**announcement on instigation of written procedure For receiPT of Noteholders’ CONSENT ON amendments to the GENERAL terms and conditions of THE notes of AS “STORENT HOLDING” (ISIN LV0000850089 AND ISIN LV0000850345)**

Riga, 8 August 2024

1. **Invitation to the Noteholders**

AS “Storent Holding”, registration number 4020317439 (the “**Issuer**”), in accordance with Clause 26.3 of the General Terms and Conditions of the Notes set forth in the Base Prospectus of AS “Storent Holding” dated 25 May 2023 and the supplement to it dated 21 February 2024 (the “**General Terms and Conditions**”) instigates a Written Procedure to obtain the Noteholders’ consent on amendments to the General Terms and Conditions as set out in Schedule 1 hereto.

Unless it is defined otherwise in this announcement, the capitalised terms and expressions used in this application shall have the same meaning as assigned to them in the General Terms and Conditions.

In accordance with Clause 26.1(e)(ii) of the General Terms and Conditions a quorum in respect of the Written Procedure only exists if one or more Noteholders holding 50 (fifty) per-cent in aggregate or more of the principal amount of the Notes outstanding (excluding the Notes held by the Issuer and the Related Parties) reply to the request by submitting their votes in respect of the proposed amendments. However, in order for the proposed amendments to become effective, in accordance with Clause 26.1(g) a consent of the Noteholders holding at least 75 (seventy-five) per-cent of the aggregate principal amount of the outstanding Notes attending the Noteholders’ Meeting or participating in the Written Procedure is required for agreement with the Issuer to amend Clause 16 (*Financial covenants*) of the General Terms and Conditions (i.e. replying to the request by submitting their votes in respect of the proposed amendments).

Therefore, for the purpose of calculation of the majority requirement provided in Clause 26.1(g) of the General Terms and Conditions the Notes held by the Noteholders who have not participated in the Written Procedure (i.e. who have not replied to the request by submitting their votes in respect of the proposed amendments) will not be taken into account. Consequently, the proposed amendments will become effective, if: (i) one or more Noteholders holding 50 (fifty) per cent in aggregate or more of the principal amount of the outstanding Notes (excluding the Notes held by the Issuer and the Related Parties) will reply to the request by submitting their votes, and (ii) at least 75 (seventy-five) per cent of those will vote “yes” to the proposed amendments.

The Issuer hereby asks the Noteholders to grant their consent for amendments to the General Terms and Conditions as set out in Schedule 1 hereto.

If the quorum does not exist in respect of this Written Procedure, the Issuer may, in accordance with Clause 26.1(f) of the General Terms and Conditions, instigate a second Written Procedure. The quorum requirement shall not apply to such second Written Procedure, except for exclusion of the Issuer and the Related Parties from calculation of a quorum.

1. **Description of the amendments**

Clause 16.2 of the General Terms and Conditions provides that the Issuer’s Net Debt/EBITDA Ratio for the for the previous 12 (twelve) months may not be higher than 2.5:

1. 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
2. as at 31 December each year, as determined on the consolidated basis on the basis of each of the Issuer’s annual financial reports.

According forecast of the construction market research company Forecon, the rental equipment market is expected to grow by 6% in 2025 in the 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 Group’s biggest market. To be able to realize the favorable market conditions in 2025, the Group needs to make significant investments already in 2024.

In order to further develop and seize the market potential, with the amendments to the General Terms and Conditions the Issuer proposes that the Issuer’s Net Debt/EBITDA Ratio for the for the previous 12 (twelve) months:

1. until second Quarter of 2024 (inclusive), shall not be higher than 2.5:
2. from third Quarter of 2024 to second quarter of 2025 (inclusive), shall not be higher than 4:
3. as of third Quarter of 2025, shall not be higher than 3.5.

The Issuer’s Net Debt/EBITDA Ratio shall be calculated:

1. 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
2. as at 31 December each year, as determined on the consolidated basis on the basis of each of the Issuer’s annual financial reports.

Detailed amendments to the General Terms and Conditions are set out in Schedule 1 hereto.

1. **Justification of the amendments**

In the first half of 2024, the Group reached a consolidated revenue of almost 20 million euros. In order to accelerate its long-term growth, the Group 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 the Group’s management made were 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. In the equipment rental industry, the Net Debt/EBITDA 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 the Group’s main competitors in the Baltics and Nordic countries, this ratio is 4.7 and 3.5.

**The comparison of financial indicators**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *Thousand euro* | Storent | Storent | Loxam1 | Boel1 |
|   | **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** | **51%** | **63%** | **13%** | **18%** |

1 Publicly available annual reports of Loxam and Boel for 2023.

In the light of the above considerations, in order to further develop and seize the market potential the Issuer invites the Noteholders to support the proposed amendments to the General Terms and Conditions and amend the Issuer’s Net Debt/EBITDA Ratio.

1. **Amendment fee**

If as a result of the voting of the Noteholders the proposed amendments to the General Terms and Conditions are approved, the Issuer agrees within 10 (ten) Business Days after publication of the Issuer’s notice on entry into force of the amendments to the General Terms and Conditions to pay each Noteholder, who in accordance with a list prepared by Nasdaq CSD SE is a Noteholder on **15 August 2024** and who has voted “yes” to the amendments proposed to the General Terms and Conditions, **an amendment fee in the amount of 1 % (one per-cent)** from the principal amount of the Notes held by the respective Noteholder. For tax purposes the amendment fee is treated as interest payment and the Issuer will make a payment net of applicable withholding taxes.

The aforementioned amendment fee shall be paid to the Noteholder by transferring it to the bank account of the Noteholder.

1. **Noteholders who are entitled to vote**

In accordance with Clause 26.1(d) of the General Terms and Conditions only those who were appearing in Nasdaq CSD SE as the Noteholders by the end of the 5th (fifth) Business Day after publishing an announcement on instigation of the Written Procedure (i.e., **15 August 2024**) or proxies authorised by such Noteholders, may exercise their voting rights in the Written Procedure.

1. **Voting procedure**

In order to vote on amendments to the General Terms and Conditions provided in this announcement, the Noteholders shall duly complete, sign and submit to the Issuer the Noteholders' voting forms.

A voting form is attached in Schedule 2 hereto.

The Noteholder shall complete the voting form by specifying the required information in respect of the Noteholder. If the Noteholder agrees to the proposed amendments to the General Terms and Conditions, then the Noteholder shall select the voting option “yes” and check it (in case the voting form is completed and signed electronically) or underline or circle it (in case the voting form is completed and signed by hand). If the Noteholder does not agree to the proposed amendments to the General Terms and Conditions, the Noteholder shall select the voting option “no” and check it (in case the voting form is completed and signed electronically) or underline or circle it (in case the voting form is completed and signed by hand). If neither the voting option “yes”, nor the voting option “no” is selected or both voting options are selected in the voting form, it shall be considered that the Noteholder has voted “no” to the proposed amendments to the General Terms and Conditions.

Noteholders who hold their Notes directly are entitled to participate and vote themselves or through authorized representatives.

If the Noteholder is a private individual, the voting form shall be signed electronically or by hand either by the Noteholder in person or by his/her authorised representative. If the Noteholder is a legal entity, the voting form shall be signed electronically or by hand by the official (or officials) of the Noteholder, who is (are) duly authorised and whose representation rights are registered in the relevant commercial register, or another person, whom the Noteholder has duly authorised.

If such possibility is provided in the agreement between the Noteholder and a custodian, the custodian may also vote on behalf of such Noteholder, subject to the terms and conditions of the agreement between the Noteholder and the custodian and, if required, upon receipt of the relevant Noteholder's consent/instruction. The Issuer may fully rely that by participating in the voting the custodian complies with the terms and conditions of the agreement between the Noteholder and the custodian and, if necessary, has obtained the relevant Noteholder's consent/instruction.

A form of proxy is attached in Schedule 3 hereto.

The voting forms that have been signed by the Noteholders’ representatives acting on a
basis of a proxy will be accepted only on condition that an original or certified copy of the relevant proxy has been provided along with the voting form.

Upon request of the Issuer the Noteholders is obliged to submit to the Issuer within 3 (three) business days an extract from the Noteholders' securities account confirming that the Noteholder owns the Notes.

The Noteholders may vote on the proposed amendments to the General Terms and Conditions provided in this announcement by:

1. accessing the Issuer’s online platform for Noteholders and submitting duly completed and electronically signed voting forms at: <https://www.storentholding.com/electronic-voting-2024>; or
2. sending duly completed and electronically signed voting forms to the Issuer via e-mail: investor.relations@storent.com; or
3. sending duly completed and personally by hand signed voting forms to the Issuer via post or courier to the following address of the Issuer: AS “Storent Holding”, Matrožu iela 15A, Riga, LV-1048, Latvia; or
4. delivering duly completed and personally by hand signed voting forms in person to the Issuer at Matrožu iela 15A, Riga, LV-1048, Latvia, at business days during the business hours of the Issuer from 9:00 till 17:00 o'clock.
5. **Term for submission of voting forms**

The Noteholders must submit their duly completed and signed voting forms to the Issuer in accordance with the procedure prescribed in Section 6 of this announcement during the time period between **16 August 2024** and **29 August 2024** **(inclusive)**.

The voting forms dated or received after **29 August 2024** shall not be taken into account, irrespective of the time of actual receipt thereof by the Issuer.

1. **Contact information of the Issuer**

Questions and other information with respect to this announcement, including, but not limited to the essence of the proposed amendments to the General Terms and Conditions or approval of amendments/voting procedures shall be addressed to the following contact person of the Issuer:

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AS “Storent Holding”

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