

AS STORENT HOLDING INTERIM REPORT

**JULY – SEPTEMBER
2024**





CONTENTS

MANAGEMENT REPORT	3
<hr/>	
STATEMENT OF THE MANAGEMENT BOARD	5
<hr/>	
CONSOLIDATED INCOME STATEMENT (unaudited) EUR	6
<hr/>	
CONSOLIDATED BALANCE SHEET / ASSETS (unaudited) EUR	7
<hr/>	
CONSOLIDATED BALANCE SHEET / EQUITY AND LIABILITIES (unaudited) EUR	8
<hr/>	
FINANCIAL COVENANTS (unaudited)	9
<hr/>	

MANAGEMENT REPORT

Storent was founded in Latvia in 2008 with the primary goal of establishing itself as the most efficient construction equipment rental company in the Baltic and Nordic countries. Currently, the Storent group has 28 rental depots in 5 countries. In 2023, the turnover of the Group reached 44 million euros.

The third quarter is the main profit-generating period for the Storent group. To use this market trend, the Group focused on the integration of large-scale investments in the fleet, therefore maximizing the profit gained this year. The strategy paid off, in the third quarter alone the Group made a net turnover of 13,5 million euros, 4,9 million euros in EBITDA, and nearly 1,4 million euros in net profit. Because of the successful management of the additional fleet during the high season, the net revenue increased by 18% and the EBITDA increased by 79%, compared to the second quarter.

Successful investments resulted in a significant revenue and profitability improvement, rental income from own equipment increased by 16%, while rent income from splitrent equipment was only 3% and it resulted in EBITDA increased by 16% compared to the third quarter of 2023. In nine-month company reached 159 thousand euros profit before tax.

Main financial results of Storent for the third quarter

Thousands of euros	2024 9M	2023 9M	Difference	Difference %	2024 Q3	2023 Q3	Difference	Difference %
Total revenue	34 221	32 412	1 808	6%	14 363	12 546	1 817	14%
Total rent income	27 005	24 771	2 234	9%	11 007	9 733	1 274	13%
Rent income own fleet	20 911	19 541	1 370	7%	8 668	7 464	1 204	16%
Rent income splitrent	6 094	5 229	864	17%	2 340	2 269	70	3%
EBITDA	9 386	10 069	(684)	(7%)	4 943	4 272	671	16%
EBITDA %	27%	31%			34%	34%		
EBIT	3 383	5 454	(2 070)	(38%)	2 673	2 821	(147)	(5%)
EBIT %	10%	17%			19%	22%		
EBT	159	3 564	(3 404)	(96%)	1 383	1 917	(534)	(28%)
EBT %	0%	11%			10%	15%		

During the first 9 months of 2024, Storent invested 22 million euros in the replacement and expansion of its fleet, which is the largest amount Storent has ever invested during one calendar year. As a result, total assets have increased by 21% in nine months: from 103.8 million euros by the end of 2023 to 126 million euros by the end of September 2024. The total investments in the fleet is expected to reach 25 million euros by the end of the year. At the group level, a significant part of investments is spent on the product groups of lifts, earthmoving equipment, telescopic handlers, and generators. The company has extended presence in new sectors by adding wind farm and solar panel construction to its established portfolio, which already includes civil construction, road infrastructure, manufacturing facilities, renovation projects, entertainment events, agriculture, and the military sector.

The Group strategically decided in favor of a rapid investment plan instead of a conservative one. Because of that, the profit indicators of the first half of the year were negatively affected. As predicted by the Group's management, the second half of the year will make up from those losses according to plan and the company will end 2024 with a profit. The new equipment is put into the rental market as fast as possible, and the rental income from Storent equipment is significantly increasing every month.

On 8 August 2024 Storent initiated voting for Noteholders with an offer to change the Net Debt / EBITDA financial indicator, which was affected in the framework of the investments. The voting ended on 5 September 2024, investors holding 57,8% of the principal amount of the outstanding Notes submitted their votes, and 98,6% of those Noteholders voted "yes" to the proposed amendments. As a result, the changes were approved. Additionally, the Group was named 88th among the TOP 101 of Latvia's Most Valuable Enterprises, a socially significant initiative organized by Prudentia and Nasdaq Riga.

To improve efficiency, the Group has completed the very complicated transition from existing ERP systems to new cloud-based systems in all 5 operating countries. The third quarter was dedicated to improving and developing an effective workflow in the new system during the most demanding time – the high season. Monthly reviews done in each country reflect a significant increase in net promoter scores, compared to the same period last year. The group is planning to continue the investments in

the implementation of new digital tools.

To retain employees and promote a culture of high achievers, the company has launched the new “Star Program”. As this program has proven to be highly effective and valued by the team, it is planned to expand it to other roles as well.

Overview by Region

In the Baltic region, Storent is involved in all the biggest construction projects and has ongoing cooperation with the military segment. In the Nordics, Storent focuses on expertise in telehandlers and lifting solutions. According to the strategy, the company substituted splitrent with own equipment, thus improving overall results in each region.

Latvia: Storent is the market leader, participating in the biggest construction projects in the country. Also, there are numerous signed agreements for upcoming projects in residential building and road construction. The company organized client day which was the biggest event organized so far, gathering hundreds of clients and partners in Riga.

Estonia: 2024 is continuing to be the most successful year and in the third quarter the growth continues – the total income grew by 74%, compared to last year. The sales strategy has proven to be successful. Storent is involved in the biggest infrastructure projects in the region including power station renovations. Because of the great results of the team, Storent is planning to continue the expansion in Estonia, too.

Lithuania: The results show positive trends. The market is favorable for further development with extensive road reconstruction in Vilnius, as well as new military base development. To get the most out of the new investments in the fleet and favorable market situation, the company appointed Simas Kazlauskas, a long-term employee in Lithuania and Group level, as the Managing Director of Storent Lithuania.

Sweden: Storent continues to advance in its chosen niche, focusing on renting telehandlers and lifting equipment, and engaging in construction projects throughout Sweden. The team is increasing its sales team and focusing on finding more long-term partners for the future, because the market forecasts indicate positive trends for 2025, thus ending several yearlong economic crises.

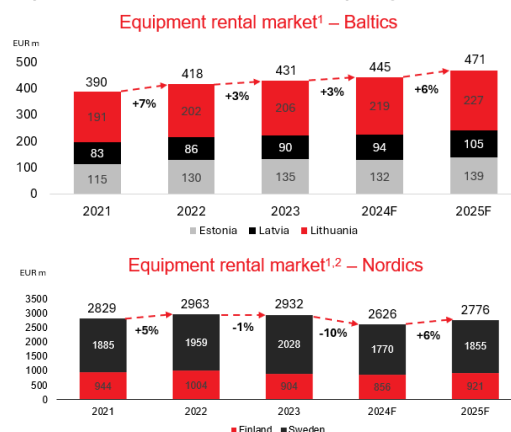
Finland: Storent adapted to harsh market conditions by introducing itself to the Finnish market as a supplier of generators and scaffolding solutions, in addition to lifting solutions and access equipment rental which are main specialization for Finnish entity. The market forecast for 2025 looks promising and should also improve profitability.

The future development of the Group

In the fourth quarter the group is planning to fulfill the investments plan. Management teams of all countries are creating tailored business strategies for next year, based on market prognosis and situation within the company.

Key areas of focus for Storent in the Baltics are the military sector, big construction projects, including construction of business parks and Rail Baltica, also the construction of wind and solar energy parks, organizing events.

Key areas of focus for Storent in the Nordics are presence in industrial projects, projects for infrastructure development construction of renewable energy parks. A recovering of civil construction sector is expected.



¹Market data according to the forecast of the construction market research company Forecon
²Market data for Sweden according to the forecast of the ERA report, October 2023.

STATEMENT OF THE MANAGEMENT BOARD

The financial and other additional information published in the Interim report July – September 2024 is true and complete. The consolidated financial statement gives a true and fair view of the actual financial position and results of operations.

Consolidated financial statements in the report for the period July – September 2024 is not yet audited.



Andris Pavlovs

Chairman of the Management Board

CONSOLIDATED INCOME STATEMENT

(unaudited) EUR

	2024 - Q3	2023 - Q3	2024-09	2023-09	2023 total
	EUR	EUR	EUR	EUR	EUR
Net revenue	13 502 891	11 998 544	32 893 860	31 446 451	42 667 128
Other operating income	859 662	547 320	1 326 924	965 876	1 086 126
Cost of materials and services	(4 778 085)	(4 165 146)	(11 687 595)	(11 315 129)	(15 499 946)
Personnel costs	(2 912 709)	(2 374 879)	(8 262 844)	(6 572 724)	(8 830 068)
Other operating expenses	(1 600 034)	(1 626 328)	(4 650 482)	(4 629 181)	(6 185 693)
Impairment gain / (loss) on trade receivables and contract asset	(128 657)	(107 398)	(234 333)	174 090	475 170
EBITDA	4 943 068	4 272 113	9 385 530	10 069 383	13 712 717
EBITDA %	34%	34%	27%	31%	31%
Depreciation and amortization	(2 269 718)	(1 451 402)	(6 002 254)	(4 615 741)	(6 135 910)
EBIT	2 673 351	2 820 710	3 383 276	5 453 641	7 576 807
EBIT %	19%	22%	10%	17%	17%
Finance income	80 884	11 937	314 019	12 372	680 403
Finance expenses	(1 371 299)	(916 037)	(3 538 128)	(1 902 498)	(2 751 468)
Profit / (loss) before income tax	1 382 936	1 916 610	159 168	3 563 515	5 505 742
Profit / (loss) before income tax, %	10%	15%	0%	11%	13%
Income tax income / (expenses)	(13 582)	(344 529)	(512 039)	(342 842)	(902 461)
Profit/(loss) from continuing operations	1 369 354	1 572 081	(352 872)	3 220 673	4 603 281
Profit/(loss) from discontinuing operation, net of tax	-	187 141	-	131 332	177 782
Profit / (loss) for the period	1 369 354	1 759 222	(352 872)	3 352 005	4 781 063
Items that may be reclassified subsequently to profit or loss					
Exchange differences on foreign currency operations	-	-	-	(26 478)	(47 192)
Revaluation reserve	-	-	-	-	40 419 028
Other comprehensive income/(loss) for the period	-	-	-	(26 478)	40 371 836
Total comprehensive income/(loss) for the period	1 369 354	1 759 222	(352 872)	3 325 527	45 152 899

* The numbers for 2023 have been adjusted according to the audited consolidated annual report for 2023

CONSOLIDATED BALANCE SHEET

(unaudited) EUR

ASSETS

	30.09.2024	31.12.2023
	EUR	EUR
NON-CURRENT ASSETS		
Intangible assets		
Licenses and similar rights	35 391	44 084
Computer software	3 305 504	2 364 665
Intangible assets in process	809 470	252 950
Goodwill	10 987 122	10 987 122
TOTAL Intangible assets	15 137 487	13 648 821
Property, plant and equipment		
Lands and buildings	170 339	178 335
Machinery and equipment	51 031 036	53 397 924
Other fixed assets	1 249 561	300 582
Fixed assets in process	931 576	706 589
TOTAL Property, plant and equipment	53 382 512	54 583 430
Rights of use assets	41 915 783	23 400 089
Other non-current assets		
Loans to Company's shareholders	2 924 311	3 000 000
TOTAL Other non-current assets	2 924 311	3 000 000
TOTAL NON-CURRENT ASSETS	113 360 093	94 632 340
CURRENT ASSETS		
Inventories	976 612	804 899
Receivables		
Trade receivables	9 441 147	5 768 478
Contract assets	1 143	1 143
Other receivables	338 631	362 880
Prepaid expenses	287 054	320 117
TOTAL Receivables	10 067 975	6 452 618
Cash and cash equivalents	1 608 117	1 717 088
Non-current assets held for sale	-	188 820
TOTAL CURRENT ASSETS	12 652 704	9 163 425
TOTAL ASSETS	126 012 797	103 795 765

CONSOLIDATED BALANCE SHEET

(unaudited) EUR

EQUITY AND LIABILITIES

	30.09.2024	31.12.2023
	EUR	EUR
EQUITY		
Share capital	33 500 000	18 150 000
Reserves:		
Revaluation reserve	40 419 028	40 419 028
Foreign currency translation reserve	-	(78 993)
Reorganization reserve	(15 350 000)	-
Other reserves	26 774	26 774
Retained earnings:		
Retained earnings/ (accumulated losses)	3 036 159	7 294 973
TOTAL EQUITY	61 631 961	65 811 782
CREDITORS		
Long-term liabilities		
Issued bonds	24 582 213	14 609 965
Lease liabilities	19 169 727	10 071 222
Other borrowing	2 472 304	-
Deferred income	219 488	280 577
Deferred income tax liabilities	-	211 891
TOTAL Long-term liabilities	46 443 732	25 173 655
Short-term liabilities		
Issued bonds	-	41 250
Borrowings from related parties	-	901 717
Lease liabilities	6 642 922	4 141 824
Other borrowing	658 206	676 832
Contract liabilities	223 507	459 935
Trade payables	6 874 547	3 882 761
Corporate income tax	-	36 835
Taxes and mandatory state social insurance contributions	943 536	541 407
Deferred income	94 457	94 457
Other provisions	213 218	310 616
Other liabilities	423 303	418 728
Accrued liabilities	1 863 408	1 215 146
Liabilities directly associated with the assets held for sale	-	88 820
TOTAL Short-term liabilities	17 937 104	12 810 328
TOTAL LIABILITIES	64 380 836	37 983 983
TOTAL EQUITY AND LIABILITIES	126 012 797	103 795 765

FINANCIAL COVENANTS

(unaudited) EUR

Storent has fulfilled both financial covenants at the end of September 2024.

	31.12.2023	31.03.2024	30.06.2024	30.09.2024
EBITDA 2023 total	13 712 717	13 712 717	13 712 717	13 712 717
EBITDA 2023 for the period	-	(2 129 343)	(5 797 270)	(10 069 383)
EBITDA 2024 for the period	-	1 677 336	4 442 461	9 385 530
EBITDA 12 month	13 712 717	13 260 710	12 357 908	13 028 864
Issued bonds	14 609 965	23 576 310	24 582 011	24 582 213
Lease liabilities	10 071 222	11 376 271	13 972 106	19 169 727
Other borrowing	-	-	2 083 859	2 472 304
Long-term liabilities	24 681 187	34 952 581	40 637 976	46 224 244
Issued bonds	41 250	-	66 250	-
Borrowings from related parties	901 717	-	-	-
Lease liabilities	4 141 824	4 527 811	5 340 726	6 642 922
Other borrowing	676 832	221 313	940 281	658 206
Short-term liabilities	5 761 623	4 749 124	6 347 257	7 301 128
Cash and cash equivalents	(1 717 088)	(6 656 170)	(741 836)	(1 608 117)
Net debt	28 725 722	33 045 535	46 243 397	51 917 255
Net Debt /EBITDA Ratio	2,09	2,49	3,74	3,98
Total Equity	65 811 782	63 467 577	60 262 606	61 631 961
Total assets	103 795 765	110 087 010	118 837 215	126 012 796
Shareholder equity to Assets	63%	58%	51%	49%

STORENT
RENTAL EQUIPMENT EXPERTS



www.storenholding.com