrowings	3 024 140	3 024 140	676 832	676 832
- Trade payables	9 215 160	9 215 160	3 883 121	3 883 121
- Other payables	1 871 959	1 871 959	1 456 904	1 456 904
TOTAL financial liabilities:	**58 072 352**	**58 465 254**	**35 782 835**	**35 937 783**

31. Financial risk management

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

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

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

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

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

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

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

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

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

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

There were no transfers between fair value hierarchy levels in 2024 and in 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, cash and cash equivalents. The Group controls its credit risk by closely monitoring the customer payment history and setting separate terms and conditions to individual customers. In addition, the Group closely monitors receivables balances to minimize the possibility of bad debts.

In terms of receivables as at 30 June 2024 and 31 December 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.

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

The maximum credit risk exposure at 30 June 2024 was EUR 9 990 615 (31 December 2023 was EUR 7 848 445).

31. Financial risk management (cont.)

At 30 June 2024 and 31 December 2023, the exposure to credit risk for trade receivables by geographic region was as follows:

	Carrying amount	
EUR	**30.06.2024**	**2023**
Baltics	6 399 825	4 603 055
Nordics	1 734 855	1 165 423
	8 134 680	**5 768 478**

30.06.2024 EUR	**Weighted-average loss rate**	**Gross carrying amount**	**Loss allowance**	**Creditimpaired**
Current (not past due)	0,09%	5 974 837	(5 627)	No
1–30 days past due	2,36%	1 128 091	(26 635)	No
31–60 days past due	2,67%	494 432	(13 182)	No
61–90 days past due	9,74%	330 397	(32 174)	No
More than 90 days past due	88,6%	2 491 534	(2 206 993)	Yes
TOTAL		**10 419 291**	**(2 284 611)**	**-**

31.12.2023 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		**7 948 491**	**(2 180 013)**	**-**

31. Financial risk management (cont.)

Liquidity risk

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

The Group's management considers that the Group will have sufficient cash resources and its liquidity will not be compromised. As at 30 June 2024, the Group's liquidity ratio was 0,20. As at 31 December 2023, the Group's liquidity ratio was 0,71. Please refer to Note 33 for going concern considerations.

At 30 June 2024 and 31 December 2023, the maturity of the financial liabilities of the Group, based on undiscounted payments provided for in the agreements can be disclosed as follows:

30.06.2024	**Contractual cash flows**					**Expected interest payments**	**Carrying amount**
	< 3 months	**3-6 months**	**6-12 months**	**1-5 years**	**Total**	**Total**	**Total**
Issued bonds	(687 500)	(1 375 000)	(17 395 833)	(10 666 667)	**(30 125 000)**	(5 476 739)	24 648 261
Loans from related companies	-	-	-	-	**-**	-	-
Lease liabilities	(2 101 396)	(2 932 557)	(5 426 783)	(11 875 442)	**(22 336 178)**	(3 023 346)	19 621 920
Other borrowings	(429 474)	(513 101)	(992 727)	(1 808 026)	**(3 743 328)**	(719 188)	3 024 140
Trade payables	(9 738 320)	-	-	-	**(9 738 320)**	-	9 738 320
Tax and other payables	(1 871 959)	-	-	-	**(1 871 959)**	-	1 871 959
	(14 828 649)	**(4 820 658)**	**(23 815 343)**	**(24 350 135)**	**(67 814 785)**	**(9 219 273)**	**58 904 600**

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**

Interest rate risk

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

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

32. Capital management

The purpose of the management of Group capital is to provide a high credit rating and balanced structure of capital to ensure successful activity of the Group and to maximize Group's share value. The Group is not subject to any externally imposed capital requirements. The Group is controlling structure of the capital and adjusts that structure according to economic conditions. For control and adjustment of structure of the capital, the Group can change conditions of payment of dividends to shareholders, to return them part of shares or to release new shares. In 2024 and 2023 there were no changes introduced to purposes, policy or processes related to management of the capital.

	30.06.2024 EUR	31.12.2023 EUR
Interest bearing loans and borrowings	46 985 233	30 442 809
Trade and other payables	11 087 119	5 340 026
Less cash and cash equivalents	(741 836)	(1 717 088)
Net debt	**57 330 516**	**34 65 747**
Equity	60 262 606	65 811 782
Net debt to equity ratio:	**0.95**	**0.52**

33. Going concern of the Group

The Group's financial performance in the reporting period was a loss of EUR 1 722 226 (2023: profit of EUR 1 798 422), and the loss in 2024 is a result of the increasing personnel costs, depreciation and significantly higher interest payments.

At the end of the reporting period, the Group's current liabilities exceeded current assets by EUR 5 981 234 (31.12.2023: current liabilities exceeded current assets by EUR 3 646 903), as a result of short-term lease borrowings with a monthly payment schedule.

The Group management has made forecast and cash flows plan and has not identified any events or conditions that may cast significant doubts on the Group's ability to continue as a going concern. Although the first half of the year ended with losses, the company's management predicts a successful second half of the year and it is planned to end 2024 with a profit. In the rental turnover for first half of the year, the largest increase, 25%, was for split rented equipment. This turnover brings much less profit to the company. However, the significant increase of the indicator proves that the company is capable of renting out much larger volumes of equipment than it currently has available and can invest more in its own fleet. The rental income from our own equipment increased by 2% compared to the same period last year. As we are right at the beginning of a more active rental season and the new equipment is just put into circulation, the rental income from Storent equipment is increasing every month, the July forecast shows that it will already reach increase of 30%. In July the estimated growth of rent income by country from own equipment is following Estonia 96%, Sweden 41%, Lithuania 24%, Latvia 22% and Finland 15%.
The Storent Group has opened new rental depots in Saldus, Latvia and Vilnius, Lithuania as well as expanded operations in the East of Finland. Storent growth is fastest in the Baltic region, it makes 72% of the total revenue. Storent has successful co-operation with Rail Baltica - the biggest infrastructure project in the region, as well as with the military development.

34. Post balance sheet events

Non-adjusting events

As a result of the rapid investments, on 30.06.2024 Storent Holding exceeded the financial indicator Net Debt/EBITDA reaching 3.77 instead of the previously agreed 2.5. A larger amount of investment in the equipment and IT increased company liabilities in the short term and investments in human resourced decreased EBITDA.
In mid-August, Storent will offer bondholders a vote on changing the financial indicators, allowing the NetDebt/EBITDA to be lower than 4 starting from the 3rd quarter of 2024 to the 2nd quarter of 2025, while starting from the third quarter of 2025, it will offer to reduce it to 3.5.

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