MODULO

KoskiRent Oy

Report of the Board of Directors and Financial Statements

1 Jan. 2024 – 31 Dec. 2024

Contents

Report of the Board of Directors

KoskiRent Oy in brief

KoskiRent leases relocatable school and day-care buildings and other social infrastructure buildings to public sector operators. The company designs its properties and has them built by its subcontracting networks for its ownership and typically leases them to municipalities under leases of varying lengths. KoskiRent only operates in Finland.

Strategy

KoskiRent's strategy focuses on providing healthy, sustainable, and adaptable service facilities for the public sector, especially for day-care and school use. The company leases relocatable buildings under the Modulo brand to meet the needs of municipalities and cities, offering a flexible and responsible way to create premises that serve the users.

KoskiRent's mission is to build a healthier Finland one sustainable and adaptable service space at a time, ensuring that children and young people study in healthy buildings. The company's vision is to reform the procurement and implementation of service facilities with sustainable thinking, acting as a forerunner in service facility solutions and promoting the construction of a properly proportioned Finland. Based on its values, KoskiRent is a reliable partner and employer that manufactures its products as domestic craftsmanship and pays taxes to Finland, acting responsibly and transparently in everything it does.

Summary of the financial year 1 Jan. to 31 Dec. 2024

Revenue increased by 21.1 % to EUR 6.8 million (5.6). During the financial year, revenue development was positively impacted by the commencement of four new lease agreements. In the summer of 2024, the lease agreements for four properties also expired, returning capacity to the company for re-leasing.

EBITDA was EUR -3.5 million (4.8).

Adjusted EBITDA grew by 23.5% to EUR 5.7 million (4.6).

The utilization rate decreased to 89.9% (94.0) on 31 December 2024. The expiry of several lease agreements almost simultaneously decreased the utilization rate from the previous financial year, and the company has not re-leased all of the returned modules by the end of the financial year.

The net result for the financial year was EUR -7.4 million (0.2). The financial year's result was particularly affected by exceptionally high administrative expenses due to the transition to IFRS reporting, costs arising from refinancing, as well as a change in fair value and building relocation costs.

The fair value of the modules at the end of the period was EUR 83.3 million. The value was particularly increased by new investments in the module stock.

Unrealized profit/loss from fair value measurement was EUR -8.3 million. The biggest factors affecting the change in fair value were investments in old and new modules, as well as an impact of EUR -1.1 million from the write-down of modules manufactured in 2012, which were last leased to the municipality of Siuntio.

Equity per share was EUR 1,334.77.

At the end of the financial year, the company had available capacity of 3,000 square meters of modules ready for leasing, which were not subject to signed lease agreements.

Key events in the financial year

KoskiRent's rental business grew during the financial year.

During the financial year, six new lease agreements were signed and two lease agreements were extended. KoskiRent expanded its customer base by leasing two buildings to the defense administration.

On 10 July 2024, KoskiRent Oy refinanced all of its loans with a secured bond with a nominal value of EUR 50 million issued on 28 June 2024, which includes covenants. The refinancing simplified the company's financial structure and enabled financing of investments in future financial years. The interest rate on the outstanding bond is 3-month Euribor plus a margin of 5.50%, and it matures on 28 June 2027. The interest payment and covenant review on the bond is at the end of each quarter. The Covenant terms and conditions of the bond is described in more detail in Note 21. Loans.

In connection with the bond issue, KoskiRent Oy became a subsidiary of KoskiRent Group Oy. In addition, KoskiRent Oy established a subsidiary, KoskiRent Palvelut Oy, on 5 December 2024, thus forming the group structure in the 2024 financial year. At the time of the financial statement, KoskiRent Palvelut Oy had no business operations and the company's business plan was being formed.

During the financial year, KoskiRent leased a new day-care center to the city of Turku and a school to the city of Kaarina, which was built using modules previously used in Siuntio and modernized to meet current requirements.

Four lease agreements expired during the financial year, three of which ended in May–June and one at the end of the year. The leases expiring at the same time was partly due to lease extensions made to the original lease agreements. Lease agreements ended for the usual reasons, such as municipalities streamlining and sizing the use of facilities to meet needs or modernization projects of own premises being completed. Of the properties vacated due to expired leases, the modules of the Rauma HJ-Nortamo technical work facilities were moved to another location in the same city, and a new lease agreement was signed with the city of Rauma to continue immediately after the expiration, starting on 1 January 2025. The school vacated by the city of Vihti, was relocated to the needs of the municipality of Teuva, and the new lease agreement began on 1 November 2024. In addition, two of the modules vacated by Rauma HJ-Nortamo were delivered to the Defence Forces, whose leases began after the end of the financial year on 1 January 2025 and 1 March 2025.

In December 2024, KoskiRent signed a new lease agreement with the city of Kankaanpää for the lease of a new approximately 600 m^2 day-care center building. The delivery of the site and the start of the lease period are scheduled for Q4/2025.

Key indicators

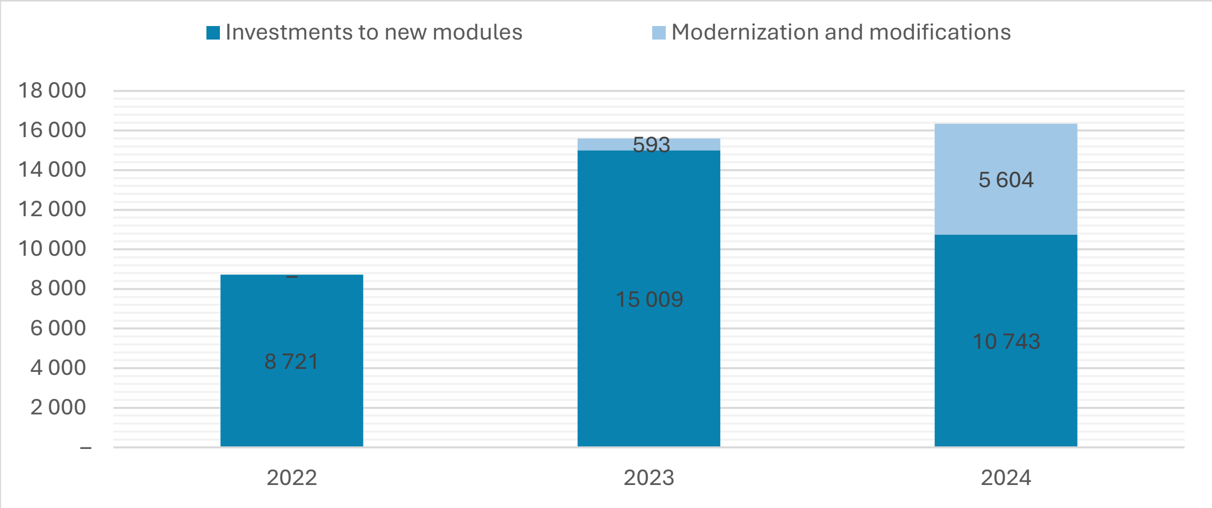
KoskiRent reports key indicators it deems relevant concerning business development, profitability, cash flow, and financial position, considering the needs of owners, financiers, and other stakeholders.

(EUR thousand)	IFRS 2024	IFRS 2023	FAS 2022
Financial indicators			
Revenue	6,813	5,626	4,247
Gross margin	6,311	5,385	N/A
Gross margin of revenue, %	92.6%	95.7%	N/A
Profit before tax	-9,298	295	500
EBITDA	-3,506	4,840	3,413
EBITDA of net revenue, %	-51.5%	86.0%	80.4%
Adjusted EBITDA	5,709	4,624	3,418
Adjusted EBITDA of revenue, %	83.8%	82.2%	80.5%
Cash flow before change in working capital (FFO)	-189	1,684	2,481
FFO of revenue, %	-2.8%	29.9%	58.4%
Interest-bearing liabilities	48,634	31,047	22,916
Interest covering ratio (ICR)	1.0	1.6	4.9
Return on equity % (ROE)	-22.9%	0.6%	3.8%
Return on investment, % (ROI)	-4.7%	5.2%	4.7%
Equity ratio, %	34.7%	43.7%	17.6%
Gearing ratio, %	138.3%	91.2%	331.8%
Loan to value ratio, %	51.1%	39.5%	62.6%
Personnel	9	7	5
Real estate indicators			
Investments in module stock	83,347	78,503	36,391
Utilization rate, %	89.9%	94.0%	91.7%
WAULT (Y)	3.6	3.5	4.2
Remaining lease payments under contracts	25,184	21,127	23,271
Gross investment in modules	12,466	13,863	13,937

Reconciliation of key indicators

(EUR thousand)	IFRS 2024	IFRS 2023	FAS 2022
Adjusted EBITDA			
Operating profit	-3,621	4,786	1,195
Depreciation, amortization and impairments	115	54	2,218
EBITDA	-3,506	4,840	3,413
Change in fair value of investment properties	8,269	-274	–
Gains and losses on disposal of assets			
Items affecting comparability			
Restoration costs exceeding the recorded provision	258	–	–
Costs related to the financial arrangement	687	57	5
Adjusted EBITDA	**5,709**	**4,624**	**3,418**
Cash flow before change in working capital (FFO)			
Adjusted EBITDA	5,709	4,624	3,418
Total financial income and expenses	-5,677	-4,491	-695
Change in fair value of loan receivables	-221	1,671	–
Adjusted net financial expenses	-5,898	-2,820	-695
Tax based on the taxable income for the period	–	-120	-242
Cash flow before change in working capital (FFO)	**-189**	**1,684**	**2,481**
Interest covering ratio (ICR)			
Operating profit, prev. 12 months	-3,621	4,786	1,195
Depreciation, amortization and impairments, prev. 12 months	115	54	2,218
Change in fair value of investment properties, prev. 12 months	8,269	-274	–
Items affecting comparability			
Restoration costs exceeding the recorded provision, previous 12 months	258	–	–
Costs related to the financial arrangement, previous 12 months	687	57	5
Adjusted EBITDA, prev. 12 months	5,709	4,624	3,418
Total financial income and expenses, prev. 12 months	-5,677	-4,491	-695
Change in fair value of loan receivables, prev. 12 months	-221	1,671	–
Adjusted net financial expenses, prev. 12 months	-5,898	-2,820	-695
Interest covering ratio (ICR)	**1.0**	**1.6**	**4.9**

Investments in the module stock



During the financial year 2024, KoskiRent invested in new modules, which were leased to the cities of Kirkkonummi and Turku. Investments were also made in new additional modules, which were rented as part of the Kaarina premises.

During the financial year, modules leased to Kaarina were modernized, and modifications required by the intended use were made to the modules leased to the Defence Forces. In addition, the investment includes the relocation of a school building from Vihti to Teuva and the relocation of a property previously used as technical work classrooms in Rauma to a youth workshop in Rauma. Fair value development continued to grow steadily.

Research & development activities

KoskiRent's research and development activities related to modules leased for school and day-care use are complete. However, the company continues small-scale development of its products. The purpose of further development is to improve cost-efficiency and re-leasing over the entire lifecycle of modules. The need for further development is constantly estimated as part of the business, and management expects it to continue at the current level in the future. Expanding business into new applications for leased premises may require launching new research and development projects. Development costs are described in more detail in Note 16. Intangible assets

Market overview

The market situation and demand in the industry have remained unchanged or improved slightly. New leasable school and day-care properties are constantly being tendered. Municipalities organize competitive tendering and request tenders throughout the year. However, demand is clearly higher between November and February, when municipalities have updated their financial plans. In calls for tender, the most typical delivery times focus on late summer and early in the year. When premises are needed quickly, the delivery times vary according to when the needs arise.

The outlook for leasable buildings is good. Municipalities are investigating and actively seeking information about the opportunities presented by relocatable buildings to meet their own premise needs.

At the end of the financial year, KoskiRent's revenue from signed lease agreements for 2025 is EUR 6.9 million.

Short-term risks and uncertainties

The short-term risks to KoskiRent's business are related to the price and availability of financing, as well as the challenges posed by geopolitics. The company still aims to grow its portfolio, lease modules in circulation, and construct and lease new modules to selected customer groups. Achieving growth requires new external funding. At the time of the financial statements, the company has approximately EUR 4.3 million of restricted cash assets available, which the company can use under the terms of the financing agreement for new acquisitions or re-leasing of existing capacity. In addition, the company can increase the bond loan up to a maximum of EUR 75 million, which, together with an equity-based counterpart, would enable an investment of approximately EUR 35 million in the module stock.

At the time of the financial statement, there is uncertainty regarding the availability and terms of equity financing, but the availability of financing is expected to recover slowly during the financial year 2025. Identified challenges in access to financing, especially in the domestic market, can be seen as stemming from the end of the zero interest rate period that prevailed before 2022 and the subsequent sharp rise in interest rates, which has negatively affected the performance and outlook of the real estate market. The availability of real estate financing has weakened, and this is also reflected in financiers' attitudes towards KoskiRent's business, even though the company does not operate directly in the real estate sector. The company seeks broader visibility among international investors, in particular to secure the long-term financing required for future investments. The transition to IFRS reporting increases the interest of the international investor base, which is expected to improve access to financing. Based on the cash flow forecasts, management has estimated that the company will be able to meet its obligations over the next 12 months. In Note 1. Basis of presentation describes matters related to the estimate of the company's business continuity.

The impact of geopolitics on interest rates and inflation is difficult to estimate. The war in Ukraine, a shift in domestic and foreign policy in the US, and the development of the global economy as a whole are seen as geopolitical elements. In the short term, the impact of these components on the availability and cost of financing is seen as a risk. The impact of US tariff policy on material prices is challenging to estimate. However, the impact on new projects is manageable through agreements due to the short construction period. Timber represents a significant share of the cost of new projects, and due to the geopolitical situation, the price of timber remains elevated due to raw wood supply chains and demand. In the current situation, no significant cost pressures or availability problems are expected for other materials.

Transactions with the main subcontractor

KoskiRent Oy and its related party, M-Partners Ltd, have a cooperation agreement that obligates M-Partners Ltd to manufacture the modules ordered by KoskiRent Oy within the limits of its own capacity and order book.

At the time of the financial statement, KoskiRent Oy has EUR 1,206 thousand of contractual commitments to M-Partners Ltd, related to ordered work concerning old and new modules.

On 16 December 2019, KoskiRent Oy granted a EUR 1 million subordinated loan to M-Partners Ltd, a related party, with a conversion right to shares starting on 1 January 2027. The company estimates that M-Partners Ltd is likely to repay the subordinated loan it received before the conversion right to shares comes into effect. The subordinated loan accrues an annual interest yield of 8%, and the loan principal and accrued interest are payable under the requirements of Chapter 12 of the Finnish Limited Liability Companies Act. For details on business transactions and the loan to M-Partners Ltd, see the following Notes 17. Loan receivables, 24. Classification and fair value of financial assets and liabilities, and 27. Related party transactions.

Administration, Board of Directors, management team and personnel

In the financial year 2024, the Board of Directors of KoskiRent Oy comprised Tapani Koski, Chairperson of the Board, and Board members Hannu Huuskonen, Matias Itkonen and Mika Koski. In addition, Erkki Veikkolainen served on the Board until 5 November 2024.

As of 1 March 2024, the management team consisted of CEO Mika Koski, CFO Tarmo Urpilainen and Sales Director Vesa Saarinen.

The average number of employees in the Group's companies during the financial year was 9. At the end of the financial year, the number of employees in the companies was 8.

Auditors

PricewaterhouseCoopers Oy acts as the company's auditor, with APA Sami Posti as the principal auditor.

Shares

At the time of the financial statements, KoskiRent Oy has a total of 23,090 series A shares and 1 series B share, which the parent company KoskiRent Group Oy has pledged under the security agreement dated 10 July 2024 to certain secured parties represented by Nordic Trustee Oy as security agent.

Decisions of the Annual General Meeting and existing authorizations

The company's Board of Directors does not have any valid share issue authorizations at the time of the financial statement.

Events after the reporting period

Lease payments for the two sites transferred to the Defence Forces at the beginning of the financial year 2025 commenced on 1 January and 1 March. In addition, the new lease agreement for the property relocated within Rauma entered into force on 1 January.

Extension agreements were signed with customers for two existing lease agreements.

The company has signed a lease agreement for a day-care building to be delivered to the city of Vaasa, with delivery scheduled in Q4 2025.

After the end of the financial year, KoskiRent Oy and its 100% owner KoskiRent Group Oy signed a cooperation agreement regarding the administration of KoskiRent Oy by KoskiRent Group Oy. As a result, the Group's CEO and CFO transferred to KoskiRent Group Oy and continued working at KoskiRent Oy as before. Due to the cooperation agreement, KoskiRent Oy's personnel costs will decrease, and other operating expenses will increase correspondingly.

Profit distribution

The parent company’s distributable equity as of the end of the financial year on 31 December 2024, was EUR 9,993,419.43, of which the loss for the financial year was EUR 1,884,938.43.

The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the past financial year and that the result for the financial year be recorded in the retained earnings account.

Financial reporting

The Annual General Meeting will be held on a separately agreed date, and invitations to the General Meeting will be sent in accordance with the Limited Liability Companies Act and as agreed in the Articles of Association.

KoskiRent will publish the following financial releases during the financial year ending on 31 December 2025:

Business review 1 Jan. 2025 – 31 Mar. 2025

Half-year report 1 Jan. 2025 – 30 Jun. 2025

Business review 1 Jul .2025 – 30 Sep. 2025, and

Half-year report 1 Jul. 2025 – 31 Dec. 2025

Formulas for key indicator calculation

Key indicator	Calculation formula	Purpose
Gross margin of revenue, %	Gross margin / Revenue x 100	The indicator is used to estimate the profitability of the company's core business before fixed costs. It shows how much revenue is left after deducting maintenance and repair costs.
EBITDA	Operating profit + Depreciation, amortization and impairment	EBITDA is a profitability indicator that measures operating profit before net financial expenses, taxes and depreciation.
EBITDA of net revenue, %	EBITDA / Revenue x 100	The indicator describes the company's profitability, which indicates how much EBITDA is relative to revenue.
Adjusted EBITDA	Operating profit + Depreciation, amortization and impairments -/+ Gains and losses on disposal of assets -/+ Change in fair value of investment properties -/+ Items affecting comparability	Adjusted EBITDA describes the profitability of the company's leasing business, excluding items affecting comparability, gains and losses on disposals of assets, and deferred gains/losses from fair value measurement of investment properties
Adjusted EBITDA of revenue, %	Adjusted EBITDA / Revenue x 100	The indicator describes the ratio of adjusted EBITDA to revenue.
Cash flow before change in working capital (FFO)	Adjusted EBITDA - Adjusted net financial expenses - Tax based on the taxable income for the financial year +/- Tax based on taxable income for the financial year arising from disposals	Cash flow before changes in working capital describes the cash flow generated by the Group's business before changes in working capital The calculation of the indicator considers the impact of financial expenses and taxes on profitability, but not items not belonging to actual rental operations, such as gains and losses on disposals from the sale of assets or their tax impact, as well as imputed gains/losses from fair value measurement.
FFO of revenue, %	Cash flow before change in working capital (FFO) / Revenue x 100	The indicator describes the ratio of FFO to revenue.
Interest covering ratio (ICR)	Adjusted EBITDA of the previous 12 months / Adjusted net financial expenses of the previous 12 months	The interest income indicator describes the ratio of adjusted EBITDA to financial expenses adjusted for items affecting comparability. The indicator is used to estimate the amount of financial costs.

Return on equity % (ROE)	Profit for the period / Equity for the period, average at the beginning and end of the reporting period x 100	Return on equity measures the result for the period relative to equity. The indicator describes the Group's ability to generate return on owners' invested capital.
Return on investment, % (ROI)	(Profit before tax + adjusted net financial expenses)/ (Equity + interest-bearing liabilities), average of the beginning and end of reporting period x 100	Return on investment measures the result for the period relative to equity. The indicator describes the Group's ability to generate a return on the assets invested by owners and financiers.
Equity ratio, %	Equity / (Total assets - Advances received) x 100	The equity ratio is a financial structure indicator that shows the proportion of equity in capital employed. The indicator describes the Group's financing structure.
Gearing ratio, %	Loans and lease liabilities - Cash and cash equivalents and restricted cash / Equity at the end of the reporting period x 100	The net gearing ratio is a financial indicator that can be used to estimate a company's financial structure and risk level.
Loan to value ratio, %	(Interest-bearing liabilities - Cash and cash equivalents - Restricted cash) / Investment properties + Advance payments x 100	The loan to value ratio represents the proportion of net debt to the fair value of investment properties. The indicator describes the Group's debt ratio relative to the fair value of its investment properties.
Investments in module stock	Investments in the module stock at fair value	By examining the development of investments in the module stock, one can estimate the value development of the company's leased assets.
Utilization rate, %	Leased floor area under contract / Total floor area in leasing use x 100	The ratio is used to estimate how efficiently the leased capacity is utilized.
WAULT (Y)	Weighted average lease term of unexpired lease periods in years during the reporting period	Weighted average based on the amount of rent for the remaining lease term. WAULT describes the average lease term of unexpired rents.
Remaining lease payments under contracts	Remaining rental income from signed lease agreements starting from the end of the reporting period	The company's rental income streams are based on lease agreements, excluding new or extended agreements. Remaining lease payments under contracts describe the cash flows to be received from agreements in the future.
Gross investment in modules	Investments and advance payments in modules	The key indicator is used to estimate how much the company has invested during the reporting period.

Consolidated Financial Statements

Consolidated comprehensive income statement

(EUR thousand)	Note	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Revenue	3	**6,813**	**5,626**
Maintenance and repair costs	4	-502	-241
Gross margin		6,311	5,385
Change in fair value of the module stock	5	-8,269	274
Sales and marketing costs	6	-347	-287
Administrative expenses	7	-1,254	-584
Other expenses	10	-61	-2
Operating profit		**-3,621**	**4,786**
Financial income	11	145	0
Financial expenses	11	-6,043	-2,820
Change in fair value of loan receivables	11	221	-1,671
Total financial income and expenses		-5,677	-4,491
Result before tax		**-9,298**	**295**
Income taxes	12	1,884	-94
Total comprehensive income of the period		**-7,413**	**201**
Total comprehensive income for the period is attributable to			
Shareholders of the parent company		-7,413	201

Consolidated balance sheet

(EUR thousand)	Note	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
ASSETS				
Non-current assets				
Investments in module stock	13	83,345	74,620	58,410
Advance payments	13	2	3,883	5,623
Tangible assets	14	167	58	–
Right-of-use assets	15	206	235	65
Intangible assets	16	263	96	–
Loan receivables	17	1,179	1,038	2,709
Trade and other receivables	18	180	143	229
Total non-current assets		**85,341**	**80,073**	**67,036**
Current assets				
Trade and other receivables	18	201	711	1,372
Income tax receivables	12	–	0	–
Restricted cash	19	4,327	–	–
Cash and cash equivalents	19	1,686	0	131
Total current assets		**6,214**	**711**	**1,503**
Total assets		**91,555**	**80,784**	**68,539**

		31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
EQUITY	20			
Share capital		3	3	3
Reserve for invested unrestricted equity		10,810	6,630	5,746
Retained earnings		20,009	27,400	27,181
Total equity		**30,821**	**34,033**	**32,930**
LIABILITIES				
Non-current liabilities				
Bonds	21	47,831	–	–
Other loans	21	23	41	16,586
Lease liabilities	15	200	148	51
Provisions	22	1,869	1,635	1,638
Deferred tax liabilities	12	4,433	6,318	6,344
Advances received	23	2,038	2,207	2,079
Trade and other payables	23	–	270	270
Total non-current liabilities		**56,393**	**10,618**	**26,967**
Current liabilities				
Other loans	21	520	30,769	6,086
Lease liabilities	15	61	89	15
Provisions	22	344	445	–
Advances received	23	750	633	522
Trade and other payables	23	2,666	4,197	2,019
Total current liabilities		**4,341**	**36,133**	**8,643**
Total liabilities		**60,734**	**46,751**	**35,610**
Total equity and liabilities		**91,555**	**80,784**	**68,539**

Consolidated cash flow statement

(EUR thousand)	Note	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Cash flow from operating activities			
Operating profit		-3 621	4 786
Adjustments:			
Depreciation, amortization and impairments		115	54
Change in fair value of the module stock		8 269	-274
Change in provisions		-498	–
Changes in working capital:			
Change in trade and other receivables		473	747
Change in trade and other payables		548	162
Cash flow from operating activities		5 287	5 475
Income taxes paid		–	-216
Net cash flow from operating activities		**5 287**	**5 260**
Cash flow from investing activities			
Acquisition of module stock	13.19	-13 854	-12 545
Acquisition of tangible assets	14	-144	-167
Acquisition of intangible assets	16	-190	–
Interest income received		225	0
Net cash flow from investing activities		**-13 963**	**-12 711**
Cash flow from financing activities			
Share issue	20	–	884
Invested unrestricted equity without share consideration	20	3 030	–
Proceeds from loans	21	48 673	10 815
Repayments of loans	21	-32 217	-2 685
Repayment of lease liabilities	15,21	-56	-39
Transaction costs related to issuing the bond	21	-2 544	–
Interest paid and payments for financial expenses	11	-6 525	-1 654
Net cash flow from financing activities		**10 362**	**7 321**
Change in cash and cash equivalents		1 686	-131
Cash and cash equivalents at beginning of financial year		0	131
Cash and cash equivalents at end of financial year		**1 686**	**0**

Consolidated statement of changes in equity

(EUR thousand)	Note	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total equity
		Equity attributable to owners of the parent company			
Total equity, 1 Jan. 2024		**3**	**6,630**	**27,400**	**34,033**
Comprehensive income					
Result for the period		–	–	-7,413	-7,413
Total comprehensive income for the period		**–**	**–**	**-7,413**	**-7,413**
Transactions with owners					
Invested unrestricted equity without share consideration	20	–	3,030	–	3,030
Conversion of loans into invested unrestricted equity	20	–	1,150	–	1,150
Transactions with owners, total		**–**	**4,180**	**–**	**4,180**
Options related to loans	21	–	–	22	22
Total equity, 31 Dec. 2024		**3**	**10,810**	**20,009**	**30,821**

(EUR thousand)	Note	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total equity
		Equity attributable to owners of the parent company			
Total equity, 1 Jan. 2023 FAS		**3**	**5,746**	**1,118**	**6,867**
Impact of the IFRS transition	29	–	–	26,063	26,063
Total equity, 1 Jan. 2023 IFRS		**3**	**5,746**	**27,181**	**32,930**
Comprehensive income					
Result for the period		–	–	201	201
Total comprehensive income for the period		**–**	**–**	**201**	**201**
Transactions with owners					
Share issue	20	–	884	–	884
Transactions with owners, total		**–**	**884**	**–**	**884**
Options related to loans	21	–	–	19	**19**
Total equity, 31 Dec. 2023		**3**	**6,630**	**27,400**	**34,033**

Notes to the Consolidated Financial Statements

1 Basis of presentation

Basic information and Group structure

KoskiRent Oy leases relocatable premises to cities, municipalities and other public sector operators. Most of the premises operate as schools and day-cares. However, the purpose of KoskiRent Oy's premises can be flexibly changed to meet the customer's needs.

KoskiRent Oy (or "the company") and its subsidiary KoskiRent Palvelut Oy (FI34890507), established in the financial year 1 Jan. 2024 – 31 Dec. 2024, form a group (hereinafter "the Group" or "KoskiRent"). The Group operates in Finland and it had an average of 9 employees during the financial year.

KoskiRent Oy is part of the parent group KoskiRent Group Oy (FI34520901). KoskiRent Group Oy was founded in 2024. KoskiRent Oy is a wholly owned subsidiary of KoskiRent Group Oy.

The Group's parent company, KoskiRent Oy, is a Finnish public limited company incorporated under Finnish law, whose business is ID FI25397526. The parent company is domiciled in Teuva and its registered address is Horontie 238, 64700 TEUVA. On 28 June 2024, KoskiRent Oy issued a secured bond with a nominal value of EUR 50 million, which is listed on the Frankfurt Open Market exchange. The marketplace is classified as a multilateral trading facility and is not regulated under EU directives.

KoskiRent Oy's Board of Directors approved the financial statements for publication at its meeting on 30 April 2025. A copy of the consolidated financial statements is available at: www.modulo.fi/sijoittajille.

General accounting policies

General information

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by EU, applying the accounting standards and interpretations valid on 31 December 2024. The notes to the consolidated financial statements are also in accordance with Finnish accounting and corporate legislation.

The first consolidated financial statements under IFRS Accounting Standards were prepared for the financial year that ended on 31 December 2024, including comparative data for the financial year that ended on 31 December 2023. The Group has transferred to comply with IFRS Accounting Standards as of 1 January 2023. KoskiRent Oy established a subsidiary, KoskiRent Palvelut Oy, on 5 December 2024, thus forming the group structure in the 2024 financial year. The comparison data before the establishment of the subsidiary for the financial year 2023 and the opening balances on 1 January 2023 are IFRS-compliant figures of the separate company KoskiRent Oy. The effects of the transition to IFRS Accounting Standards are described in Note 29. Transition to IFRS Accounting Standards.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties and subordinated loan receivables, which have been measured at fair value.

All amounts shown in the financial statements and notes are rounded to the nearest 1,000 unless otherwise stated. As a result, the sums of the individual figures may differ from the total sum presented.

Basis of consolidation

Subsidiaries

The consolidated financial statements include the parent company KoskiRent Oy and its subsidiary KoskiRent Palvelut Oy, over which it has control. According to IFRS accounting standards, control is established either through shareholding, agreement or administration. The Group has a controlling interest when it is exposed to or has rights to variable returns in the investment object and can affect those returns through its control over the investment object. A subsidiary is consolidated in the consolidated financial statements from the date the company reaches controlling interest. The consolidation ends when control of the subsidiary ceases.

Intra-group transactions, margins and profit distribution, as well as intercompany receivables and liabilities, are eliminated when preparing the Consolidated Financial Statements.

Associated companies

Associated companies are companies in which the Group has significant influence. Significant influence generally arises when the Group owns more than 20% of the voting power of a company, or when the Group otherwise has significant influence, but not control.

M-Partners Oy

M-Partners Oy, which acts as a subcontractor for KoskiRent Oy, is a related party of the company. M-Partners Ltd acts as a technologically important subcontractor that manufactures the modules designed by KoskiRent Oy. KoskiRent Oy and M-Partners Ltd, have a cooperation agreement that obligates M-Partners Ltd to manufacture the modules ordered by KoskiRent Oy within the limits of its own capacity and order book. In addition, M-Partners Ltd is authorised to use the Modulo brand owned by KoskiRent Oy in its marketing.

On 16 December 2019, KoskiRent Oy granted M-Partners Ltd an equity-based convertible subordinated loan of EUR 1,000 thousand referred to in Section 12:1 of the Limited Liability Companies Act. The loan has been granted to enable the production and delivery of new premises to be acquired. The loan has no maturity date and is unsecured. The outstanding principal of the loan accrues an annual interest of 8 percent until the loan principal and accrued interest have been repaid in full or converted into the company's shares. The subordinated loan was originally granted to M-Partners Ltd without conversion rights into shares. A conversion right to M-Partners Ltd's shares was added to the subordinated loan agreement on 18 February 2021 for the outstanding capital as of 1 January 2024. In 2023, the boards of both KoskiRent Oy and M-Partners Ltd agreed that the conversion right of the subordinated loan will not be exercised in 2024 and the terms of the subordinated loan agreement were amended in 2024 by changing the starting date of the conversion right to 1 January 2027.

For details on related party transactions and the loan to M-Partners Ltd, see the following Notes 17. Loan receivables, 24. Classification and fair value of financial assets and liabilities, and 27. Related party transactions.

Management estimate

According to an estimate by the management and Board of Directors, the company is not considered to have control over M-Partners Ltd, and, thus, it is not consolidated into the Group. However, KoskiRent Oy has considerable influence. The factors that have led to the conclusion that KoskiRent Oy does not control but has significant influence are described below

KoskiRent Oy does not own shares or voting rights in M-Partners Ltd as a shareholder, and the convertible subordinated loan is not convertible before 1 January 2027. The management has estimated the valid cooperation agreement between M-Partners Ltd and KoskiRent Oy, which defines the roles and responsibilities of both companies in the supply chain of rental properties. The cooperation agreement also stipulates M-Partners Ltd's pricing for the modules ordered by KoskiRent Oy, which is at a fixed price, and any costs exceeding or falling below the budget are shared equally between the parties. According to the cooperation agreement and KoskiRent Group Oy's shareholders' agreement, of which M-Partners Ltd is a member, M-Partners Ltd is obliged to manufacture the modules ordered by KoskiRent Oy. M-Partners Ltd has manufactured all the modules delivered by KoskiRent Oy, and although KoskiRent Oy could order modules from other subcontractors, this has not been the case historically. In addition, M-Partners Ltd may not sell services to rental operators similar to the company or the company's competitors without the consent of KoskiRent Oy. For direct sales, M-partners Ltd does not need approval from KoskiRent Oy. The obligation to produce modules does not give KoskiRent Oy's orders priority in M-Partners Ltd's order book, but M-Partners Ltd delivers the orders within the limits of its capacity in the order of reception. M-Partners Ltd has the ability to generate variable income by selling its production to customers outside KoskiRent Oy under a cooperation agreement and KoskiRent Oy is not entitled to a share of this income. M-Partners Ltd therefore has the ability to operate independently in a manner that materially affects its earnings.

The companies also share the following management resources: The CEO’s input, the formation of a consortium in certain tendering procedures and marketing cooperation. The companies have the same CEO, who exercises control in M-Partners Ltd and is its largest shareholder. KoskiRent Oy participates in tenders in its own name after ensuring that M-Partners Ltd has sufficient capacity and a delivery schedule before submitting a tender. In some cases, the tendering criteria for large projects may include requirements related to revenue, in which case KoskiRent Oy and M-Partners Ltd can participate in tenders together as a consortium. In addition, M-Partners Ltd is authorised to use the Modulo brand owned by KoskiRent Oy in the marketing of its direct sales targets. The CEO's control over KoskiRent Oy is limited by KoskiRent Group Oy's shareholders' agreement regarding transactions with M-Partners Ltd that exceed the approved budget, and these inter-company transactions require the approval of the Board of Directors.

If the capital loan granted by KoskiRentOy is partially or fully outstanding and the company decides to exercise its conversion right after January 1, 2027, the company can subscribe for a total of 2,602 M-Partners Ltd's shares with its loan capital at a subscription price of EUR 384.31 per share. By converting the entire loan capital into shares, KoskiRent Oy's ownership would correspond to 67.5% with M-Partners Ltd's number of shares on 31 December 2024. Should the conversion of the capital loan into shares be fully or partially realized, KoskiRent Oy will have to re-estimate the resulting influence and the basis of consolidation.

M-Partners Ltd has the right to make the most significant decisions pertaining to its business that affect variable income, despite the considerable influence of KoskiRent Oy. Such decisions include, but are not limited to, business development, the appointment of the CEO and the Board of Directors, the preparation of budgets at company level, the sale and pricing of properties to customers other than KoskiRent Oy, the development of the production plant, and securing financing.

Group structure

Subsidiary	Domicile	31 Dec. 2024 holding %	31 Dec. 2023 holding %	1 Jan. 2023 holding %
KoskiRent Palvelut Oy	Finland	100%	-	-

Associated company	Domicile	31 Dec. 2024 holding %	31 Dec. 2023 holding %	1 Jan. 2023 holding %
M-Partners Ltd:	Finland	0%	0%	0%

M-Partners Ltd's financial information

The financial statement of M-Partners Ltd has been prepared in accordance with the Finnish Accounting Standards (FAS), so the financial information presented in the table below has been prepared based on FAS. M-Partners Ltd has not prepared figures according to IFRS accounting standards for KoskiRent Oy's financial statements, even though KoskiRent Oy has significant influence, because KoskiRent Oy does not have a share to be consolidated using the equity method, and preparing information according to IFRS accounting standards at M-Partners Ltd would cause significant additional costs.

(EUR thousand)	2024	2023
Income statement information		
Revenue	14,748	13,025
Profit for the period	12	35
Balance sheet information		
Non-current assets	3,438	3,712
Current assets	3,249	5,542
Total assets	6,687	9,254
Liabilities and equity		
Equity	2,500	2,228
Non-current liabilities	945	1,501
Current liabilities	3,242	5,526
Total liabilities	4,187	7,027
Total equity and liabilities	6,687	9,254

Going concern basis

The company's management and Board of Directors regularly review the company's financial and liquidity situation in Board meetings. According to the Board's estimate, the market situation and demand in the industry have remained unchanged or improved slightly. In 2023, the company started a process to strengthen the company's financial position. As part of the process, the company refinanced its previous debt financing, excluding vehicle financing, by issuing a secured EUR 50,000 thousand bond during the financial year 2024 and invested some of the funds in a new daycare center in Turku. Some of the funds received were directed to a restricted account, from which the company can still finance investments required by new lease agreements that meet the conditions defined in the bond. The bond is subject to covenant conditions, which are further discussed in Note 21. Loans. At the same time, KoskiRent Group Oy made an investment in the reserve for invested unrestricted equity of EUR 3,350 thousand in KoskiRent Oy.

The company's normal operating expenses relative to rental income are low, and the remaining cash flow enables interest payments to be covered, but planned investments require additional investments in the company. Management estimates that changes in market interest rates will be favorable for the company in the short term. Management has prepared forecasts with different investment volumes. If the company does not make new investments in the module stock, fulfilling the covenants requires maintaining the module stock utilization rate at the current level, the continuation of rental income at current market rent levels, and, if necessary, the company may utilize the external working capital loan option of up to EUR 2,000 thousand allowed by the bond terms.

The parent company KoskiRent Group Oy has a process underway to raise funds and invest them in its subsidiary KoskiRent Oy through invested unrestricted equity. This process aims to further strengthen KoskiRent Oy's financial position and enable future new investments to support continued profitable growth. Based on investor discussions regarding the process, management estimates that the targets set in the financing plan can be achieved during 2025. The financial statements are thus prepared on a going concern basis.

Foreign currency transactions

The consolidated financial statements are presented in euros, the parent company's functional currency.

Transactions in foreign currencies are recognized at the exchange rate of the transaction date. Balance sheet assets and liabilities denominated in foreign currencies are valued at the exchange rates at the end of the reporting period.

Foreign exchange gains and losses related to business operations are recognized in other income and expenses. Exchange rate differences related to financing are recognized as financial income or expenses.

Accounting principles requiring management judgment and key uncertainties related to estimates

The preparation of financial statements requires management to use judgment in selecting and applying accounting policies and make estimates and assumptions regarding the future. These affect the amount of assets and liabilities on the balance sheet and the amount of income and expenses on the income statement.

When preparing financial statements, accounting estimates must be used, which, by default, rarely correspond to actual results. In addition, management must use judgment when applying accounting policies. Estimates and assumptions are reviewed regularly as applicable.

The following table presents the most significant areas of the financial statements that involve management judgment and key uncertainties related to estimates that may affect the preparation of the financial statements. More information on key uncertainties and judgments is provided in the related notes.

Topic of judgment	**Nature of judgment**	**Note**
Lease agreements: Lessor	Classification of leases	3
Investments in module stock	Valuation model and classification of modules as investment properties	13
Group structure	Control over M-Partners Ltd	1

Topic of estimate	**Nature of estimate**	**Note**
Lease agreements: Lessor	Estimates of lease period	3
Investments in module stock	Assumptions and estimates used in fair value measurement	13
Loan receivables	Assumptions and estimates used in fair value measurement	17
Provisions	Estimates and interest rate used in determining the restoration provision	22

New and amended standards and interpretations

New or amended standards or interpretations that have been published but are not yet effective have not been applied prematurely.

IFRS 18 Presentation and Disclosure in Financial Statements was published in April 2024. IFRS 18 contains requirements for the presentation of financial statements and related disclosures and replaces IAS 1 Presentation of Financial Statements. The new standard takes effect on financial periods starting on or after 1 January 2027, and earlier application is allowed. IFRS 18 has not yet been approved in the EU. IFRS 18 does not change the recognition and measurement requirements and is only expected to impact the presentation method of financial information.

New and amended standards and interpretations published by the IASB that come into effect in later reporting periods are not expected to have a material impact on the consolidated financial statements when applied.

2 Segment information

In accordance with its strategy, KoskiRent only operates in Finland and has one operating segment, which consists of renting and supplying buildings to public sector operators and maintaining these buildings. KoskiRent's operations and profitability are reported as one operating segment, which is consistent with how KoskiRent's operative business and monitoring of operational efficiency are organized.

3 Revenue

Accounting principles

Revenue consists of supplying and leasing relocatable premises, rental income from customers, and additional work agreed upon for rental properties.

The premises are leased to cities, municipalities and other public sector actors. Most of the premises operate as schools and day-cares, and, to a lesser extent, as leased premises connected to these or separate premises for the social and healthcare sector and other uses. Rented premises are assembled from relocatable and convertible modules into integrated space solutions.

The installation, leasing, relocation, and land restoration of the facilities are not separate services, together they constitute one lease component, as the lease agreement commits to implementing the planned premises for the customer's use for a fixed period.

A typical lease agreement that generates revenue requires the building to be delivered ready for the customer's use. Leases include restoration obligations after the lease term, which vary depending on the terms of the lease agreement. Restoration obligations consist of removing the modules from the land area administered by the municipality and any land and foundation restoration measures, if specifically agreed in the lease agreement and the related tender documents.

Leases are fixed-term leases. In general, agreements are made with the terms and conditions specified in public procurement tenders, including an initial fixed lease period and the amount of rent. In addition, the agreements varyingly include options for extensions and terms of termination. When a lease includes extension or termination options, the realization of the options is estimated on a lease-by-lease basis, and the lease term is determined based on this estimate. Extension and termination options are re-estimated when KoskiRent engages in continued interaction with the customer or there is a change in circumstances that is within the customer's control and affects how likely the options will be exercised. Potential customer purchase options are estimated on the same basis.

The management's estimate of the impacts of possible lease options and extension periods are specified in Note 25. Financial risk management and Liquidity and refinancing risk.

Classification and recognition of a lease

When a contract is concluded, it is estimated whether the contract is a lease or whether it contains a lease. All leases in which the group is a lessor are classified as either finance leases or operating leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, and as an operating lease if the risks and rewards incidental to ownership of an underlying asset are not substantially transferred. The lease is classified at the inception of the lease and is re-estimated only if the lease is modified.

When classifying a lease, the following aspects are considered, which would lead to the classification of the lease as a finance lease:

1. Ownership of the underlying asset is transferred to the lessee by the end of the lease term.
2. The lessee has the right to purchase the underlying asset at a price that is expected to be so advantageous that exercising the option is reasonably certain.
3. The lease term covers most of the total useful life of the underlying asset.
4. The present value of the lease payments amounts to at least substantially all of the fair value of the underlying asset.
5. The underlying asset is so specific that only the lessee can use it without significant changes.
6. If the lessee can terminate the lease agreement, the lessee bears the losses incurred by the lessor as a result of the termination.
7. The lessee benefits from gains or losses arising from changes in the residual asset's fair value.
8. The lessee can extend the lease for an additional period at a rent significantly below the market rent.

None of the leases meet the classification criteria for a finance lease, so all leases are operating leases. Rental income received and separately invoiced additional work orders are recognized as rental revenue in equal installments over the lease term, as the lease agreement commits to providing the premises according to plan for the customer's use for a fixed period.

The invoicing and revenue recognition timing of lease agreements may differ. Rent receivables arise when revenue is recognized before invoicing. Advances received are generated when rent payments are received from the customer before the rental income is recognized. Rent receivables are described in more detail in Note 18. Trade and other receivables More details on advances received, see Note 23. Advances received, accounts payable and other liabilities

Recognition of rental income in revenue

Rental income will be recognized in revenue during future financial years as follows:

(EUR thousand)	2025	2026	2027	2028	2029	2030	2031	Later	Total
Recognized	6,924	5,422	4,717	2,000	808	427	427	2,845	23,570

KoskiRent had three customers in the financial year 2024 and five customers in the financial year 2023, whose revenue exceeds 10% of total revenue. The combined share of these customers in revenue was 46.56% in the financial year 2024 and 72.11% in the financial year 2023.

The management's estimate of the impacts of possible lease option and extension periods are specified in Note 25. Financial risk management and Liquidity and refinancing risk.

Management judgment and estimates

The classification of a lease as an operating lease or a finance lease requires management to estimate the above-mentioned eight criteria. The substance of the transaction is estimated rather than the form of the agreement when classifying.

The premise for concluding a lease agreement is that the investment generates sufficient rental income relative to the lease term and that the property can be re-leased after the end of the lease term. Buildings can be freely sold during or after the lease term or when the customer uses the purchase option specified in the lease agreement, allowing KoskiRent to receive one-off sales income. In two current lease agreements, the customer has a purchase option for the building after the lease period. According to management's estimate, the selling prices of the purchase options correspond to the value of the property to the seller, including the obligations related to the maintenance, relocation and re-leasing of the property that cease when the building is sold. The selling price of the purchase option is estimated to be the same as if the customer acquired a similar building from a third party.

Some lease agreements include extension and termination options that require management estimate. When estimating the length of the conclusive lease term, the management bases its estimate on discussions with customers about the duration of the need. During the lease, KoskiRent communicates continuously with customers regarding their needs and plans. In addition, the estimate is affected by factors such as end-user feedback and experiences, the customer's real estate strategy, public population forecasts, the characteristics of the land used by the building, the terms of the building permit for the land, the customer's financial situation, and other customer-specific estimate. The management's estimate of the total lease period affects the timing of revenue recognition. Management estimates may differ significantly from the outcome.

4 Maintenance and repair costs

Accounting principles

Maintenance and repair costs consist of keeping the modules in the condition specified in the lease agreement. The costs include, for example, personnel costs, external services and depreciation.

Breakdown of maintenance and repair costs

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Personnel expenses	-63	-66
Maintenance costs		
Costs of external services	-144	-96
Restoration costs exceeding the recorded provision	-258	–
Depreciation	-9	–
Other costs	-10	-31
Total	**-421**	**-127**
Repair costs		
Costs of external services	-19	-43
Other costs	–	-5
Total	**-19**	**-48**
Total	**-502**	**-241**

Maintenance and repair expenses include costs related to modules whose lease has expired. These modules are in storage awaiting re-rental and have not generated rental income during the storage period. The cost of storage has not been significant.

5 Change in fair value

Accounting principles

After initial recognition, KoskiRent values the modules treated as investment properties at fair value. Changes in fair value are recognized through profit or loss in the reporting period in which they arise.

Restoration provisions are presented as part of the acquisition cost of the modules. Changes in restoration provisions are reflected in the income statement as part of the change in the fair value of the modules.

Gains and losses on the disposal of modules are presented in the income statement as part of the change in fair value.

Note 13. Investments in the module stock and advance payments explains in fair value measurement in more detail and Note 22. Provisions explains the restoration provisions in more detail.

Breakdown of changes in fair value

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Change in the value of the module stock	-8,269	274
Total	**-8,269**	**274**

The change in fair value consists of investments in new and old modules, write-downs of certain modules removed from leasing use, where management feels a modernization expenditure will not achieve a sufficient return target, considering the necessary investments, the impact of changes in provisions, and changes in calculation parameters.

6 Sales and marketing expenses

Accounting principles

Sales and marketing expenses are related to activities that promote new sales, as well as the re-leasing, marketing and visibility of returned rental modules. Expenses consist, for example, of external services, personnel costs and depreciation.

Breakdown of sales and marketing expenses

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Costs of external services	-149	-93
Personnel expenses	-153	-168
Depreciation	-24	-15
Other costs	-22	-12
Total	**-347**	**-287**

7 Administrative expenses

Accounting principles

Administrative expenses are related to KoskiRent's administration and fulfillment of statutory obligations. Administrative expenses include, for example, personnel costs, external services and depreciation and amortization.

Breakdown of administrative expenses

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Legal and consulting service costs	-622	-100
Financial administration service costs	-113	-46
Personnel expenses	-291	-234
Depreciation and amortization	-83	-40
Software costs	-35	-22
Other costs	-111	-142
Total	**-1,254**	**-584**

Auditor's fees

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Audit	-36	-21
Assignments referred to in section 1.1, paragraph 2 of the Auditing Act	-1	–
Tax advice	-17	-28
Other services	-227	-1
Total	**-281**	**-50**

8 Breakdown by nature of expense

Accounting principles

The expenses in the income statement are presented by function, as this presentation provides more detailed information of the module stock's recurring maintenance costs, as well as sales, administration and other expenses related to KoskiRent's business. In addition, segment-specific reporting improves KoskiRent's comparability with other companies operating in a similar business. Below is the group's income statement presented by nature of expense.

Breakdown by nature of expense

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Material and service costs	-452	-166
Personnel expenses	-505	-468
Depreciation	-115	-54
Other costs	-1,092	-426
Total	**-2,164**	**-1,114**

9 Personnel expenses

Accounting principles

Personnel costs include short-term employee benefits and post-employment benefits.

Short-term employee benefits include salaries, remuneration, bonuses, fringe benefits, annual leave, and other indirect personal costs, as well as non-monetary benefits. Short-term employee benefits are recognized in the period in which the work is performed.

Post-employment benefits are paid to recipients after employment is terminated. In the group, these benefits consist of pensions.

Pension plans are classified as either defined contribution plans or defined benefit plans. Defined contribution plans refer to a pension plan in which the company pays fixed contributions to a pension insurance company and no longer has legal or de facto obligations to pay additional contributions if the contributor does not have sufficient resources to pay all pension benefits. All other pension plans are defined benefit plans.

The group only has defined contribution pension plans, and at the end of the reporting period, the group had no supplementary pension plans or related obligations or agreements in force. The pension arrangements are managed by external pension insurance companies. The contributions of the defined contribution plan are recognized as an expense for the period in which the service is provided.

Breakdown of personnel costs

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Wages and salaries	-325	-302
Pension costs	-121	-117
Other indirect employee costs	-61	-49
Total	**-506**	**-468**
The average number of personnel during the financial year	**9**	**7**

10 Other income and expenses

Other income includes income not related to core business operations and financial income. Other expenses include non-financial expenses, sales, marketing and administrative expenses, as well as property maintenance and repair expenses.

Other income and expenses include foreign exchange gains and losses related to actual operations, as well as gains and losses on the sale of tangible and intangible assets, compensation for damages and other punitive payments.

11 Financial income and expenses

Accounting principles

Financial income and expenses consist of interest expenses on debt capital and interest income on current accounts, as well as other financial income and expenses. Interest expenses are recognized based on the passage of time using the effective interest method. Interest expenses also include the discounting effect related to the restoration provision. The treatment of restoration provision is described in more detail in Note 22. Provisions.

Breakdown of financial income and expenses

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Financial income		
Interest covering ratio	145	0
Total financial income	**145**	**0**
Financial expenses		
Interest expense on interest-bearing loans	-5,448	-2,598
Interest expenses on lease liabilities	-11	-9
Discount effect of the restoration provision	-35	-109
Financing costs	-494	-103
Other interest expenses	-56	-2
Total financial expenses	**-6,043**	**-2,820**
Change in fair value of loan receivables	**221**	**-1,671**
Total financial income and expenses	**-5,677**	**-4,491**

12 Income taxes

Accounting principles

Income taxes consist of taxes based on the taxable income for the period and deferred taxes. Income taxes are calculated based on the applicable tax rate. Income taxes are recognized in the income statement unless the income tax relates to other comprehensive income items or items recognized directly in equity, in which case the income tax is recognized correspondingly in other comprehensive income items or directly in equity.

Deferred taxes are calculated on the temporary differences between the book value and the tax base of the assets and liabilities presented in the Consolidated Financial Statements. Deferred tax assets are recognized up to the amount corresponding to the likely taxable income arising in the future against which the deductible temporary differences can be offset.

Deferred tax assets and liabilities are offset in accounting only if a legally enforceable right to offset tax assets and liabilities against each other based on the taxable income for the period exists and the deferred tax assets and liabilities are related to income taxes levied by the same tax authority.

Breakdown of income taxes

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Current tax expense	–	-120
Change in deferred taxes	1,884	26
Total	**1,884**	**-94**

Income tax reconciliation

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Profit before income tax	**-9,298**	**295**
Income tax calculated at the Finnish tax rate, 20%	1,860	-59
Tax-exempt income	0	0
Non-deductible expenses	-1	-1
Other items	26	-34
Income taxes on the income statement	**1,884**	**-94**

Deferred tax assets and liabilities

(EUR thousand)	31 Dec. 2024 Deferred tax assets	31 Dec. 2024 Deferred tax liabilities	31 Dec. 2023 Deferred tax assets	31 Dec. 2023 Deferred tax liabilities	1 Jan. 2023 Deferred tax assets	1 Jan. 2023 Deferred tax liabilities
Fair value measurement of the module stock	–	5,434	–	6,299	–	5,695
Right-of-use assets	–	41	–	47	–	13
Intangible assets	–	3	0	–	–	–
Loan receivables	28	–	56	–	–	294
Revenue	516	46	568	46	520	70
Bonds and other loans	–	28	18	38	31	25
Lease liabilities	52	–	47	–	13	–
Provisions	443	–	416	–	328	–
Depreciation in excess of plan	–	326	–	994	–	1,138
Tax losses	407	–	–	–	–	–
Total before netting	**1,445**	**5,878**	**1,106**	**7,423**	**891**	**7,235**
Netting of deferred tax assets and liabilities	-1,445	-1,445	-1,106	-1,106	-891	-891
Total deferred tax assets and liabilities, net	**–**	**4,433**	**–**	**6,318**	**–**	**6,344**

Change in deferred taxes

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
1 Jan.	6,318	6,344
Recognized in profit or loss	-1,884	-26
31 Dec.	**4,433**	**6,318**

13 Investments in the module stock and advance payments

Accounting principles

<u>Classification of modules as investment properties</u>

Investment properties are buildings that consist of modules. Investment properties are held to generate rental income.

Rented premises are assembled from relocatable and convertible modules into integrated space solutions. Modules are classified as investment property, for example, on the following grounds:

- ✓ The premises are leased for rental income purposes with operating leases
- ✓ The facilities are equivalent to permanent buildings, and most of them are used as schools or day-cares.
- ✓ The facilities are equivalent to permanent structures, which allows for flexible temporary and long-term use.
- ✓ The premises are delivered to meet the needs of each customer, either from existing available modules in the portfolio or as new builds.

- ✓ Leased premises must meet the safety, technical and other requirements set by the authorities.
- ✓ Constructing and assembling the premises on a plot designated by the customer requires either a temporary or permanent building permit.
- ✓ The premises are subject to standard regulatory inspections during construction and operation.

Premises can also be sold, thereby freeing up committed capital for the Group's financing needs. Facilities intended for sale are also classified as investment properties. On the balance sheet date of 31 December 2024 and in the comparison period of 31 December 2023, the balance sheet's investment properties included no properties held for sale.

Recording of modules and advance payments

The acquisition cost of the modules is recorded on the balance sheet when the modules are handed over, at which point control is transferred to the Group and it can lease the premises to its customers. Payments made before the delivery are recognized in the balance sheet as prepaid expenses and presented as a separate item on the balance sheet. In connection with the delivery, these advance payments are reversed and capitalised on the balance sheet as investments in the module stock. Payments after delivery are recorded as a liability. Modules are initially valued at acquisition cost plus transaction costs.

Measurement of modules

In the valuation of investment properties, either the fair value model or the acquisition cost model can be selected after initial recognition. After initially recording the modules treated as investment properties at original acquisition cost, KoskiRent values them at fair value.

The fair value of leased modules is determined on a case-by-case basis. The modules in stock are valued as a single unit when determining the fair value.

Changes in fair value are recognized through profit or loss in the reporting period in which they arise.

The book value of an investment property includes all fixed components of the arrangement, and assets are not double-counted or recorded separately on the balance sheet. Therefore, assets leased for the premises are not recognized as right-of-use assets on the balance sheet but are included in the value of the investment property.

The module is derecognized from the balance sheet when it is disposed of or permanently decommissioned and no economic benefit is expected from its disposal. A capital gain or loss is obtained by deducting the balance sheet value of the previous reporting period from the sale price. Capital gains and losses are presented in the income statement as part of changes in fair value.

Fair value measurement

The fair value of the modules refers to the price independently estimated by an external authorized valuer (AKA). However, a fair value measurement is not an official AKA valuation. The valuation differs from the official AKA valuation in that the surroundings, area, title to real estate or leasehold of the relocatable building have not been processed separately, and not all properties have been inspected separately when making the valuation.

The valuation is based on the discounted cash flow method (DCF method), in which the future estimated cash flows from the modules covered by contracts and after the contract periods are discounted to present value using parameters determined by an external valuer. Vacant modules are valued at market rent determined by an external valuer, including an assumption of underutilization.

The valuation of assets includes the following key inputs and assumptions when determining fair value:

- ✓ The terms of the current lease agreements
- ✓ Lease extensions: Assumptions about the extension of existing leases for a certain period.
- ✓ Estimated market rents on the relocatable buildings market
- ✓ Market's required return
- ✓ Inflation
- ✓ Discount rate
- ✓ Assumption of underutilization
- ✓ Estimated maintenance and repair costs
- ✓ Relocation costs over the life cycle of modules

Fair value hierarchy

Investment properties measured at fair value are classified based on the amount of inputs used in the valuation methods. Three hierarchy levels are used in the classification. The hierarchical levels are based on how much the inputs used need to be estimated when determining the fair value of investment properties.

The levels used are defined as follows:

Level 1: The fair values of investment properties are based on quoted prices for similar assets in active markets.

Level 2: For investment properties not subject to trading on an active market, fair value is determined using a valuation method. The methods use observable market data. If all significant inputs necessary to measure the fair value of the investment property are observable, the investment property is classified as level 2.

Level 3: For investment properties not subject to trading on an active market, fair value is determined using a valuation method. The methods use observable market data. An investment property is classified as level 3 if one or more significant inputs are not based on observable market data.

The fair value of the modules is classified as level 3 in the fair value hierarchy.

Management judgment and estimates

The classification of modules as investment properties is based on the management's overall estimate of, among other things, technical suitability, intended use, income and life cycle, as defined in the classification criteria. The classification criteria are described in more detail in the accounting principles under the section 'classification of modules as investment properties'.

The modules are acquired, owned, maintained and leased to various customers to generate rental income in the long term.

After initial recognition, the selection of the accounting policy applied to the module requires management's judgment to use either the fair value model or the acquisition cost model. An entity that has adopted the fair value model should not normally switch to the acquisition cost model later. KoskiRent's management has decided to value investment properties at fair value after initial recognition.

Determining the fair value of investment properties requires significant management estimates and assumptions. The estimates and assumptions relate in particular to future rent levels, the extension of contract periods, vacancy periods between the expiry of an old contract and re-leasing, estimates of maintenance, repair and modernization costs, and relocation costs when properties are moved to new locations for leasing.

Reconciliation of the module stock

(EUR thousand)	31 Dec. 2024	31 Dec. 2023
Fair value 1 Jan.	74,620	58,410
Investments in new modules	10,743	15,009
Modernization expenditure	5,604	593
Changes to the restoration provision	596	334
Right-of-use assets	51	–
Change in fair value	-8,269	274
Fair value 31 Dec.	**83,345**	**74,620**

The items presented in the reconciliation calculation, investments in new modules and modernization costs, include the acquired new modules and subcontracted work to bring the leased properties to the level agreed on in the lease agreements.

Investments in new modules and modernization expenditure include acquisitions from M-Partners Ltd totaling EUR 10,633 thousand in the financial year 2024 and EUR 8,206 thousand in the financial year 2023.

No lease agreements expired and no transfers of properties took place during the financial year 2023. In the financial year 2024, lease agreements expired, and the leased buildings were relocated and re-leased. The modules that were in storage and leased to Kaarina from 1 August 2024, were modernized during fiscal years 2023 and 2024. In the financial year 2024, modifications required for the intended use were made to the modules leased to the Defence Forces, which had been leased to the City of Rauma until the summer of 2024. In addition, the investment includes the relocation of a school building from Vihti to Teuva and the relocation of a property previously used as technical work classrooms in Rauma to a youth workshop in Rauma.

Significant modernization costs in the module stock increase acquisition cost and affect the change in fair value if fair value valuation does not correspondingly increase the calculation parameters of the modernized properties. If the new estimated increase in the modules' fair value after the modernization is less than the modernization costs, a negative change in fair value will arise. Correspondingly, if the new estimated increase in fair value is greater than the modernization costs, the change in fair value is positive.

Reconciliation of advance payments

(EUR thousand)	31 Dec. 2024	31 Dec. 2023
Advance payments 1 Jan.	3,883	5,623
Increases	319	8,526
Decreases	-4,201	-10,265
Advance payments 31 Dec.	**2**	**3,883**

No advance payments had been made to M-Partners Ltd at the end of the financial year 2024. At the end of the financial year 2023, the advance payments to M-Partners Ltd amounted to EUR 3,543 thousand.

Key input data for the module stock

	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Required return, average %	6.72	6.67	6.61
Inflation assumption, %	2	3	3
Discount rate of cash flow, average %	8.72	9.67	9.61
Cost growth assumption, %	3	3	3
Assumption of contractless period, %	25	25	25
Maintenance costs EUR/m2/month	0.15	0.15	0.15
Maintenance costs EUR/space	150	150	150
Repair costs EUR/m2/month	0.40	0.40	0.40
Remaining lease term, average (years)	3.50	3.60	3.70

Average value of the module stock in EUR/m2

	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Average value EUR/m2	2,700	2,706	2,620

Fair value sensitivity analysis of the module stock

The following table illustrates how changes in the key calculation parameters of the module stock valued using the yield value method would affect the fair value when one parameter is changed at a time. In practice, changes often reflect on more than one variable simultaneously.

The impact of potential changes in the fair value on the balance sheet at the end of the financial period on profit before taxes is presented in the table below.

Fair value sensitivity analysis 31 Dec. 2024

(EUR thousand)									
Required return % change	**-2%**	**-2%**	**-1%**	**-1%**	**0%**	**1%**	**1%**	**2%**	**2%**
	18,976	13,670	8,785	4,181	–	-3,891	-7,520	-10,877	-13,992
Market rents, change %	**-20%**	**-15%**	**-10%**	**-5%**	**0%**	**5%**	**10%**	**15%**	**20%**
	-13,573	-10,187	-6,769	-3,395	–	3,404	6,808	10,233	13,608
Underutilization, % change	**-10%**	**-8%**	**-5%**	**-3%**	**0%**	**3%**	**5%**	**8%**	**10%**
	9,095	6,808	4,543	2,286	–	-2,257	-4,534	-6,769	-9,068

Fair value sensitivity analysis 31 Dec. 2023

(EUR thousand)									
Required return % change	**-2%**	**-2%**	**-1%**	**-1%**	**0%**	**1%**	**1%**	**2%**	**2%**
	16,990	12,239	7,865	3,744	–	-3,484	-6,732	-9,738	-12,528
Market rents, change %	**-20%**	**-15%**	**-10%**	**-5%**	**0%**	**5%**	**10%**	**15%**	**20%**
	-12,152	-9,121	-6,061	-3,040	–	3,048	6,096	9,162	12,183
Underutilization, % change	**-10%**	**-8%**	**-5%**	**-3%**	**0%**	**3%**	**5%**	**8%**	**10%**
	8,143	6,096	4,067	2,046	–	-2,021	-4,059	-6,061	-8,119

Fair value sensitivity analysis 1 Jan. 2023

(EUR thousand)									
Required return % change	**-2%**	**-2%**	**-1%**	**-1%**	**0%**	**1%**	**1%**	**2%**	**2%**
	13,299	9,580	6,157	2,930	–	-2,727	-5,270	-7,623	-9,806
Market rents, change %	**-20%**	**-15%**	**-10%**	**-5%**	**0%**	**5%**	**10%**	**15%**	**20%**
	-9,513	-7,139	-4,744	-2,379	–	2,386	4,771	7,172	9,537
Underutilization, % change	**-10%**	**-8%**	**-5%**	**-3%**	**0%**	**3%**	**5%**	**8%**	**10%**
	6,374	4,771	3,184	1,602	–	-1,582	-3,177	-4,744	-6,355

14 Tangible assets

Accounting principles

Tangible assets consist of machinery and equipment.

Tangible assets are measured at original acquisition cost less accumulated depreciation, amortization and impairment losses. Tangible assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Machinery and equipment 3-10 years

On the reporting date, the residual values and useful lives of tangible assets are reviewed and adjusted if necessary, and an estimate is made as to whether there is any indication of impairment. Impairment is the amount by which the book value of an asset exceeds the recoverable amount of the asset. If the book value of an asset is greater than its estimated recoverable amount, the book value of the asset is reduced to correspond to the recoverable amount.

Depending on the nature of the tangible asset, depreciation is presented as part of maintenance and repair expenses, administrative expenses, or sales and marketing expenses. Gains and losses on the sale of tangible assets are presented in other income and expenses.

Reconciliation of tangible assets

	Machinery and equipment	
(EUR thousand)	**31 Dec. 2024**	**31 Dec. 2023**
Acquisition cost, 1 Jan.	71	–
Increases	144	71
Acquisition cost, 31 Dec.	**215**	**71**
Accumulated depreciation, amortization and impairments 1 Jan.	-13	-
Depreciation for the period	-35	-13
Accumulated depreciation, amortization and impairments 31 Dec.	**-48**	**-13**
Book value, 1 Jan.	58	–
Book value, 31 Dec.	**167**	**58**

15 Lease agreements: The lessee

Accounting principles

KoskiRent acts as a lessee and has leased business premises and company cars for its business operations. The lease agreements have been concluded under normal commercial terms. The lease agreements have a non-fixed term and include a rent increase option. Company car lease agreements are fixed-term and include a purchase option after the lease period. If a lease gives the right to control the use of an identified asset for a specified period in exchange for consideration, a right-of-use asset and a lease liability are recognized on the balance sheet at the commencement of the agreement.

Certain non-lease components, such as maintenance charges for leased premises, are not separated from the lease components, but each lease component and the related non-lease component are treated as a single lease component.

At the commencement of the agreement, lease liabilities are measured at the present value of the lease payments payable during the lease period. The interest rate on additional credit is used as the discount rate when determining the present value of lease payments because the internal interest rate of the lease is not easily quantifiable. After the contract starts, lease liabilities are measured at amortized acquisition cost using the effective interest method. In addition, the carrying amount is remeasured if changes are made to the lease or if there is a change in the lease term or future lease payments.

The lease liability consists of the following items:

- ✓ Fixed lease payments less lease-based incentives
- ✓ Variable rents that depend on an index or price levels
- ✓ Payments made based on residual value guarantees
- ✓ The exercise price of the purchase option if it is reasonably certain that the option will be exercised

Right-of-use assets are measured at acquisition cost less accumulated depreciation, amortization and impairment losses adjusted for any remeasurement of the lease liability.

The acquisition cost of a right-of-use asset includes the following items:

- ✓ Lease liabilities
- ✓ Rents paid by the start date
- ✓ Initial direct cost
- ✓ Estimate of expenses arising from dismantling or restoring the underlying asset

Right-of-use assets are depreciated on a straight-line basis over either their useful life or the lease term, whichever is shorter. The useful lives are as follows:

Buildings	5 years
Machinery and equipment	3 years

KoskiRent applies practical exemptions, based on which payments from short-term and low-value leases are recognized as expenses on a straight-line basis over the lease term. Short-term leases are agreements with a lease term of no more than 12 months. Low-value leases are contracts for which the value of the underlying asset when new is no more than EUR five thousand.

In the cash flow statement, payments of lease liabilities and payments of interest related to lease liabilities are presented in cash flow from financing. The maturity analysis of financial liabilities is presented in Note 25. Financial risk management.

Items included in the income statement

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Lease expenses from low-value assets	-3	–
Lease expenses for short-term leases	-13	-27
Depreciation of right-of-use assets: premises	-23	-10
Depreciation of right-of-use assets: equipment	-35	-31
Interest expenses on lease liabilities	-11	-9
Total	**-85**	**-77**

Items included in the cash flow statement

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Repayment of lease liabilities	-56	-39
Interest expenses on lease liabilities	-11	-9
Total	**-66**	**-48**

Right-of-use assets

	Premises		Machinery and equipment		Total	
(EUR thousand)	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
Acquisition cost, 1 Jan.	104	–	187	81	292	81
Increases	63	104	1	107	64	211
Decommissioning	–	–	-81	–	-81	–
Acquisition cost, 31 Dec.	**167**	**104**	**107**	**187**	**274**	**292**
Accumulated depreciation, 1 Jan.	-10	–	-47	-16	-57	-16
Depreciation for the period	-23	-10	-33	-31	-56	-41
Decommissioning	–	–	44	–	44	–
Accumulated depreciation, 31 Dec.	**-33**	**-10**	**-35**	**-47**	**-69**	**-57**
Book value, 1 Jan.	94	–	141	65	235	65
Book value, 31 Dec.	**134**	**94**	**72**	**141**	**206**	**235**

Right-of-use assets, which are part of the investments in the module stock item, are specified in the module stock reconciliation calculation in Note 13. Investments in the module stock and advance payments.

Lease liabilities

(EUR thousand)	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Non-current	200	148	51
Current	61	89	15
Total	**261**	**237**	**66**

16 Intangible assets

Accounting principles

Intangible assets consist of development costs related to the building portfolio. Intangible assets are measured at original acquisition cost less accumulated amortization and impairments losses. Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Development costs	7 years

Development costs are capitalized only if the following conditions are met:

- ✓ The completion of the intangible asset is technically feasible.
- ✓ The intention is to complete the intangible asset and use it or sell it.
- ✓ The intangible asset can be used or sold.
- ✓ The intangible asset will generate economic benefits in the future.
- ✓ Adequate technical, financial and other resources are available to complete the intangible asset.
- ✓ The costs of the development phase of the intangible asset can be measured reliably.

At the reporting date, the useful lives of intangible assets are reviewed and adjusted if necessary, and an estimate is made as to whether there is any indication of impairment. Impairment is the amount by which the book value of an asset exceeds the recoverable amount of the asset. If the book value of an asset is greater than its estimated recoverable amount, the book value of the asset is reduced to correspond to the recoverable amount.

Depending on the nature of the intangible asset, amortization is presented as part of administrative expenses or sales and marketing expenses. Gains and losses on the sale of intangible assets are presented in other income and expenses. Intangible assets on the balance sheet consist of planned and approved product development work, which aims to ensure competitiveness as well as future cash flows and value creation.

Reconciliation of intangible assets

	Development costs	
(EUR thousand)	**31 Dec. 2024**	**31 Dec. 2023**
Acquisition cost, 1 Jan.	96	–
Increases	190	96
Acquisition cost, 31 Dec.	**285**	**96**
Accumulated depreciation, amortization and impairments 1 Jan.	–	–
Amortization for the period	-23	–
Accumulated depreciation, amortization and impairments 31 Dec.	**-23**	**–**
Book value, 1 Jan.	96	–
Book value, 31 Dec.	**263**	**96**

The capitalized development costs in the financial year 2023 relate to development projects completed during the financial year 2024, so amortization has started in the financial year 2024.

17 Loan receivables

Accounting principles

Loan receivables are interest-bearing receivables. The financial asset recognised in loan receivables does not meet the requirements for amortised cost valuation, as the loan receivable is a capital loan with a conversion option into shares, and is therefore classified at fair value through profit or loss. The loan receivable is recognized at fair value and subsequently measured at fair value at the end of each reporting period. Changes in fair value and gains or losses on derecognition are recorded in financial income and expenses in the income statement. Loan receivables are presented as non-current assets if their maturity exceeds 12 months, and as current assets if the remaining maturity is less than 12 months.

Breakdown of balance sheet values

(EUR thousand)	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Loan receivable from M-Partners Ltd	1,179	1,038	2,709
Total	**1,179**	**1,038**	**2,709**

KoskiRent Oy has granted M-Partners Ltd a Capital loan of EUR 1,000 thousand referred to in Section 12:1 of the Limited Liability Companies Act. The loan has been granted to enable the production and delivery of new premises to be acquired. The loan has no maturity date and is unsecured. The outstanding principal of the loan accrues an annual interest of 8 percent until the loan principal and accrued interest have been repaid in full or converted into the company's shares.

The subordinated loan was granted to M-Partners Ltd on 16 December 2019 without conversion rights into shares. A conversion right to M-Partners Ltd's shares was added to the subordinated loan agreement on 18 February 2021 for the outstanding capital as of 1 January 2024. In 2023, the boards of both KoskiRent Oy and M-Partners Ltd agreed that the conversion right of the subordinated loan will not be exercised in 2024 and the terms of the subordinated loan agreement were amended in 2024 by changing the starting date of the conversion right to 1 January 2027.

According to management's estimate, M-Partners Ltd will likely be able to repay the loan before it is possible to convert it into shares, which has been considered in determining the fair value at the balance sheet date.

The classification of loan receivables and the determination of fair value are described in more detail in Note 24. Classification and fair value of financial assets and liabilities.

Management judgment and estimates

Management has exercised judgment in selecting the method to measure the fair value of the loan receivable. The fair value measurement has been performed by an external party and has required management to make estimates of cash flows and probabilities.

Management has estimated M-Partners Ltd's ability to repay the loan based on discussions with M-Partners Ltd and its owners, plans and materials requested and received, and considering M-Partners Ltd's current debt repayment schedule.

18 Trade and other receivables

Accounting principles

Trade receivables are receivables from customers based on business operations. The most common payment term for trade receivable is 21 days, so they are current, non-interest-bearing receivables. Trade receivables are initially measured at invoiced value. Subsequently, they are measured at their expected realizable value less expected credit losses. Other receivables are non-interest-bearing other receivables and accrued income, such as rent receivables, which arise when revenue is recognized before invoicing. The book values of trade receivables and other receivables correspond to their fair values due to the short maturity of the items.

The age distribution of trade receivables is presented in Note 25. Financial risk management.

Breakdown of balance sheet values

Non-current

(EUR thousand)	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Other receivables	4	8	2
Accrued income	176	135	228
Total	**180**	**143**	**229**

Current

(EUR thousand)	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Trade receivables	83	168	255
Other receivables	6	429	981
Accrued income	112	113	135
Total	**201**	**711**	**1,372**

Key items in accrued income

(EUR thousand)	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Other expense advances	18	17	–
Rent receivables	228	232	350
Other accrued income	42	0	13
Total	**288**	**249**	**363**

19 Cash and cash equivalents and restricted cash

Accounting principles

Cash and cash equivalents include cash in hand and at banks as well as deposits with a maturity of no more than three months at the time of acquisition.

Restricted cash represents funds whose usage is restricted based on bond terms and that are pledged as collateral for the loan. The funds have been generated from proceeds received in connection with the bond issues. Restricted cash can be used to finance investments that meet certain conditions. The use of restricted cash requires the approval of the financier's representative.

Restricted cash is presented in current assets if its estimated withdrawal to finance investments, according to management's estimate, is within 12 months. If the withdrawal is not expected to occur within 12 months, that share of restricted cash is presented as non-current assets.

Breakdown of balance sheet values

(EUR thousand)	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Current			
Restricted cash	4,327	–	–
Cash and cash equivalents	1,686	0	131
Total	**6,013**	**0**	**131**

Use of restricted cash for investments

KoskiRent Oy may withdraw restricted cash for investments in modules or for the cost of relocating modules, provided that the lease agreement for these modules meets the following conditions:

i) Depending on the length of the rental period

a) A signed lease agreement for at least 48 months: At least a 20% annual rental yield on restricted cash assets that are withdrawn or
b) A signed lease agreement for at least 96 months: At least a 18% annual rental yield on restricted cash assets that are withdrawn.

ii) The restricted cash withdrawn for the investment does not exceed 70% of the total amount of the new investment.

iii) The withdrawal of restricted cash does not trigger a default.

The total amount of restricted cash used for investments during the financial year 2024 is EUR 2,251 thousand.

20 Equity

Accounting principles

Shares and share capital

KoskiRent Oy’s shares are divided into series A and series B shares. Each series A share entitles the shareholder to one vote at the shareholder’s meeting. Series B shares differ from series A shares, for example, in that series B shares do not have voting rights or rights to dividends. According to the Articles of Association, the shares have no nominal value, and the company has no minimum or maximum share capital.

The share capital includes the portion of the share subscription price that, according to the share issue decision, is not recorded in the reserve for invested unrestricted equity. The proportion of the share subscription price that is not allocated to share capital according to the share issue decision is recorded in the reserve for invested unrestricted equity. Accumulated retained earnings include cumulative profits and losses from previous years.

Share exchange 2024

KoskiRent Oy's ownership was transferred to KoskiRent Group Oy in June 2024 in connection with a change of ownership. The previous owners of KoskiRent Oy own KoskiRent Group Oy in proportion to their previous holdings. The share exchange was carried out as part of the bond issue, and the terms and conditions of the bond. The share exchange had no impact on the company’s operations.

Dividend proposal

The parent company’s distributable equity as of the end of the financial year on 31 December 2024, was EUR 9,993,419.43, of which the loss for the financial year was EUR 1,884,938.43.

The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the past financial year and that the result for the financial year be recorded in the retained earnings account.

Changes in shares, share capital and the reserve for invested unrestricted equity

(EUR thousand)	Number of series A shares	Number of series B shares	Share capital (EUR thousand)	Reserve for invested unrestricted equity (EUR thousand)
1 Jan. 2023	22,328	1	3	5,746
Share issue, net of transaction costs	762			884
31 Dec. 2023	**23,090**	**1**	**3**	**6,630**
Investment in unrestricted equity without share consideration				3,030
Conversion of loans into reserve for invested unrestricted equity*				1,150
31 Dec. 2024	**23,090**	**1**	**3**	**10,810**

* In connection with the bond issue, loan liabilities of EUR 1,150 thousand were transferred from KoskiRent Oy to KoskiRent Group Oy, and the resulting receivables were converted into a reserve for invested unrestricted equity.

The 762 shares paid in 2023 from the share issue carried out in 2023 have been registered in the 2024 financial year.

At the end of the financial year 2024, KoskiRent Oy has 23,090 series A shares and one series B share, a total of 23,091 shares, which constitute KoskiRent Oy's share capital. The entire share capital is owned by KoskiRent Group Oy.

21 Loans

Accounting principles

Loans are recognized initially at fair value less transaction costs and any discount on the loan issue. Subsequently, loans are measured at amortized cost using the effective interest rate method. The difference between the amount of debt raised and the recorded amount, net of transaction costs and issue discounts, is amortized as interest expense in the income statement over the loan term.

Loans are classified as non-current or current liabilities based on their maturity date. A loan or part of it is classified as current when the obligation to repay is within 12 months of the balance sheet date. Loans that include covenants are classified as current if the covenants are breached before the end of the reporting period, allowing the lender to demand immediate repayment.

A loan is derecognized when the related obligations have been met, canceled or expired.

Material changes to the terms and conditions of an existing loan are treated as an amortization of the original loan and the recognition of a new financial liability.

Loans with warrants are equity instruments if the warrant commitment allows the purchase of a fixed number of shares for a fixed amount of cash or other financial assets. The difference between the nominal value and the fair value of the loan is initially recorded in retained earnings. Transaction costs are allocated to debt and equity components in proportion to their original carrying amounts. After initial recognition, interest-bearing liabilities are measured at amortized cost using the effective interest method.

Financing arrangements and bond

KoskiRent Oy issued a bond on 28 June 2024, and all of the company's financial liabilities outstanding at the end of the financial year on 31 December 2023 were paid off in a transaction on 10 July 2024, excluding vehicle financing. The new financing agreement is a secured bond with a nominal value of EUR 50 million. In addition, the parent company KoskiRent Group Oy made a gratuitous EUR 3.35 million equity investment in KoskiRent Oy in connection with the bond issue. Of the investment, EUR 2.2 million was paid in cash and EUR 1.15 million was paid by converting receivables arising from the transfer of KoskiRent Oy's loan liabilities to KoskiRent Group Oy. The investment fulfilled the drawdown condition for bond financing. According to the terms of the financing agreement, KoskiRent Oy has the option to increase the nominal value of the issued bond by a maximum of EUR 25 million.

In December 2024, the parent company KoskiRent Group Oy made a gratuitous equity investment of EUR 830 thousand in KoskiRent Oy to finance new investments.

The bond is listed on the Frankfurt Open Market and, in addition, the company will apply for listing of its bond on OMX Nasdaq Helsinki by 28 June 2025. The maturity of the bond is 28 June 2027. The terms and conditions of the bond are published and available on the company's website www.modulo.fi/sijoittajille.

The terms of the bond

Bond							
				(EUR thousand)			
					Balance sheet value		
Date of issue	Final maturity date	Interest, %	Currency	Nominal value	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
28 Jun. 2024	28 Jun. 2027	EURIBOR 3 months + 5.5	EUR	50,000	47,831	-	-

Bond covenants

(EUR thousand)	Definition	Covenant condition	31 Dec. 2024
Cash covenant	Unrestricted cash reserves	At least EUR 1,500,000	1,686
Loan to value ratio, %	(Interest-bearing debt - Cash and cash equivalents) / Investment properties x 100	Under 65%	51.1%
Interest covering ratio (ICR)*	Pro forma adjusted EBITDA according to the financing agreement / Pro forma adjusted net financial expenses according to the financing agreement	At least 1.5	1.7

*The interest margin calculated based on loan terms differs from the interest margin presented in the key indicators, so that rental income from new, eligible contracts is included as pro forma figures for the entire LTM period. Pro forma-adjusted net financial expenses do not include refinancing costs.

In addition, the loan terms include payment restrictions that prohibit dividend payments, acquisition of own shares, return of equity investments to shareholders, repayment of subordinated loans, granting of loans outside the group, payment of shareholder loans or their interest, or other reciprocal payments in which the company's assets are transferred to its direct or indirect owners.

Covenants are tested in connection with the quarterly report based on the covenant calculation provided to the security agent. Covenants are tested on 31 March, 30 June, 30 September, and 31 December. Management and the Board of Directors prepare forecasts and alternative scenarios to review the fulfillment of covenants. Based on the cash flow forecasts, management has estimated that the company will be able to meet its obligations over the next 12 months.

The bond covenants were met at each testing date on 30 June 2024, 30 September 2024 and 31 December 2024.

Other loans

Other loans consist of secured loans under a common security agreement, other secured loans and unsecured loans. All loans, excluding hire purchase financing, were repaid with the refinancing completed on 10 July 2024.

Some of the other loans included a warrant commitment, which allowed the purchase of a fixed number of shares for a fixed amount of cash or other financial assets. For loans with a warrant commitment, the difference between the nominal value and the fair value of the loan is initially recognized in retained earnings. There are no warrant commitments on the balance sheet date, 31 December 2024.

The secured loans under the common security agreement included a covenant. According to the covenant, the ratio of net financial expenses to EBITDA must not exceed 40% at any time in the 12 months preceding the review date. At the time of reporting, 31 December 2022, this covenant was met. At the time of reporting, 31 December 2023, this covenant was not met.

In addition, one loan drawn in fiscal year 2023 included an equity ratio covenant, which requires the equity ratio to exceed 28%. The covenant related to the equity ratio was not met. In the 2023 financial statements, all secured loans under the common security agreement and other secured and unsecured loans, excluding hire purchase financing, have been classified as current due to a breach of covenant.

The aforementioned, previously breached covenants were not met again until the refinancing on 10 July 2024, at which point they ceased due to the repayment of liabilities.

Terms of other loans

		Balance sheet value (EUR thousand)		
	Interest, %	**31 Dec. 2024**	**31 Dec. 2023**	**1 Jan. 2023**
Secured loans under the joint security agreement	Euribor + 4.25-18	–	23,837	20,246
Other secured loans	Euribor + 7.5-9.9	542	2,033	1,426
Unsecured loans	Fixed 10-21	–	4,940	1,000
Total		**542**	**30,810**	**22,672**

The annualized ranges for loan rates include the impact of actual interest rates. The Euribor tying varied between 3 and 12 months.

On the balance sheet date 31 December 2024, other secured loans include EUR 400 thousand of loans granted by key management personnel, which are disclosed in Note 27. Related party transactions.

Nominal value of loans including loan covenants

(EUR thousand)	**31 Dec. 2024**	**31 Dec. 2023**	**1 Jan. 2023**
Total nominal value of loans	50,000	23,767	20,200

Changes in loans

	31 Dec. 2024			31 Dec. 2023	
(EUR thousand)	Bond loan	Other loans	Lease liabilities	Other loans	Lease liabilities
Balance 1 Jan.	–	30 810	237	22 672	66
Changes due to cash flows from financing:					
Loan withdrawals	45 673	3 000	–	10 815	–
Loan repayments	-	-32 217	–	-2 685	–
Expenses related to the issuance of the loan	-2 544	–	–	–	–
Payments of lease liabilities	–	–	-55	–	-39
Interest payments	-2 322	-2 493	-11	-1 372	-9
Total changes due to cash flows from financing	40 808	-31 710	-66	6 758	-48
New leases	–	–	116	–	211
Conversion of loans into reserve for invested unrestricted equity	–	-1 150	–	–	–
Recorded interest expenses	2 696	2 592	11	1 379	9
Additions to restricted cash and cash equivalents	4 327	–	–	–	–
Other amendments	–	–	-37	–	–
Balance 31 Dec.	**47,831**	**542**	**261**	**30,810**	**237**

Current and non-current loans

	31 Dec. 2024			31 Dec. 2023		1 Jan. 2023	
(EUR thousand)	Bond loan	Other loans	Lease liabilities	Other loans	Lease liabilities	Other loans	Lease liabilities
Non-current	47,831	23	200	41	148	16,586	51
Current	-	520	61	30,769	89	6,086	15
Total	**47,831**	**542**	**261**	**30,810**	**237**	**22,672**	**66**

22 Provisions

Accounting principles

A provision is recognized when KoskiRent incurs a legal or actual obligation following a prior event, and fulfilling the obligation is likely to require a transfer of resources out of the group, and its amount can be reliably estimated. The amount to be recorded as a provision is based on the best estimate of the expenditure required to settle the obligation. Provisions for which the related cash flows are expected to be generated more than one year from the date of recognition are discounted to their present value. The present value is updated at the time of reporting.

Restoration provision

The Group has restoration obligations arising from the terms of lease agreements at the end of the agreement. Restoration obligations consist of removing the modules from the land area administered by the municipality and any land and foundation restoration measures, if specifically agreed in the lease agreement and the related tender documents.

A provision is recorded for the restoration costs when the lease enters into force. Restoration costs are presented as part of Investments in the module stock, and changes in provisions are reflected as part of

Change in fair value of the module stock. Investments in the module stock are specified in Note 13 Investments in the module stock and advance payments

Management's estimate

Determining the restoration provision requires management to estimate the costs required to fulfill the obligation. The restoration cost estimate is based on an estimate of the costs of re-establishing the site, relocating the number of modules on the site to the next site or storage area, and the costs of restoring the land and dismantling above-ground foundations. The final costs of the restoration and their timing may differ from the original estimate.

Changes in provisions

(EUR thousand)	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Balance sheet value 1 Jan.	2,080	1,638	1,638
Increases	577	334	–
Provisions used during the financial year	-479	–	–
Impact of interest rates	35	109	–
Balance sheet value 31 Dec.	**2,213**	**2,080**	**1,638**
Non-current	1,869	1,635	1,638
Current	344	445	–
Total	**2,213**	**2,080**	**1,638**

Sensitivity analysis of provisions

The recording of the provision is based on realized costs and management's estimates of the removal of modules from the leased location and the restoration of the land area for each site. Factors affecting costs include, in particular, cost development in subcontracting and logistics, and to a lesser extent, cost development in earthworks or changes in the discount rate.

The following table illustrates how potential changes in management's estimates of the calculation parameters for provisions impact earnings before taxes.

	Impact on profit before taxes			
(EUR thousand)	**-10%**	**-5%**	**5%**	**10%**
31 Dec. 2024	-221	-111	111	221
31 Dec. 2023	-208	-104	104	208
1 Jan. 2023	-164	-82	82	164

23 Advances received, accounts payable, other liabilities

Accounting principles

Advances received are generated when rent payments are received from the customer before the rental income is recognized. Accounts payable and other liabilities are liabilities relating to goods and services transferred to the Group before the end of the reporting period. Accounts payable and other liabilities consist mainly of liabilities to suppliers and employees. The advances received, accounts payable and other liabilities are considered to correspond to their fair values due to the short maturity of the items.

Advances received, accounts payable and other liabilities are presented under non-current liabilities if their maturity exceeds 12 months, and under current liabilities if the remaining maturity is less than 12 months.

Breakdown of balance sheet values

(EUR thousand)	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Non-current			
Advances received	2,038	2,207	2,079
Accrued expenses	–	270	270
Advances received, accounts payable and other liabilities	2,038	2,477	2,349

(EUR thousand)	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Current			
Advances received	750	633	522
Accounts payable and other liabilities			
Accounts payable	2,319	3,007	1,825
Other liabilities	135	18	12
Accrued expenses	212	1,171	182
Accounts payable and other liabilities	2,666	4,197	2,019
Advances received, accounts payable and other liabilities	**3,416**	**4,830**	**2,542**

Key items of accrued expenses and deferred income

(EUR thousand)	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Holiday pay	70	48	29
Indirect costs of salaries and holiday pay	42	43	–
Interest expenses	78	930	58
Income taxes	–	–	96
Investments in the module stock	23	270	270
Loan repayment costs	–	151	–
Total	**212**	**1,441**	**452**

24 Classification and fair value of financial assets and liabilities

Accounting principles

Financial assets and liabilities are classified upon initial recognition as either financial assets at amortized cost or financial assets at fair value through profit or loss. The classification is based on contractual cash flows and the objectives of the business model. Financial assets and liabilities are presented as non-current if their maturity exceeds 12 months, and as current if the remaining maturity is less than 12 months.

Financial assets are derecognized from the balance sheet when the contractual rights to their cash flows have ceased or have been transferred outside the Group, and the material risks and rewards of ownership have been transferred outside the Group. A financial liability is derecognized when the related obligations have been met, canceled or expired.

Liabilities measured at amortized cost

Financial assets measured at amortized cost are investments or receivables with cash flows that consist solely of payments of principal and interest. They are initially recognized at fair value, including transaction costs, and subsequently at amortized cost using the effective interest method. Financial assets measured at amortized cost include trade receivables, restricted cash and cash equivalents.

Financial liabilities measured at amortized cost are initially recognized at fair value less transaction costs and subsequently at amortized cost using the effective interest method. Financial liabilities measured at amortized cost include issued bonds, lease liabilities, loans, accounts payable and other liabilities.

Financial assets measured at fair value through profit or loss

Changes in the fair value of financial assets recognized at fair value through profit or loss, as well as gains and losses on derecognition are recorded in financial income and expenses in the income statement. The impairment risk is included in the change in fair value.

The financial asset measured at fair value through profit or loss is a subordinated loan with conversion rights to shares. The convertible bond is recorded in loan receivables on the balance sheet. More details on the loan receivable in Note 17. Loan receivables

The Group has not had any financial liabilities recognized at fair value through profit or loss in the financial years 2023 or 2024.

Fair value

Financial assets and liabilities measured at fair value are classified based on the amount of inputs used in the valuation methods. Three hierarchy levels are used in the classification. The hierarchical levels are based on the extent to which the inputs used need to be estimated when determining the fair value of financial assets and liabilities.

The levels used are defined as follows:

Level 1: The fair values of financial instruments are based on quoted prices for similar assets or liabilities in active markets.

Level 2 and Level 3: For financial instruments not subject to trading on an active market, fair value is determined using a valuation method. The methods use observable market data and as little company-specific estimates as possible. If all significant inputs necessary to measure the fair value of the financial instrument are observable, the instrument is classified as level 2.

Level 3: For financial instruments not subject to trading on an active market, fair value is determined using a valuation method. The methods use observable market data and as little company-specific estimates as possible. A financial instrument is classified as level 3 if one or more significant input is not based on observable market data.

The table below presents only the balance sheet values and fair values of loan receivables and bonds valued at fair value, as the carrying amounts of other financial assets and liabilities are estimated to correspond to their fair values.

Balance sheet values and fair values of loan receivables and bonds, and the level in the fair value hierarchy

		31 Dec. 2024		**31 Dec. 2023**		**1 Jan. 2023**		
(EUR thousand)	Note	Balance sheet values	Fair values	Balance sheet values	Fair values	Balance sheet values	Fair values	Fair value hierarchy
The items recognised at fair value								
Loan receivable	18	1,179	1,179	1,038	1,038	2,709	2,709	3
At amortized cost								
Bonds	22	47,831	49,250	-	-	-	-	1

In measuring the fair value of the loan receivable, the debt and the option have been valued separately. The following valuation methods have been used:

- ✓ The Discounted Cash Flow (DCF) method has been used to value the debt component.
    - o Discounted future cash flows (interest payments and loan repayment)
- ✓ The Black-Scholes model is used to measure the option
- ✓ The market approach has been used in the valuation of equity.
- ✓ The fair value of the loan receivable is the probability-weighted outcome of the loan repayment and the option being exercised

As of the valuation date of 31 December 2024, KoskiRent Oy does not have a valid conversion right. According to the management's estimate, M-Partners Ltd is likely to be able to repay the loan before it is possible to convert the loan into shares.

The bond (ISIN: NO0013250647) is traded on the Open Market (Freiverkehr) of the Frankfurt Stock Exchange (Börse Frankfurt). More information on the bond is available on Modulo's investor site www.modulo.fi/sijoittajille, and on the Frankfurt Stock Exchange's Open Markets trading platform.

25 Financial risk management

KoskiRent's operations involve various financial risks. Financial risk management is part of business planning and operational management. Its purpose is to support the planning and practical implementation of the Group's short- and long-term strategic and financial goals. The Group strives to maintain appropriate operating principles and procedures in which financial risks are identified, estimated and managed following the objectives. The Board of Directors reviews and approves the operating principles concerning risk management.

Market risks

Currency risk

KoskiRent's business is not subject to significant currency risks. The Group's revenue consists of rental income, the payments of which are euro-denominated. The Group's expenses and investments are also denominated in euros, and they are agreed and paid in euros.

Interest rate risk

KoskiRent is exposed to interest rate risk mainly through its net interest-bearing liabilities. The Group's net interest-bearing liabilities consist almost entirely of a floating rate secured bond, which is linked to the 3-month Euribor rate. The group continuously monitors the development of market rates. Interest rate risk management aims to reduce fluctuations in interest expenses in the income statement and improve the predictability of the group's cash flow. The Group monitors the adjusted interest coverage ratio (ICR), which is the ratio of adjusted EBITDA to adjusted financial expenses. Adjustments are non-recurring items that are not directly linked to business operations or ongoing interest expenses on debt. The group is targeting an adjusted interest coverage ratio of over two in the long term.

KoskiRent has no interest rate hedging instruments in use on the balance sheet date.

Interest rate sensitivity

	Impact on profit before taxes	
(EUR thousand)	**31 Dec. 2024**	**31 Dec. 2023**
Increase 1%	-457	-108
Decrease 1%	457	108

For the 2024 financial year, the interest rate sensitivity calculation considers restricted cash assets, the return on which varies based on the market interest rate.

Credit and counterparty risks

Credit and counterparty risks are associated with all business relationships in which KoskiRent is exposed to risks that the counterparty's performance does not meet KoskiRent's requirements and contractual obligations. The risk typically arises in investment, financing and leasing transactions. The magnitude of the risk is determined by the size of the transaction and the creditworthiness and performance of the counterparty.

The aim of credit and counterparty risk management is to prevent and minimize damage and potential losses caused by counterparties and to estimate the probabilities and magnitude of the impacts before commitments are made.

In investments, the counterparties are subcontractors, who are paid for completed work. Subcontractors' contribution to the delivery of leased properties and obtaining rental income is significant. KoskiRent estimates the subcontractors' ability to fulfill their commitments before committing to delivering the rental object. The project personnel continuously monitors the progress of contracts and the completion schedule as the project progresses. The project personnel also plans and aims to secure an alternative contractor for the most critical tasks to minimize and eliminate any potential indirect impacts from the counterparties' performance.

In financing transactions, the company's management and board of directors make a comprehensive estimate of the impact of the commitments on the company and the possible counterparty risk if the commitment given by the company does not produce the desired result.

The company's customers are municipalities and public administration entities. Historically, the company has not experienced any credit losses in its customer base. Customers' solvency is expected to remain excellent going forward. The company monitors the payment periods of rental receivables regularly and takes the necessary collection measures to secure its receivables if customers do not comply with the agreed payment terms.

Age distribution of trade and lease receivables

(EUR thousand)	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Current	81	168	255
1–30 days overdue	1	–	–
Total	**83**	**168**	**255**

Liquidity and refinancing risk

KoskiRent's liquidity and refinancing risk refers to the risk related to the Group's operations and the repayment, extension, or refinancing of its issued bonds.

Liquidity risk refers to the sufficiency of liquid assets in a situation where business conditions change and require capital investments. Liquidity risk management aims to maintain sufficient liquidity and ensure sufficiently rapid access to financing in all circumstances to reduce uncertainty.

The company aims to maintain available liquid assets of at least 6 months' worth of operating and interest expenses.

KoskiRent finances its current portfolio and the funding it needs with cash flow from operating activities. The financing of new investments will be carried out with cash flow from operating activities, debt financing and equity investments by the principal owner, KoskiRent Group Oy. KoskiRent Group Oy's task is to acquire the equity financing required by KoskiRent Group Oy by issuing new shares to be subscribed for by current and new owners.

The company strives to be an active and reliable partner in the financial markets by continuously discussing and investigating various financing options.

Contractual maturities of financial liabilities 2024

(EUR thousand)	Book value	Cash flow	2025	2026	2027	2028	2029
Financial liabilities							
Bonds	47,831	61,167*	4,484	4,484	52,199	–	–
Other loans	542	545	522	20	3	–	–
Accounts payable and other liabilities	2,319	2,319	2,319	–	–	–	–
Lease liabilities	261	289	74	103	51	39	23
Total	**50,953**	**64,320**	**7,399**	**4,607**	**52,253**	**39**	**23**

* The latest market rate quotation of 2.715% was used in the cash flow estimate for the bond.

Contractual maturities of financial liabilities 2023

(EUR thousand)	Book value	Cash flow	2024	2025	2026	2027	2028
Financial liabilities							
Other loans	30,810	33,002	32,955	18	18	11	–
Accounts payable and other liabilities	3,277	3,277	3,007	270	–	–	–
Lease liabilities	237	247	93	43	76	23	12
Total	**34,324**	**36,527**	**36,055**	**331**	**94**	**34**	**12**

Contractual maturities of financial liabilities 1 January 2023

(EUR thousand)	Book value	Cash flow	2023	2024	2025	2026	2027	Later
Financial liabilities								
Other loans	22,672	25,150	6,864	3,069	2,992	2,917	2,843	6,464
Accounts payable and other liabilities	2,095	2,095	1,825	–	270	–	–	–
Lease liabilities	66	70	17	53	–	–	–	–
Total	**24,832**	**27,314**	**8,706**	**3,121**	**3,262**	**2,917**	**2,843**	**6,464**

In addition to the maturity distribution of financial liabilities, the extension options of current lease agreements, which management continuously estimates as part of its business operations, have a significant impact on the Company's liquidity and refinancing. The management's estimate includes the length of the extended lease period and the rent level, individually estimated for each valid lease agreement separately. Estimates include only existing agreements. The estimate does not include the re-leasing of modules released from lease agreements during the review period or modules in stock at the balance sheet date. Management’s estimates of the length of extension lease periods and their rental level contain significant uncertainty.

Contractual maturities of lease receivables 2024

(EUR thousand)	2025	2026	2027	2028	2029	Later
Rents under contract	6,935	5,540	5,004	2,455	1,382	3,867
Total	**6,935**	**5,540**	**5,004**	**2,455**	**1,382**	**3,867**

Contractual maturities of lease receivables 2023

(EUR thousand)	2024	2025	2026	2027	2028	Later
Rents under contract	5,468	4,332	2,790	2,490	969	4,131
Total	**5,468**	**4,332**	**2,790**	**2,490**	**969**	**4,131**

Contractual maturities of lease receivables 1 January 2023

(EUR thousand)	2023	2024	2025	2026	2027	Later
Rents under contract	5,290	4,450	3,483	2,603	2,331	4,909
Total	**5,290**	**4,450**	**3,483**	**2,603**	**2,331**	**4,909**

Capital management

Capital management aims to ensure an efficient capital structure that guarantees KoskiRent's operating conditions on the capital markets in all circumstances, regardless of cyclical fluctuations in the industry.

KoskiRent monitors the development of its capital structure by examining its loan-to-value ratio (LTV). The loan-to-value ratio represents the proportion of net liabilities in the value of investment properties.

The company aims to improve its capital structure in the long term and maintain a loan-to-value ratio (LTV) of 40–60%. In addition, the company aims to achieve a sufficient interest income level to prepare for changes in market rates.

Loan-to-value ratio and equity ratio

(EUR thousand)	31 Dec. 2024	31 Dec. 2023
Loan to value, %	51.1%	39.5%
Equity ratio, %	34.7%	43.7%

26 Off-balance sheet commitments and contingent liabilities

A contingent liability is a possible liability that has arisen as a result of past events, and its existence is only confirmed when one or more uncertain events, which are not entirely under the Group's control, occur or do not occur in the future. In addition, a contingent liability is considered to be an existing obligation that has arisen as a result of past events but is not likely to require the fulfillment of a payment obligation, or the amount of which cannot be reliably determined.

Off-balance sheet commitments

(EUR thousand)	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
Liabilities secured by pledges and mortgages			
Bonds	47,831	–	–
Other liabilities	542	25,870	21,672
Total	**48,373**	**25,870**	**21,672**
Collateral			
Enterprise mortgages	142,360	42,360	22,646
Pledges	541	–	–
Pledges (installment debts)	42	58	–
Total	**142,360**	**42,360**	**22,646**

Unrecognized contractual obligations

KoskiRent has a maintenance agreement with a subcontractor for periodic inspections and fault updates of the sites. The share of the unrecorded contractual obligation related to service and maintenance is EUR 38 thousand annually.

In order to fulfil the obligations related to the signed lease agreements, KoskiRent has contractual commitments for the acquisition of module stock totalling EUR 1,324 thousand, of which commitments to M-Partners Ltd amount to EUR 1,206 thousand and to other subcontractors to EUR 118 thousand. Contract obligations are contractual commitments at the balance sheet date for work in progress on modernization and subcontracting works, and for new modules ordered but for which the invoicing basis has not yet been fulfilled.

Real estate investments

KoskiRent is obliged to revise the VAT deductions made on a real estate investment completed in 2018–2024 if the taxable use of the property decreases during the review period. The last revision year for real estate investments completed during the 2024 financial year is 2033.

Revision responsibility

(EUR thousand)	Last year of revision	31 Dec. 2024	31 Dec. 2023	1 Jan. 2023
VAT refund liability 2018	2027	345	460	556
VAT refund liability 2019	2028	910	1,137	1,364
VAT refund liability 2020	2029	460	552	644
VAT refund liability 2021	2030	898	1,048	1,198
VAT refund liability 2022	2031	1,373	1,569	1,766
VAT refund liability 2023	2032	3,234	3,638	–
VAT refund liability 2024	2033	2,364	–	–
Total		**9,584**	**8,405**	**5,527**

27 Related party transactions

Accounting principles

KoskiRent Oy's related parties include a person and entities under that person's control, or a close family member of that person, if the person can exercise control or significant influence, or the person is a key person in KoskiRent Oy's or KoskiRent Group Oy's management. An entity is considered a related party of KoskiRent Oy if the entity, either directly through KoskiRent Oy or indirectly through KoskiRent Group Oy, can exercise control or significant influence over decisions concerning finances and operations.

Transactions with related parties have been made under customary commercial terms. Related party transactions include transactions with related parties that are not eliminated in the Consolidated Financial Statements.

Related parties

KoskiRent Oy's related parties include its fully-owned parent company KoskiRent Group Oy (established on 14 June 2024), subsidiary KoskiRent Palvelut Oy (established on 5 December 2024), associated company M-Partners Ltd, and other related party companies.

The contractual relationship between M-Partners Ltd and KoskiRent Oy is described in more detail in Note 1. Basis of presentation. The related party loan granted by KoskiRent Oy to M-Partners Ltd is presented in Notes 17. Credit claims and 21. Loans.

KoskiRent Oy's related parties include a person or that person's close family member if the person has, either directly or indirectly through the parent company KoskiRent Group Oy, control, joint control, or significant influence over KoskiRent. KoskiRent Oy's related parties include key management personnel, comprising the CEO, members of the Board of Directors, and the management team of both KoskiRent Oy and its parent company KoskiRent Group Oy, as well as their close family members and entities in which they have control or joint control.

Related party transactions and outstanding balances

Related party transactions 1 Jan. - 31 Dec. 2024

(EUR thousand)	M-Partners Ltd	KoskiRent Group Oy	Key management	Other related parties	Total
Selling of services	130	–	–	–	**130**
Purchases of services	195	1	491*	2	**688**
Purchases of assets	10,788	–	–	–	**10,788**
Loans received and equity investments	–	4,180	400	-	**4,580**
Change in fair value of loan receivables	221	–	–	–	**221**
Interest expenses	53	–	2	299	**354**

*Services purchased from key management personnel or related companies controlled by them are one-off purchases of services related to the raising of finance.

Related party transactions 1 Jan. - 31 Dec. 2023

(EUR thousand)	M-Partners Ltd	Key management	Total
Purchases of services	6	92*	**98**
Purchases of assets	11,879	–	**11,879**
Change in fair value of loan receivables	-1,671	–	**-1,671**
Interest expenses	311	300	**610**

*Services purchased from key management personnel or related companies controlled by them are one-off purchases of services related to the raising of finance.

Outstanding balances with related parties 31 Dec. 2024

(EUR thousand)	M-Partners Ltd	Key management	Total
Loan receivables	1,179	–	**1,179**
Other receivables	33	–	**33**
Accounts payable and other liabilities	1,144	233	**1,377**
Other loans	–	400	**400**

At the time of the financial statement on 31 December 2024, KoskiRent Oy has EUR 1,206 thousand of contingent debt to M-Partners Ltd, related to ordered work concerning old and new modules.

Outstanding balances with related parties 31 Dec. 2023

(EUR thousand)	M-Partners Ltd	Key management	Total
Loan receivables	1,038	–	**1,038**
Accounts payable and other liabilities	3,373	67	**3,441**
Other loans	–	3,746	**3,746**

Outstanding balances with related parties 1 Jan. 2023

(EUR thousand)	M-Partners Ltd	Key management	Total
Loan receivables	2,709	–	**2,709**
Accounts payable and other liabilities	1,996	60	**2,056**
Other loans	–	700	**700**

Key management compensation

	CEO		Rest of management team*	Board of Directors		Total	
(EUR thousand)	**1 Jan. 2024 – 31 Dec. 2024**	**1 Jan. 2023 – 31 Dec. 2023**	**1 Mar. 2024 – 31 Dec. 2024**	**1 Jan. 2024 – 31 Dec. 2024**	**1 Jan. 2023 – 31 Dec. 2023**	**1 Jan. 2024 – 31 Dec. 2024**	**1 Jan. 2023 – 31 Dec. 2023**
Wages and salaries	-72	-59	-163	-30	-12	-265	-70
Pension costs	-25	-24	-29	–	–	-54	-24
Other indirect employee costs	-5	-7	-4	-0	–	-9	-7
Total	**-103**	**-90**	**-196**	**-30**	**-12**	**-329**	**-101**

*Management Team as of 1 Mar. 2024

28 Events after the reporting period

At the beginning of the financial year 2025, rent payments for the two premises handed over to the Defence Forces commenced on 1 January 2025 and 1 March 2025. In addition, the new lease agreement for the property relocated within Rauma entered into force on 1 January 2025.

Extension agreements were signed with customers for two existing lease agreements.

The company has signed a lease agreement for a day-care building to be delivered to the city of Vaasa, with delivery scheduled in Q4 2025.

KoskiRent Oy is applying to list its bond on Nasdaq Helsinki by 28 June 2025. In connection with the listing, the legal form of KoskiRent Oy will be changed to a public limited company.

At the beginning of 2025, KoskiRent Oy and its 100% owned KoskiRent Group Oy signed a cooperation agreement regarding the administration of KoskiRent Oy by KoskiRent Group Oy. As a result, the Group's CEO and CFO transferred to KoskiRent Group Oy and continued working at KoskiRent Oy as before. Due to the cooperation agreement, KoskiRent Oy's personnel costs will decrease, and other operating expenses will increase correspondingly.

KoskiRent Group Oy continues the process started in the financial year 2024 to raise funds and invest them in KoskiRent Oy through invested unrestricted equity. The goal of the process is to strengthen KoskiRent Oy's financial position and enable future investments.

29 Transition to IFRS accounting standards

KoskiRent publishes its first consolidated financial statements prepared in accordance with IFRS Accounting Standards adopted in the European Union for the financial year that ended on 31 December 2024. The date of transition to IFRS was 1 January 2023. In the transition, KoskiRent has applied IFRS 1 First-time Adoption of International Financial Reporting Standards. No exemptions under IFRS 1 have been applied in the transition.

KoskiRent Oy's group structure was formed during the financial year 2024, so the comparison data for the financial year 2023 and the opening balances on 1 January 2023 are the IFRS figures of the separate company KoskiRent Oy. In preparing the opening IFRS balance sheet, the financial statements prepared under FAS have been adjusted, as in preparing the 2024 FAS financial statements, the company has identified and corrected certain errors relating to prior periods. The adjustments made to the financial statements 2023 and the opening IFRS balance sheet have been made to the 2023 adjusted FAS financial statement data. The accounting principles described above have been applied in the preparation of the financial statements for 2023 and the opening IFRS balance sheet.

Adjustments related to deferred taxes were recognized from IFRS adjustments. Deferred tax assets are recognized up to the amount corresponding to the likely taxable income arising in the future against which the deductible temporary differences can be offset. Deferred tax assets and liabilities are offset in accounting only if a legally enforceable right to offset tax assets and liabilities against each other based on the taxable income for the period exists and the deferred tax assets and liabilities are related to income taxes levied by the same tax authority. The netting of deferred taxes is presented in the other adjustments and reclassifications column in the following tables.

KoskiRent Oy prepares an income statement by nature of expense and an income statement by function for the Group, so the conversion of KoskiRent Oy's income statement into an income statement by function is described in the first table. IFRS adjustments made in connection with the transition are described in the tables following it.

Income statement by function 1 Jan. – 31 Dec. 2023

(EUR thousand)	FAS by nature of expense	restatements	restated FAS by nature of expense	Materials and services	Personnel expenses	Depreciation, amortization and impairments	Other operating expenses	FAS by function
Revenue	5,983	–	5,983					5,983
Maintenance and repairs				-133	-65	-2,690	-43	-2,931
Gross margin								**3,053**
Sales and marketing costs				-19	-167	-6	-96	-288
Administrative expenses				-16	-217	-13	-342	-588
Other costs							-2	-2
Production for own use	308	-308	–					–
Materials and services	-273	102	-171	171				–
Personnel expenses	-655	206	-449		449			–
Depreciation, amortization and impairments	-2,709	–	-2,709			2,709		–
Other operating expenses	-483	–	-483				483	–
Operating profit/loss	**2,172**	**–**	**2,172**	***2***	**–**	**–**	**–**	**2,174**
Financial income	80	–	80					80
Financial expenses	-2,657	–	-2,657	-2				-2,660
Total financial income and expenses	-2,577	–	-2,577	-2	–	–	–	-2,580
Profit before tax	**-405**	**–**	**-405**	**-0**	**–**	**–**	**–**	**-405**
Appropriations	**722**	**–**	**722**					722
Income taxes	-120	–	-120					-120
Result for the period	**197**	**–**	**197**	**-0**	**–**	**–**	**–**	**197**

Income statement 1 Jan. – 31 Dec. 2023

(EUR thousand)	FAS by function	Lessor (IFRS 16)	Lessee (IFRS 16)	Investments in module stock (IAS 40)	Provisions (IAS 37)	Development expenditure (IAS 38)	Financial items (IFRS 9)	Reclassifications	Impacts of IFRS	IFRS
Revenue	5,983	-357	–	–	–	–	–	–	-357	5,626
Maintenance and repairs	-2,931	–	–	2,411	279	–	–	–	2,690	-241
Gross margin	3,053									**5,385**
Change in fair value of the module stock	–	–	–	274	–	–	–	–	274	274
Sales and marketing costs	-288	–	3	–	–	-2	–	–	1	-287
Administrative expenses	-588	–	4	–	–	–	–	–	4	-584
Other costs	-2	–	–	–	–	–	–	–	–	-2
Operating profit	**2,174**	**-357**	**7**	**2,685**	**279**	**-2**	**–**	**–**	**2,611**	**4,786**
Financial income	80	–	–	–	–	–	-80	–	-80	0
Financial expenses	-2,660	–	-9	–	-109	1	-44	–	-160	-2,820
Change in the fair value of loan receivables	–	–	–	–	–	–	-1,671	–	-1,671	-1,671
Total financial income and expenses	-2,580	–	-9	–	-109	1	-1,795	–	-1,911	-4,491
Result before income tax	**-405**	**-357**	**-2**	**2,685**	**170**	**-0**	**-1,795**	**–**	**700**	**295**
Appropriations	**722**							**-722**	-722	–
Income taxes	-120	71	0	-604	88	0	325	144	26	-94
Result of the period / Total comprehensive income for the period	**197**	**-286**	**-1**	**2,081**	**258**	**-0**	**-1,470**	**-578**	**4**	**201**
Distribution of comprehensive income for the period										
Shareholders of the parent company	197									201

Balance sheet 1 January 2023

(EUR thousand)	FAS balance sheet	restatements	restated FAS balance sheet	Lessor (IFRS 16)	Lessee (IFRS 16)	Investments in module stock (IAS 40)	Provisions (IAS 37)	Financial items (IFRS 9)	Reclassifications	Impacts of IFRS	IFRS
ASSETS											
Non-current assets											
Investments in module stock	–	–	–	–	–	56,772	1,638	–	–	58,410	58,410
Advance payments	–	–	–	–	–	5,623	–	–	–	5,623	5,623
Tangible assets	35,457	101	35,558	–	–	-35,558	–	–	–	-35,558	–
Right-of-use assets	–	–	–	–	65	–	–	–	–	65	65
Intangible assets	834	–	834	–	–	–	-834	–	–	-834	–
Loan receivables	1,000	–	1,000	–	–	–	–	1,709		1,709	2,709
Deferred tax assets	–	–	–	520	13	–	328	31	-891	0	0
Trade and other receivables	–	–	–	228	–	–	–	–	2	229	229
Total non-current assets	**37,291**	**101**	**37,391**	**748**	**78**	**26,837**	**1,132**	**1,740**	**-890**	**29,645**	**67,036**
Current assets											
Trade and other receivables	1,491	–	1,491	122	–	–	–	-240	-2	-119	1,372
Cash and cash equivalents	131	–	131	–	–	–	–	–	–	–	131
Total current assets	**1,623**	**–**	**1,623**	**122**	**–**	**–**	**–**	**-240**	**-2**	-119	**1,503**
Total assets	**38,913**	**101**	**39,014**	**870**	**78**	**26,837**	**1,132**	**1,500**	**-891**	**29,525**	**68,539**
EQUITY AND LIABILITIES											
EQUITY											
Share capital	3	–	3	–	–	–	–	–	–	–	3
Reserve for invested unrestricted equity	5,746	–	5,746	–	–	–	–	–	–	–	5,746
Retained earnings	1,293	-175	1,118	-1,801	-1	21,142	1,015	1,155	4,553	26,063	27,181
Total equity	**7,042**	**-175**	**6,867**	**-1,801**	**-1**	**21,142**	**1,015**	**1,155**	**4,553**	**26,063**	**32,930**
Accumulated appropriations	**5,691**		**5,691**						**-5,691**	**-5,691**	**–**
LIABILITIES											
Non-current liabilities											
Other loans	16,560	–	16,560	–		–	–	26	–	26	16,586
Lease liabilities	–	–	–	–	51	–	–	–	–	51	51
Provisions	1,521	–	1,521	–	–	–	117	–	–	117	1,638
Deferred tax liabilities	–	–	–	70	13	5,695	–	319	247	6,344	6,344
Advances received	–	–	–	2,079						2,079	2,079
Accounts payable and other liabilities	–	270	270	–	–		–	–	–	–	270
Total non-current liabilities	**18,081**	**270**	**18,351**	**2,149**	**64**	**5,695**	**117**	**345**	**247**	**8,616**	**26,967**
Current liabilities											
Other loans	6,086	–	6,086	–	–	–	–	–	–	–	6,086
Lease liabilities	–	–	–	–	15	–	–	–	–	15	15
Advances received	–	–	–	522	–	–	–	–	–	522	522
Accounts payable and other liabilities	2,014	6	2,019	–	–		–	–	–	–	2,019
Total current liabilities	**8,099**	**6**	**8,105**	**522**	**15**	**–**	**–**	**–**	**–**	**537**	**8,643**
Total liabilities	**26,181**	**276**	**26,456**	**2,671**	**78**	**5,695**	**117**	**345**	**247**	**9,153**	**35,610**
Total equity and liabilities	**38,913**	**101**	**39,014**	**870**	**78**	**26,837**	**1,132**	**1,500**	**-891**	**29,525**	**68,539**

Balance sheet 31 December 2023

(EUR thousand)	FAS balance sheet	restatements	restated FAS balance sheet	Lessor (IFRS 16)	Lessee (IFRS 16)	Investments in module stock (IAS 40)	Provisions (IAS 37)	Development expenditure (IAS 38)	Financial items (IFRS 9)	Reclassifications	Impacts of IFRS	IFRS
ASSETS												
Non-current assets												
Investments in module stock	–	–	–	–	–	72,649	1,971	–	–	–	74,620	74,620
Advance payments	859	–	859	–	–	3,025	–	–	–	–	3,025	3,883
Tangible assets	46,039	95	46,134	–	–	-46,076	–	–	–	–	-46,076	58
Right-of-use assets	–	–	–	–	235	–	–	–	–	–	235	235
Intangible assets	800	–	800	–	–	–	-704	-0	–	–	-704	96
Loan receivables	1,000	–	1,000	–	–	–	–	–	38	–	38	1,038
Deferred tax assets	–	–	–	568	47	–	416	0	74	-1,106	-0	-0
Trade and other receivables	–	–	–	135	–	–	–	–	–	8	143	143
Total non-current assets	**48,698**	**95**	**48,793**	**703**	**282**	**29,597**	**1,684**	**-0**	**112**	**-1,098**	**31,280**	**80,073**
Current assets												
Trade and other receivables	942	–	942	96	–	–	–	–	-320	-8	-232	711
Income tax receivables	0	–	0	–	–	–	–	–	–	–	–	0
Cash and cash equivalents	0	–	0	–	–	–	–	–	–	–	–	0
Total current assets	**943**	**–**	**943**	**96**	**–**	**–**	**–**	**–**	**-320**	**-8**	-232	**711**
Total assets	**49,641**	**95**	**49,736**	**800**	**282**	**29,597**	**1,684**	**-0**	**-208**	**-1,106**	**31,049**	**80,784**
EQUITY AND LIABILITIES												
EQUITY												
Share capital	3	–	3	–	–	–	–	–	–	–	–	3
Reserve for invested unrestricted equity	6,630	–	6,630	–	–	–	–	–	–	–	–	6,630
Retained earnings	1,490	-175	1,315	-2,087	-2	23,223	1,273	-0	-297	3,975	26,085	27,400
Total equity	**8,123**	**-175**	**7,948**	**-2,087**	**-2**	**23,223**	**1,273**	**-0**	**-297**	**3,975**	**26,085**	**34,033**
Accumulated appropriations	**4,969**	**–**	**4,969**							-4,969	**-4,969**	–
LIABILITIES												
Non-current liabilities												
Other loans	41	–	41	–	–	–	–	–	0	–	0	41
Lease liabilities	–	–	–	–	148	–	–	–	–	–	148	148
Provisions	1,670	–	1,670	–	–	–	-35	–	–	–	-35	1,635
Deferred tax liabilities	–	–	–	46	47	6,299		–	38	-112	6,318	6,318
Advances received	–	–	–	2,207	–	–	–	–	–	–	2,207	2,207
Accounts payable and other liabilities	–	270	270	–	–	–	–	–	–	–	–	270
Total non-current liabilities	**1,711**	**270**	**1,980**	**2,253**	**195**	**6,299**	**-35**	**–**	**38**	**-112**	**8,637**	**10,618**
Current liabilities												
Other loans	30,868	–	30,868	–	–	–	–	–	-99	–	-99	30,769
Lease liabilities	–	–	–	–	89	–	–	–	–	–	89	89
Provisions	–	–	–	–	–	–	445	–	–	–	445	445
Advances received	–	–	–	633	–	–	–	–	–	–	633	633
Accounts payable and other liabilities	3,971	–	3,971	–	–	75	–	–	151	–	226	4,197
Total current liabilities	**34,839**	**–**	**34,839**	**633**	**89**	**75**	**445**	**–**	**51**	**–**	**1,294**	**36,133**
Total liabilities	**36,550**	**270**	**36,819**	**2,886**	**284**	**6,374**	**410**	**–**	**89**	**-112**	**9,932**	**46,751**
Total equity and liabilities	**49,641**	**95**	**49,736**	**800**	**282**	**29,597**	**1,684**	**-0**	**-208**	**-1,106**	**31,049**	**80,784**

Description of IFRS adjustments to the Group's 2023 income statement and balance sheets on 1 Jan. 2023 and 31 Dec. 2023

Leases (IFRS 16 Leases)

Lease agreements: KoskiRent as the lessor

In FAS financial statements, revenue from the installation and dismantling of premises and restoration of foundations was recognized when the service had been rendered. In IFRS, the installation, dismantling, leasing and restoration of premises were treated as a single service package, which was recognized as rental income in equal installments over the lease term.

Rent receivables increased by EUR 350 thousand on 1 January 2023. The cumulative growth in rent receivables was EUR 232 thousand on 31 December 2023. Advances received grew by EUR 2,601 thousand on 1 January 2023. The cumulative growth in advances received was EUR 2,840 thousand on 31 December 2023. The revenue for the financial year 2023 decreased by EUR 357 thousand.

Lease agreements: KoskiRent as the lessee

KoskiRent's lease agreements relate to premises and company cars used in the business. In FAS financial statements, rent payments were recognized as an expense for the financial year to which they relate.

In the IFRS transition, right-of-use assets and lease liabilities were recognized for lease agreements; in FAS financial statements, lease payments presented in other operating expenses were divided into amortization of lease liabilities and interest expense arising from lease liabilities. Right-of-use assets were depreciated through profit or loss.

KoskiRent applied practical exemptions, based on which payments for short-term leases and leases of low-value assets were recognized as expenses on a straight-line basis over the lease term. Short-term leases are agreements with a lease term of no more than 12 months.

In the IFRS transition on 1 January 2023, EUR 65 thousand was recognized as a right-of-use asset and EUR 66 thousand as a financial liability (current and non-current portions). At the end of the financial year 2023, right-of-use assets totaled EUR 235 thousand and lease liabilities amounted to EUR 237 thousand.

In the financial year 2023, the deduction in expenses was EUR 48 thousand , depreciation of right-of-use assets EUR 41 thousand and interest expenses arising from leases EUR 9 thousand.

Investment properties: Investments in module stock (Investment properties IAS 40)

In FAS financial statements, leasable modules and long-term expenses related to the modules were valued at original acquisition cost less accumulated depreciation. In the FAS financial statements, modules were presented in tangible assets.

In the IFRS transition, the modules were transferred from tangible assets to the item investments in the module stock. In IFRS, modules treated as investment properties were measured at fair value after initial recognition. Module depreciation was reversed. Changes in fair value were recognized through profit or loss. In addition, changes in restoration expenses were recognized in the income statement as part of the change in the fair value of the modules.

The item investments in the module stock grew by EUR 56,772 thousand on 1 January 2023. The cumulative growth of investments in the module stock was EUR 72,649 thousand on 31 December 2023. In the financial year 2023, EUR 2,411 thousand in depreciation was reversed. Fair value adjustments of EUR 274 thousand were recorded for the financial year 2023.

Provisions: Restoration provisions (Provisions IAS 37)

In FAS financial statements, restoration costs related to leased modules, treated as long-term expenses in intangible assets, were valued at original acquisition cost less accumulated depreciation. In the FAS financial statements, restoration provisions were presented at original acquisition cost.

Restoration costs, which were treated as long-term expenses under IFRS, were presented as part of the acquisition cost of the modules and were, therefore, transferred from intangible assets to the item investments in the module stock. In addition, depreciation of long-term expenditure was reversed.

In IFRS, restoration provisions related to leased modules were discounted to their present value if cash flows related to the provisions were expected to occur more than one year after the date of recognition.

In connection with the IFRS transition, the calculation principles for the restoration provision were also specified, which affected the change in the amount of provisions.

The investments in the module stock item grew by EUR 1,638 thousand on 1 January 2023. The cumulative growth of investments in the module stock was EUR 1,971 thousand on 31 December 2023. The restoration provision increased by EUR 117 thousand on 1 January 2023. The cumulative growth for the financial year 2023 amounted to EUR 410 thousand. In the financial year 2023, depreciations were reversed by EUR 279 thousand and financial expenses of EUR 109 thousand were recognized due to the discounting effect of the restoration provision.

Development costs (IAS 38 Intangible Assets)

Borrowing costs from development projects were recognized as expenses in FAS financial statements.

IFRS requires the capitalization of borrowing costs to the acquisition cost of a product requiring a long manufacturing time when certain conditions are met. In IFRS, the Group capitalizes borrowing costs arising from development projects if the development phase exceeds 12 months. In the financial year 2023, the reduction in borrowing costs on the income statement was EUR one thousand.

In FAS financial statements, development projects that are not eligible for capitalization under IAS 38 were capitalized. In the IFRS transition, these were derecognized from development costs. In the financial year 2023, the increase in development costs transferred to the income statement as expenses was EUR 8 thousand on 31 December 2023.

In FAS financial statements, amortization of intangible assets began once the service had been performed. In the IFRS transition, amortization of intangible assets was adjusted to begin when the development project was completed. All development projects were completed after the financial year 2023, so all depreciation of development costs for the financial year 2023, totaling EUR 6 thousand, were reversed.

Financial items (IFRS 9 Financial instruments)

Loans

In FAS financial statements, transaction costs of financial instruments were recognized as costs as incurred.

Loans measured at amortized cost were recognized on the balance sheet less transaction costs under IFRS standards. Transaction costs were recognized as interest expense over the loan term using the effective interest rate method. In addition, material changes to the terms and conditions of an existing loan were treated as an amortization of the original loan and the recognition of a new financial liability.

The amount of loans increased by EUR 26 thousand on 1 January 2023. The cumulative decrease in loans amounted to EUR 99 thousand on 31 December 2023. An increase in financial expenses of EUR 44 thousand was recorded for the financial year 2023.

Loan receivable

In December 2019, KoskiRent Oy granted M-Partners Ltd a subordinated loan with equity terms, amounting to EUR 1,000 thousand. The loan has no maturity date and is unsecured. The outstanding principal of the loan accrues an annual interest of 8 percent until the loan principal and accrued interest have been repaid in full or converted into the company's shares. The subordinated loan was granted to M-Partners Ltd on 16 December 2019 without conversion rights into shares. A conversion right to M-Partners Ltd's shares was added to the subordinated loan agreement on 18 February 2021 for the outstanding capital as of 1 January 2024. In 2023, the boards of both KoskiRent Oy and M-Partners Ltd agreed that the conversion right of the subordinated loan will not be exercised in 2024 and the terms of the subordinated loan agreement were amended in 2024 by changing the starting date of the conversion right to 1 January 2027.

In the FAS financial statements, the loan was valued at nominal value and interest income was recognized on the loan. In IFRS, the loan receivable was recognized at fair value through profit or loss. The amount of the loan receivable increased by EUR 1,709 thousand on 1 January 2023. The cumulative growth in loan receivable was EUR 38 thousand on 31 December 2023. For the financial year 2023, the decrease in interest income was EUR 80 thousand, and a change in fair value of EUR 1,671 thousand was recognised from loan receivables.

Other adjustments and reclassifications

- ✓ In the IFRS transition on 1 January 2023, the cumulative depreciation difference of EUR 5,691 thousand recorded in the FAS financial statements was reversed. The cumulative adjustment of the depreciation difference was

EUR 4,969 thousand on 31 December 2023. In the financial year 2023, the depreciation difference of EUR 722 thousand was reversed in the income statement.

- ✓ The lease collateral shown in the FAS financial statements in other current receivables was transferred to other non-current receivables. The resulting cumulative adjustment amounted to EUR 8 thousand on 31 December 2023 and EUR 2 thousand on 1 January 2023.
- ✓ After netting deferred taxes, the increase in deferred tax liabilities was EUR 6,344 thousand on 1 January 2023. The cumulative increase in deferred tax liabilities after netting was EUR 6,318 thousand on 31 December 2023. In fiscal year 2023, the decrease in deferred taxes was EUR 26 thousand.

FAS adjustments

Corrections of errors pertaining to previous financial years

The confirmed financial statement for 2023 differs from the comparison information in the 2024 financial statement regarding the income statement, balance sheet, equity, and distributable equity. The following adjustments have been made to the closing balance sheet of the previous financial year, which is the comparison year.

In the financial year 2021, too small residual value was deducted at the time of disposal from a structure that had been sold. The error has been corrected by adjusting retained earnings from previous financial years. The adjustment totaled EUR 175 thousand and decreased distributable profits.

An invoice related to earthwork and foundation work, amounting to EUR 786 thousand, was missing from the financial period 2022, as the supplier had not invoiced it due to an incorrect project entry and inadequate monitoring. The item was recorded as an addition in structures and non-current liabilities. In addition, balance sheet structures included EUR 517 thousand in advance payment for modules that had not yet been received from the supplier. The item was derecognized from structures and non-current liabilities. The resulting adjustment increased the value of buildings by EUR 270 thousand on 1 January 2023. The adjustments has no impact on equity or on the profit or loss.

The combined effects of the adjustments due to errors in the opening balance sheet on 1 January 2023 were an increase of EUR 95 thousand in the value of buildings, a decrease of EUR 175 thousand in equity and an increase of EUR 270 thousand in long-term liabilities.

Changes in accounting principles

In the financial year 2023, the capitalization of wage costs related to buildings, as well as the capitalization of external service expenses related to development costs, were presented in the income statement under the item "production for own use". The accounting principle was changed in the 2024 financial year in connection with the transition to IFRS reporting so that capitalizations are recorded by debiting expense accounts. The resulting adjustment to the income statement for the financial year 2023 was EUR 308 thousand. The adjustments had no impact on earnings.

Parent company's financial statements

Parent company's income statement

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	adjusted 1 Jan. 2023 - 31 Dec. 2023
REVENUE	**6,554**	**5,983**
Materials and services		
Materials, supplies and goods		
Purchases during the period	-1	-10
External services	-458	-161
Total materials and services	-459	-171
Personnel expenses		
Wages and salaries	-325	-302
Indirect employee costs		
Pension costs	-121	-117
Other indirect employee costs	-26	-30
Total personnel costs	-472	-449
Depreciation, amortization and impairments		
Depreciation according to plan	-3,219	-2,709
Impairment on non-current assets	-490	–
Total depreciation, amortization and impairments	-3,709	-2,709
Other operating expenses	-1,191	-483
OPERATING PROFIT (LOSS)	722	2,172
Financial income and expenses		
Other interest and financial income		
From others	225	80
Interest expenses and other financial expenses		
To others	-6,169	-2,657
Total financial income and expenses	-5,944	-2,577
PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES	**-5,221**	**-405**
Increase (-) or decrease (+) in depreciation difference	3,336	722
Total appropriations	3,336	722
Income taxes	–	-120
PROFIT (LOSS) FOR THE PERIOD	-1,885	197

Parent company's balance sheet

(EUR thousand)	31 Dec. 2024	adjusted 31 Dec.2023
ASSETS		
Non-current assets		
Intangible assets		
Development costs	247	96
Other intangible assets	1,740	704
Total intangible assets	1,987	800
Tangible assets		
Buildings and structures		
Owned	53,868	46,076
Buildings and structures, total	53,868	46,076
Machinery and equipment	223	58
Advance payments and construction in progress	2,251	859
Total tangible assets	56,342	46,993
Investments		
Other receivables	1,000	1,000
Total investments	1,000	1,000
Total non-current assets	**59,328**	**48,793**
Current assets		
Non-current receivables		
Other receivables	4	–
Accrued income	1,539	–
Total non-current receivables	1,543	–
Current receivables		
Trade receivables	83	168
Other receivables	4,333	437
Receivables from Group companies	0	–
Accrued income	873	337
Total current receivables	5,289	943
Total receivables	6,831	943
Cash in hand and in banks	1,686	0
Total current assets	**8,517**	**943**
Total assets	**67,846**	**49,736**

(EUR thousand)	31 Dec. 2024	31 Dec. 2023
LIABILITIES		
EQUITY		
Share capital	3	3
Reserve for invested unrestricted equity	10,810	6,630
Retained earnings	1,315	1,118
Profit (loss) for the financial year	-1,885	197
Total equity	**10,243**	**7,948**
Accumulated appropriations		
Depreciation in excess of plan	1,632	4,969
Total accumulated appropriations	**1,632**	**4,969**
Mandatory provisions		
Other mandatory provisions	2,553	1,670
Total mandatory provisions	**2,553**	**1,670**
Liabilities		
Non-current liabilities		
Bonds	50,000	–
Loans from financial institutions	23	41
Advances received	149	–
Other liabilities	–	124
Accrued expenses	–	146
Total non-current liabilities	**50,172**	**311**
Current liabilities		
Loans from financial institutions	20	20,017
Advances received	61	–
Accounts payable	2,319	2,932
Other short-term liabilities	635	10,870
Accrued expenses	212	1,021
Total current liabilities	**3,247**	**34,839**
Total liabilities	**53,418**	**35,150**
Total liabilities	**67,846**	**49,736**

Parent company's cash flow statement

EUR thousand	1 Jan. 2024 - 31 Dec. 2024	adjusted 1 Jan. 2023 - 31 Dec. 2023
Cash flow from operating activities		
Profit (loss) before appropriations and taxes	-5,221	-405
Adjustments:		
Depreciation according to plan	3,709	2,709
Financial income and expenses	5,944	2,577
Change in provisions	-498	–
Cash flow before change in working capital	3,934	4,880
Change in working capital:		
Increase (-)/decrease (+) in current non-interest-bearing receivables	469	629
Increase (-)/decrease (+) in current non-interest-bearing liabilities	810	-77
Operating cash flow before financing items and taxes	5,213	5,432
Paid interest and payments from other operational financing costs	-6,517	-1,644
Interest from operations	0	0
Direct tax paid	–	-216
Cash flow before exceptional items	-1,304	3,573
Cash flow from operating activities (A)	**-1,304**	**3,573**
Cash flow from investments		
Investments in constructions and other long-term expenses	-13,854	-12,545
Investments in other tangible assets	-144	-173
Investments in other intangible assets	-179	–
Interest received on investments	225	–
Cash flow from investment activities (B)	**-13,953**	**-12,718**
Financial cash flow		
Share issue	–	884
Invested unrestricted equity without share consideration	3,030	–
Withdrawal of restricted cash	2,251	–
Proceeds from loans	46,422	10,815
Loan repayments	-32,217	-2,685
Transaction costs related to issuing the bond	-2,544	–
Cash flow from financing activities (C)	**16,943**	**9,014**
Change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)	1,686	-131
Cash and cash equivalents at beginning of financial year	0	131
Cash and cash equivalents at end of financial year	**1,686**	**0**

Notes to the parent company's financial statements

1 Accounting principles

KoskiRent Oy's financial statements have been prepared in accordance with Finnish accounting legislation (FAS). The financial statements are presented in euro.

The financial statements are prepared on a going concern basis. Note 1 to the IFRS consolidated financial statements Basis of presentation describes matters related to the estimate of KoskiRent Oy's business continuity.

2 Comparability

Corrections of errors pertaining to previous financial years

The confirmed financial statement for 2023 differs from the comparison information in the 2024 financial statement regarding the income statement, balance sheet, equity, and distributable assets. The following adjustments have been made to the closing balance sheet of the previous financial year, which is the comparison year.

In the financial year 2021, too small a residual value was deducted at the time of disposal from a structure that had been sold. The error has been corrected by adjusting retained earnings from previous financial years. The adjustment totaled EUR 175 thousand and decreased distributable profits.

An invoice related to earthwork and foundation work, amounting to EUR 786 thousand, was missing from the financial period 2022, as the supplier had not invoiced it due to an incorrect project entry and inadequate monitoring. The item was recorded as an addition in structures and non-current liabilities. In addition, balance sheet structures included EUR 517 thousand in advance payment for modules that had not yet been received from the supplier. The item was derecognized from structures and non-current liabilities. The resulting adjustment increased the value of buildings by EUR 270 thousand on 1 January 2023. The adjustments has no impact on equity or on the profit or loss.

The combined effects of the adjustments due to errors in the opening balance sheet on 1 January 2023 were an increase of EUR 95 thousand in the value of buildings, a decrease of EUR 175 thousand in equity and an increase of EUR 270 thousand in long-term liabilities.

Changes in accounting principles

In the financial year 2023, the capitalization of wage costs related to buildings, as well as the capitalization of external service expenses related to development costs, were presented in the income statement under the item "production for own use". The accounting principle was changed in the 2024 financial year in connection with the transition to IFRS reporting so that capitalizations are recorded by debiting expense accounts. The resulting adjustment to the income statement for the financial year 2023 was EUR 308 thousand. The adjustments had no impact on earnings.

3 Notes to the income statement

Recognition principles for sales

Revenue consists of supplying and leasing relocatable premises, rental income from customers, and additional work invoicing agreed upon for rental properties.

The premises are leased to cities, municipalities and other public sector actors. Most of the premises operate as schools and day-cares, and, to a lesser extent, as leased premises connected to these or separate premises for the social and healthcare sector and other uses. Rented premises are assembled from relocatable and convertible modules into integrated space solutions.

Received rental income is recognized as rental income on a straight-line basis over the lease term. Separately invoiced additional work orders that are part of the rent are recognized as rental income in equal installments over the lease term. Other separately invoiced additional work orders are recognized on an accrual basis when the service is transferred to the buyer.

Auditor's fees

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Audit	-36	-21
Assignments referred to in section 1.1, paragraph 2 of the Auditing Act	-1	–
Tax advice	-17	-28
Other services	-227	-1
Total	-281	-50

4 Notes on the balance sheet

Tangible and intangible assets

Intangible and tangible assets are recognized on the balance sheet at original acquisition cost less depreciation according to plan and possible impairment.

Development costs are capitalized only if the following conditions are met:

- ✓ The completion of the intangible asset is technically feasible.
- ✓ The intention is to complete the intangible asset and use it or sell it.
- ✓ The intangible asset can be used or sold.
- ✓ The intangible asset will generate economic benefits in the future.

- ✓ Adequate technical, financial and other resources are available to complete the intangible asset.
- ✓ The costs of the development phase of the intangible asset can be measured reliably.

During the financial year 2024, the method for depreciation according to plan for structure, as well as machinery and equipment has been changed from reducing balance method of depreciation to straight-line depreciation. In addition, the depreciation period for other long-term expenditure has been changed. Tangible and intangible assets are depreciated on a straight-line basis over their estimated useful lives as follows

	2024	**2023**
Development costs	7 years	7 years
Structures	3–25 years	7% reducing balance depreciation
Machinery and equipment	3–20 years	25% reducing balance depreciation
Other long-term expenditure	3–19 years	1–5 years

The acquisition cost of structures with a depreciation period of 25 years is depreciated on a straight-line basis, including a residual value of 20%.

Other long-term expenditures are expenses recorded from restoration work, which are recorded in mandatory provisions. Restoration obligations consist of removing the modules from the land area administered by the municipality and any land and foundation restoration measures, if specifically agreed in the lease agreement and the related tender documents.

Changes and depreciation of items included in non-current assets

(EUR thousand)	**31 Dec. 2024**	**31 Dec. 2023**
Development expenditure		
Acquisition cost, 1 Jan.	102	–
Increases	179	102
Decreases	–	–
Acquisition cost, 31 Dec.	281	102
Accumulated depreciation, amortization and impairments 1 Jan.	-6	–
Depreciation, amortization and impairments	-28	-6
Accumulated depreciation, amortization and impairments 31 Dec.	-34	-6
Acquisition cost, 31 Dec.	281	102
Accumulated depreciation, 31 Dec.	-34	-6
Book value, 31 Dec.	**247**	**96**
Other intangible assets		
Acquisition cost, 1 Jan.	982	834
Increases	1,381	149
Decreases	–	–
Acquisition cost, 31 Dec.	2,363	982
Accumulated depreciation, amortization and impairments 1 Jan.	-279	–
Depreciation, amortization and impairments	-345	-279
Accumulated depreciation, amortization and impairments 31 Dec.	-623	-279
Acquisition cost, 31 Dec.	2,363	982
Accumulated depreciation, 31 Dec.	-623	-279
Book value, 31 Dec.	**1,740**	**704**

Buildings and structures		
Acquisition cost, 1 Jan.	54,811	36,324
Increases	11,092	18,487
Decreases	–	–
Acquisition cost, 31 Dec.	65,903	54,811
Accumulated depreciation, amortization and impairments 1 Jan.	-8,735	-4,781
Depreciation, amortization and impairments	-3,301	-3,953
Accumulated depreciation, amortization and impairments 31 Dec.	-12,035	-8,735
Acquisition cost, 31 Dec.	65,903	54,811
Accumulated depreciation, 31 Dec.	-12,035	-8,735
Book value, 31 Dec.	**53,868**	**46,076**
Machinery and equipment		
Acquisition cost, 1 Jan.	71	–
Increases	201	71
Decreases	–	–
Acquisition cost, 31 Dec.	272	71
Accumulated depreciation, amortization and impairments 1 Jan.	-13	–
Depreciation, amortization and impairments	-36	-13
Accumulated depreciation, amortization and impairments 31 Dec.	-49	-13
Acquisition cost, 31 Dec.	272	71
Accumulated depreciation, 31 Dec.	-49	-13
Book value, 31 Dec.	**223**	**58**
Advance payments and construction in progress		
Acquisition cost, 1 Jan.	859	–
Increases	12,948	10,492
Reductions and transfers to other items	-11,556	-9,633
Acquisition cost, Dec. 31	**2,251**	**859**
Investments		
Acquisition cost, 1 Jan.	1,000	1,000
Increases	–	–
Decreases	–	–
Book value, 31 Dec.	**1,000**	**1,000**

Depreciation of non-current assets:

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Development costs	-28	-6
Other intangible assets	-345	-279
Buildings and structures	-2,811	-2,411
Machinery and equipment	-36	-13
Impairment	-490	–
Total depreciation	**-3,709**	**-2,709**

Receivables from Group companies

(EUR thousand)	31 Dec. 2024	31 Dec. 2023
Other receivables	0	–
Total	**0**	**–**

Material items related to accrued income

(EUR thousand)	31 Dec. 2024	31 Dec. 2023
Interest covering ratio	320	320
Prepaid expenses	18	17
Income taxes	–	0
Bond discount and issuance costs	2,031	–
Other accrued income	42	0
Total	**2,411**	**337**

Statement of changes in shareholders' equity

(EUR thousand)	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total equity
Total equity, 1 Jan. 2024	**3**	**6,630**	**1,315**	**7,948**
Profit for the period		–	-1,885	-1,885
Invested unrestricted equity without share consideration		3,030	–	3,030
Conversion of loans into invested unrestricted equity*		1,150	–	1,150
Total equity, 31 Dec. 2024	**3**	**10,810**	**-570**	**10,243**

* In connection with the bond issue, loan liabilities of EUR 1,150 thousand were transferred from KoskiRent Oy to KoskiRent Group Oy, and the receivables arising from them were converted into an unrestricted equity investment.

(EUR thousand)	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total equity
Total equity, 1 Jan. 2023	**3**	**5,746**	**1,118**	**6,867**
Profit for the period		–	197	197
Share issue		884	–	884
Total equity, 31 Dec. 2023	**3**	**6,630**	**1,315**	**7,948**

(EUR thousand)	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total equity
Total equity, 1 Jan. 2022	**3**	**5,746**	**1,037**	**6,785**
Profit for the period		–	256	256
Adjustments to previous financial years		–	-175	-175
Total equity, 31 Dec. 2022	**3**	**5,746**	**1,118**	**6,867**

Calculation on distributable shareholder's equity

(EUR thousand)	31 Dec. 2024	adjusted 31 Dec.2023
Retained earnings	1,315	1,118
Profit for the period	-1,885	197
Reserve for invested unrestricted equity	10,810	6,630
Capitalized development costs	-247	-96
Total	**9,993**	**7,849**

Financing arrangements and bond

KoskiRent Oy issued a bond on 28 June 2024, and all of the company's financial liabilities outstanding at the end of the financial year on 31 December 2023 were paid off in a transaction on 10 July 2024, excluding vehicle financing. The new financing agreement is a secured bond with a nominal value of EUR 50 million. In addition, the parent company KoskiRent Group Oy made a gratuitous EUR 3.35 million equity investment in KoskiRent Oy in connection with the bond issue. The investment fulfilled the drawdown condition for bond financing. According to the terms of the financing agreement, KoskiRent Oy has the option to increase the nominal value of the issued bond by a maximum of EUR 25 million.

In December 2024, the parent company KoskiRent Group Oy made a gratuitous equity investment of EUR 830 thousand in KoskiRent Oy to finance new investments.

The bond is listed on the Frankfurt Open Market and, in addition, the company will apply for listing of its bond on OMX Nasdaq Helsinki by 28 June 2025. The maturity of the bond is 28 June 2027. The terms and conditions of the bond are published and available on the company’s website www.modulo.fi/sijoittajille.

The covenants of the bond are described in more detail in Note 21 to the IFRS Financial statements. Loans.

Bond

				Balance sheet value, EUR thousand	
Date of issue	**Final maturity date**	**Interest, %**	**Currency**	**31 Dec. 2024**	**31 Dec. 2023**
28 Jun. 2024	28 Jun. 2027	EURIBOR 3 months + 5.5	EUR	50,000	–

Material items included in accrued expenses

(EUR thousand)	31 Dec. 2024	31 Dec. 2023
Holiday pay	70	48
Indirect costs of salaries and holiday pay	42	43
Interest	78	930
Investments in structures	23	146
Total	**212**	**1,166**

5 Collateral and contingent liabilities

Liabilities and collateral by balance sheet item and type of collateral:

(EUR thousand)	31 Dec. 2024	31 Dec. 2023
Lease liabilities (including VAT 25.5%)		
Due in the next financial year	18	39
Due later	43	112
Total	**61**	**151**
Lease liabilities		
Due in the next financial year	9	9
Total	**9**	**9**
Liabilities secured by collateral		
Loans from financial institutions	42	58
Pledges (installment debts)	42	58
Other liabilities	500	–
Pledges	541	–
Total cash pledges	**583**	**58**
Liabilities secured by an enterprise mortgage		
Loans from financial institutions	–	20,000
Other liabilities	–	5,785
Enterprise mortgages provided as security	–	42,360
Bonds	50,000	–
Enterprise mortgages provided as security	142,360	–
Total mortgages	**142,360**	**42,360**

Unrecognized contractual obligations

KoskiRent Oy has a maintenance agreement with a subcontractor for periodic inspections and fault updates of the sites. The share of the unrecorded contractual obligation related to service and maintenance is EUR 38 thousand annually.

In order to fulfil the obligations related to the signed lease agreements, KoskiRent has contractual commitments for the acquisition of module stock totalling EUR 1,324 thousand , of which commitments to M-Partners Ltd amount to EUR 1,206 thousand and to other subcontractors to EUR 118 thousand. Contract obligations are contractual commitments at the balance sheet date for work in progress on modernization and subcontracting works, and for new modules ordered but for which the invoicing basis has not yet been fulfilled.

Real estate investments

The company is obliged to revise the VAT deductions made on a real estate investment completed in 2018–2024 if the taxable use of the property decreases during the review period. The last revision year for real estate investments completed during the 2024 financial year is 2033.

Revision responsibility

(EUR thousand)	Last year of revision	31 Dec. 2024	31 Dec. 2023
VAT liability for real estate investment 2018	2027	345	460
VAT liability for real estate investment 2019	2028	910	1,137
VAT liability for real estate investment 2020	2029	460	552
VAT liability for real estate investment 2021	2030	898	1,048
VAT liability for real estate investment 2022	2031	1,373	1,569
VAT liability for real estate investment 2023	2032	3,234	3,638
VAT liability for real estate investment 2024	2033	2,364	–
Total		**9,584**	**8,405**

6 Related party transactions

KoskiRent Oy's related parties include a person and entities under that person's control, or a close family member of that person, if the person can exercise control or significant influence, or the person is a key person in KoskiRent Oy's or KoskiRent Group Oy's management. An entity is considered a related party of KoskiRent Oy if the entity, either directly through KoskiRent Oy or indirectly through KoskiRent Group Oy, can exercise control or significant influence over decisions concerning finances and operations.

Transactions with related parties have been made under customary commercial terms. Related party transactions include transactions with related parties that are not eliminated in the Consolidated Financial Statements.

Related parties

KoskiRent Oy's related parties include its fully-owned parent company KoskiRent Group Oy, subsidiary KoskiRent Palvelut Oy, associated company M-Partners Ltd, and other related party companies. KoskiRent Oy's related parties also include KoskiRent Oy's and KoskiRent Group Oy's CEO, members of the Board of Directors, and the management team, as well as their close family members and entities in which they have control or joint control.

Related party transactions

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Cost of investments	11,830	12,581
Divestments	4,390	82
Receivables	1,353	1,320
Liabilities	1,777	7,062
Total	**19,351**	**21,045**

Receivables include an equity-based subordinated loan of EUR 1,000 thousand referred to in Section 12:1 of the Limited Liability Companies Act granted by the company to M-Partners Ltd. The loan has no maturity date and is unsecured. The outstanding principal of the loan accrues an annual interest of 8 percent until the loan principal and accrued interest have been repaid in full or converted into the company's shares. The loan principal has conversion rights to the company's shares. The conversion right begins on 1 January 2027.

At the time of the financial statement on 31 December 2024, KoskiRent Oy has EUR 1,206 thousand of contingent debt to M-Partners Ltd, related to ordered work concerning old and new modules.

Management salaries and wages are detailed in Note 7 Notes on personnel and members of administrative bodies.

7 Notes on personnel and members of governing bodies

Average number of employees

	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
The average number of personnel during the financial year	9	7

Wages and salaries

(EUR thousand)	1 Jan. 2024 – 31 Dec. 2024	1 Jan. 2023 – 31 Dec. 2023
Board of Directors		
Wages and salaries	-30	-12
Indirect costs	-0	–
Total	**-30**	**-12**
CEO		
Wages and salaries	-72	-59
Pension costs	-25	-24
Indirect costs	-5	-7
Total	**-103**	**-90**
Rest of management team*		
Wages and salaries	-163	
Pension costs	-29	
Indirect costs	-4	
Total	**-196**	

*Other management team from 1 March 2024

Signatures to the Board of Directors’ Report and Financial Statements

Teuva, on 30 April 2025

Mika Koski CEO	Tapani Koski Chairman of the Board
Matias Itkonen Member of the Board	Hannu Huuskonen Member of the Board

Auditor's note

The auditor's report on the financial statements has been issued today.

Oulu, on 30 April 2025

PricewaterhouseCoopers Oy
Auditor

Sami Posti, APA

Auditor’s Report

pwc

Auditor’s Report (Translation of the Finnish Original)

To the Annual General Meeting of KoskiRent Oy

Report on the Audit of the Financial Statements

Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group’s financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company’s financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

What we have audited

We have audited the financial statements of KoskiRent Oy (business identity code 2539752-6) for the year ended 31 December, 2024. The financial statements comprise:

- the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, which include material accounting policy information and other explanatory information
- the parent company’s balance sheet, income statement, cash flow statement and notes.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Matter – Comparative Information of the Group Financial Statements

The comparative information of the group financial statements is unaudited.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU,

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and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Oulu 30 April 2025

PricewaterhouseCoopers Oy
Authorised Public Accountants

Sami Posti
Authorised Public Accountant (KHT)