STORENT
RENTAL EQUIPMENT EXPERTS

AS STORENT HOLDING INTERIM REPORT

OCTOBER – DECEMBER 2024

CONTENTS

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, Storent Holding has 30 rental depots in 5 countries. In 2024, the revenue of the Group reached nearly 47 million euros.

In the fourth quarter, the turnover showed a stable increase. Compared to the fourth quarter of 2023, the total rent income increased by 19%, reaching 12,7 million euros, and the rent income from own equipment increased by 21%. EBITDA increased by 7%, amounting to 3.9 million euros, resulting in a slightly lower EBITDA margin due to increased personnel expenses, compared to the same period last year. EBIT and EBT have declined as the company is actively renewing its equipment fleet, leading to higher depreciation costs and higher interest costs from the addition of more and newer assets.

In the Baltics, total rent income increased by 17%, rent income from own equipment grew by 22%. In the Nordic countries total rent income increased by 22%, rent income from own equipment grew by 21%. These results underscore the positive impact of the strategic investments, positioning the Group for continued growth and success in the upcoming periods.

In 2024, total revenue reached nearly 47 million euro, representing a 7% increase, compared to the previous year. EBITDA reached 13 million euro, and EBT amounted to 788 thousand euro. While the company's operational profitability is strong, as indicated by EBITDA, fleet investment-related costs are having a significant impact on EBIT and EBT. It is expected that in the coming periods the investments will continue to produce strong underlying performance and are crucial for long-term growth.

Main financial results of Storent for the fourth quarter

Thousands of euros	2024	2023	Difference	Difference %	2024 Q4	2023 Q4	Difference	Difference %
Total revenue	**46 966**	**43 753**	**3 213**	**7%**	**12 745**	**11 341**	**1 404**	**12%**
Total rent income	**37 148**	**33 326**	**3 822**	**11%**	**10 143**	**8 556**	**1 587**	**19%**
Rent income own fleet	29 012	26 419	2 593	10%	8 100	6 681	1 420	21%
Rent income splitrent	8 137	6 907	1 229	18%	2 043	1 875	168	9%
EBITDA	**13 281**	**13 713**	**-431**	**-3%**	**3 895**	**3 643**	**251**	**7%**
EBITDA %	28%	31%			31%	32%		
EBIT	**5 208**	**7 577**	**-2 369**	**-31%**	**1 604**	**2 123**	**-516**	**-24%**
EBIT %	11%	17%			13%	19%		
EBT	**788**	**5 506**	**-4 718**	**-86%**	**398**	**1 942**	**-1 544**	**-80%**
EBT %	2%	13%			3%	17%		

In 2024, Storent invested nearly 24 million euros in the replacement and expansion of its fleet. A substantial portion of these investments was directed towards key product groups: telescopic handlers and forklifts, earthmoving equipment, aerial lifts and working platforms, generators, ground tightening equipment and others. Currently, 32% of the fleet is newer than two years.

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

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

At the end of the year, the Group strengthened the management board with a new member. Klāvs Otisons, an international-level expert with 20 years of experience in the rental industry, joined Storent as Head of Development. Mr. Otisons is responsible for driving the company's growth, leveraging his expertise in building high-performing teams, business management, leadership, and change management. Furthermore, CFO Baiba Onkele, who has been with the company since it was established, has expanded her responsibilities beyond finance and will ensure that the Group implements its strategies in the most efficient way possible.

Overview by Region

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

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

Estonia: The biggest growth of total rent income, 40%, was reached in Estonia with rent income from own equipment amounting to impressive 48%. These results highlight the positive impact of the Group's rapid investment strategy and the strengths of the team. Project managers adapted fast to the new opportunities that the new fleet offers, reinforcing Estonia as a key driver of growth for the Group.

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

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

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

The future development of the Group

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

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

To facilitate continued growth, the Group intends to raise an additional €30 million through bonds across Baltic countries, to be issued in two tranches. Around fifty percent of the funds will go toward expanding the fleet, while the remaining amount will be used to refinance current bonds. The first bond offering is planned for mid-March 2025.

STATEMENT OF THE MANAGEMENT BOARD

The financial and other additional information published in the Interim report October – December 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 October – December 2024 is not yet audited.

Andris Pavlovs
Chairman of the Management Board

Baiba Onkele
Member of the Management Board

STORENT

CONSOLIDATED INCOME STATEMENT

(unaudited) EUR

	2024 - Q4 EUR	2023 - Q4 EUR	2024 total EUR	2023 total EUR
Net revenue	12 360 521	11 220 677	45 254 381	42 667 128
Other operating income	384 710	120 250	1 711 634	1 086 126
Cost of materials and services	(4 059 384)	(4 184 817)	(16 242 421)	(15 499 946)
Personnel costs	(2 914 199)	(2 257 343)	(10 573 393)	(8 830 068)
Other operating expenses	(1 649 580)	(1 556 511)	(6 280 259)	(6 185 693)
Impairement gain / (loss) on trade receivables and contract asset	(227 388)	301 080	(588 677)	475 170
EBITDA	**3 894 680**	**3 643 336**	**13 281 265**	**13 712 717**
EBITDA %	**31%**	**32%**	**28%**	**31%**
Depreciation and amotrization	(2 290 443)	(1 520 169)	(8 076 264)	(6 135 910)
EBIT	**1 604 237**	**2 123 167**	**5 205 001**	**7 576 807**
EBIT %	**13%**	**19%**	**11%**	**17%**
Finance income	80 911	668 031	394 930	680 403
Finance expenses	(1 287 409)	(848 970)	(4 811 760)	(2 751 468)
Profit / (loss) before income tax	**397 739**	**1 942 228**	**788 172**	**5 505 742**
Profit / (loss) before income tax, %	**3%**	**17%**	**2%**	**13%**
Income tax income / (expenses)	(21 646)	(559 619)	(533 686)	(902 461)
Profit/(loss) from continuing operations	**376 093**	**1 382 609**	**254 486**	**4 603 281**
Profit/(loss) from discontinuing operation, net of tax	-	46 450	-	177 782
Profit / (loss) for the period	**376 093**	**1 429 059**	**254 486**	**4 781 063**
Items that may be reclasified subsequently to profit or loss				
Exchange differences on foreign currency operations	-	(20 714.00)	-	(47 192)
Revaluation reserve	(4 299 853)	40 419 028	(4 299 853)	40 419 028
Other comprehensive income/(loss) for the period	**(4 299 853)**	**40 398 314**	**(4 299 853)**	**40 371 836**
Total comprehensive income/(loss) for the period	**(3 923 760)**	**41 827 373**	**(4 045 367)**	**45 152 899**

CONSOLIDATED BALANCE SHEET

(unaudited) EUR

ASSETS

NON-CURRENT ASSETS	31.12.2024 EUR	31.12.2023 EUR
Intangible assets		
Licences and similar rights	32 575	44 084
Computer software	4 731 866	2 364 665
Intangible assets in process	372 450	252 950
Goodwill	10 987 123	10 987 122
TOTAL Intangible assets	**16 124 014**	**13 648 821**
Property, plat and equipment		
Lands and buildings	167 674	178 335
Machinery and equipment	50 996 173	53 397 924
Other fixed assets	438 524	300 582
Fixed assets in process	214 644	706 589
TOTAL Property, plat and equipment	**51 817 015**	**54 583 430**
Rights of use assets	**40 190 655**	**23 400 089**
Other non-current assets		
Loans to Company's shareholders	2 924 211	3 000 000
TOTAL Other non-current assets	**2 924 211**	**3 000 000**
TOTAL NON-CURRENT ASSETS	**111 055 896**	**94 632 340**
CURRENT ASSETS		
Inventories	895 698	804 899
Receivables		
Trade receivables	7 271 920	5 768 478
Contract assets	1 143	1 143
Other receivables	466 451	362 880
Prepaid expenses	270 997	320 117
TOTAL Receivables	**8 010 511**	**6 452 618**
Cash and cash equivalents	2 688 030	1 717 088
Non-current assets held for sale	-	188 820
TOTAL CURRENT ASSETS	**11 594 239**	**9 163 425**
TOTAL ASSETS	**122 650 135**	**103 795 765**

CONSOLIDATED BALANCE SHEET

(unaudited) EUR

EQUITY AND LIABILITIES

EQUITY	31.12.2024 EUR	31.12.2023 EUR
Share capital	33 500 000	18 150 000
Reserves:		
Revaluatuon reserve	36 119 175	40 419 028
Foreign currency translation reserve		(78 993)
Reorganisation reserve	(15 350 000)	-
Other reserves	26 771	26 774
Retained earings:		
Retained earings/ (accumulated losses)	3 695 557	7 294 973
TOTAL EQUITY	**57 991 503**	**65 811 782**

CREDITORS		
Long-term liabilities		
Issued bonds	9 710 617	14 609 965
Lease liabilities	20 524 214	10 071 222
Other borrowing	2 040 727	-
Deferred income	185 821	280 577
Deferred income tax liabilities	-	211 891
TOTAL Long-term liabilities	**32 461 379**	**25 173 655**
Short-term liabilities		
Issued bonds	15 066 250	41 250
Borrowings from related parties	-	901 717
Lease liabilities	7 040 861	4 141 824
Other borrowing	868 597	676 832
Contract liabilities	310 430	459 935
Trade payables	5 830 063	3 882 761
Corporate income tax	11 824	36 835
Taxes and mandatory state social insurance contributions	799 747	541 407
Deferred income	94 457	94 457
Other provisions	173 577	310 616
Other liabilities	445 356	418 728
Accured liabilities	1 556 090	1 215 146
Liabilities directly associated with the assets held for sale	-	88 820
TOTAL Short-term liabilities	**32 197 253**	**12 810 328**
TOTAL LIABILITIES	**64 658 632**	**37 983 983**
TOTAL EQUITY ND LIABILITIES	**122 650 135**	**103 795 765**

FINANCIAL COVENANTS

(unaudited) EUR

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

	31.12.2023	31.03.2024	30.06.2024	30.09.2024	31.12.2024
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	13 281 265
EBITDA 12 month	**13 712 717**	**13 260 710**	**12 357 908**	**13 028 864**	**13 281 265**
Issued bonds	14 609 965	23 576 310	24 582 011	24 582 213	9 710 617
Lease liabilities	10 071 222	11 376 271	13 972 106	19 169 727	20 524 214
Other borrowing	-	-	2 083 859	2 472 304	2 040 727
Long-term liabilities	**24 681 187**	**34 952 581**	**40 637 976**	**46 224 244**	**32 275 558**
Issued bonds	41 250	-	66 250	-	15 066 250
Borrowings from related parties	901 717	-	-	-	-
Lease liabilities	4 141 824	4 527 811	5 340 726	6 642 922	7 040 861
Other borrowing	676 832	221 313	940 281	658 206	868 597
Short-term liabilities	**5 761 623**	**4 749 124**	**6 347 257**	**7 301 128**	**22 975 708**
Cash and cash equivalents	**(1 717 088)**	**(6 656 170)**	**(741 836)**	**(1 608 117)**	**(2 688 030)**
Net debt	**28 725 722**	**33 045 535**	**46 243 397**	**51 917 255**	**52 563 236**
Net Debt /EBITDA Ratio	**2.09**	**2.49**	**3.74**	**3.98**	**3.96**
Total Equity	65 811 782	63 467 577	60 262 606	61 631 961	57 991 503
Total assets	103 795 765	110 087 010	118 837 215	126 012 796	122 650 135
Shareholder equity to Assets	**63%**	**58%**	**51%**	**49%**	**47%**

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