



Longo Group JSC

Unified registration number 42103081417

Condensed Consolidated Interim Financial Statements

For the period ended 30.06.2025

PREPARED IN ACCORDANCE WITH IFRS
ACCOUNTING STANDARDS AS ADOPTED BY THE EU

Unaudited

Latvia, 2025



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General Information

Name of the Parent Group	Longo Group	
Legal status of the Parent Group	JSC	
Unified registration number, place and date of registration	42103081417, Riga, Latvia, 30 October 2017	
Registered office	Mūkusalas iela 72A, Riga, Latvia	
Shareholders		30.06.2025
	SIA ALPPES Capital	45.18%
	Other shareholders	54.82%
	TOTAL	100%
Board Members	Edgars Cērps - Chairman of the Board from 28.12.2020 Jacob Willem Hoogenboom - Member of the Board from 28.12.2020	
Council Members	Aigars Kesenfelds - Chairman of the Council from 28.12.2020 until 27.06.2025 Māris Keišs - Deputy of the Council from 01.03.2021 until 03.07.2025, Chairman of the Council from 04.07.2025 Alberts Pole - Member of the Council from 01.03.2021, Deputy of the Council from 04.07.2025 Kristaps Ozols - Member of the Council from 01.03.2021 Jonathan Neil Smith - Member of the Council from 01.03.2021	
Subsidiaries	Longo Latvia LLC, Latvia (100%) Longo LT LLC, Lithuania (100%) Longo Estonia LLC, Estonia (100%) Longo Shared Services LLC, Lithuania (100%) Longo Netherlands LLC, Netherlands (100%) Longo Belgium LLC, Belgium (100%) Maxxus LLC, Germany (100%) Longo Poland LLC, Poland (100%) Longo IP Holdings LLC, Latvia (100%)	
Financial period	01.01.2025 - 30.06.2025	
Previous financial period	01.01.2024 - 30.06.2024	

Longo's mission is to deliver **3 customer promises**



Wide assortment

Largest and widest competitively priced assortment of popular used car models in the Baltics



Convenient and safe

Most convenient and safest used car shopping experience end-to-end, both digital and on-site



Highest standards

Only quality cars with guaranteed mileage, full available history and freshly serviced and cleaned



Longo controls each step of the business
from buying and transporting cars
to preparing and selling them

01

Sourcing - Car Purchasing Operations

Longo has established a network in Western Europe, where it reviews, inspects and buys cars



02

Preparation Operations

Longo transports cars to Panevežys, Lithuania, where all cars are serviced, repaired, cleaned and photographed



03

Sales Operations

Longo stores, markets and sells cars in the Baltics and Poland



04

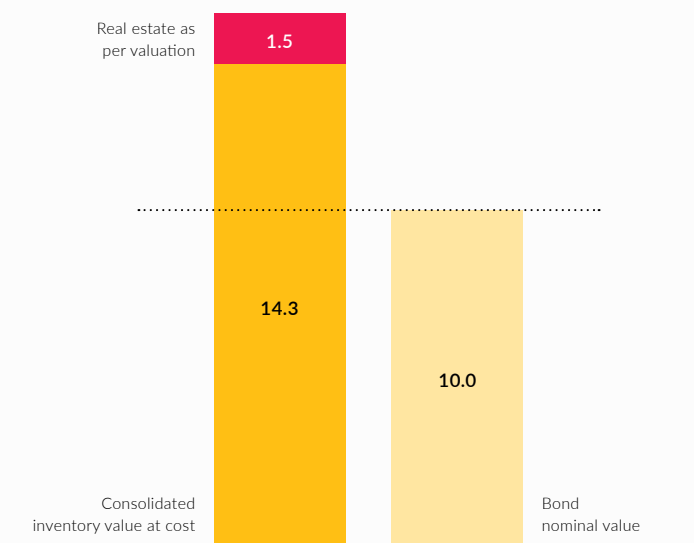
Aftersales

Longo also provides aftersales warranty and reengages customers for next purchase



Longo collateral comfortably covers the nominal value of issued secured bonds

Values in M EUR
As of 30 Jun 2025



Management Report

28 AUGUST 2025

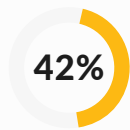
Business results

To address continued market pressures and strengthen margin performance, Longo Group sustained targeted efforts in operational efficiency, notably through reducing average repair costs and launching value-added paid services. These initiatives drove a meaningful uplift in gross profitability, supporting performance despite sluggish demand.

In the Baltic region, challenging macro and regulatory conditions persisted in the beginning of the year, particularly in Estonia. However, starting April, up until August the Estonian business delivered further stabilization in sales volumes, aligning with broader market behavior.

Excluding the impact of Estonia, Longo achieved a 9% year-over-year increase in the number of vehicles sold during Q2 2025, leading to 7.3% increase during H1 2025. In total, 1917 vehicles were sold during the reporting period, representing an overall decrease of (4.5)% compared to H1 2024, when including the effect of the Estonian market.

Equity ratio
As of 30 Jun 2025



EUR	2025 H1	2024 H1
Revenue	21.3 mln	22.6 mln
Gross profit	3.67 mln	3.45 mln
Gross margin	17.2%	15.2%
EBITDA	0.74 mln	0.62 mln
Count of cars sold, #	1917	2007



Largest used car dealer
in the Baltics

In the first half of 2025, Longo Group generated total revenue of EUR 21.3 million, representing a (5.9)% decline compared to the same period in 2024. This downturn was primarily driven by a near standstill in the beginning of the year in the Estonian used car market following the introduction of the new Motor Vehicle Tax Act on January 1, 2025. The legislation introduced both an annual motor vehicle tax and a one-time registration fee, resulting in significantly higher ownership costs. Consequently, consumer demand for both new and used vehicles had temporarily weakened. Since April sales volumes of Estonian entity has been stabilizing, reaching almost 80% of prior period volumes in August.

Despite the revenue decline, the Group's gross profit margin for the first quarter increased by 2.0 pts year-over-year, reaching 17.2%, resulting in total gross profit of EUR 2.7 million. This improvement was mainly attributable to higher commissions from extended warranty sales, increase in income from value-added services and the reversal of a net realizable value (NRV) provision amounting to EUR 150 thousand.

Future prospects

Looking ahead, management remains firmly focused on restoring profitability through further gross margin improvements, especially by expanding value-added services and optimizing vehicle preparation workflows, as well as maintaining lower headcount to service the needed volumes. Continued stabilization in Estonia provides a platform for modest volume growth, while disciplined cost control, reduced headcount and enhanced monetization per car sold should support performance improvement in H2 2025.

Edgars Cērps
Group CEO and Co-Founder

“Looking ahead, management remains firmly focused on restoring profitability through further gross margin improvements, especially by expanding value-added services and optimizing vehicle preparation workflows, as well as maintaining lower headcount to service the needed volumes.”

Risk management

Credit risk

Receivables of the Group consist mainly of receivables from finance companies. Credit risk of the Group refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. Longo considers all of its material counterparties to be creditworthy as they represent well-established financial institutions. The Group's exposure to credit risk is continuously monitored, in particular, if agreed payments are delayed.

The credit risk on cash and cash equivalents is limited because the counterparties are banks and payment systems. To spread the credit risk, Longo deposits its cash reserves with different banks and payment systems.

Interest rate risk

All of Longo's debt is structured with fixed interest rates, effectively eliminating interest rate risk for the Group.

Capital risk

The Group's objective when managing capital (net debt and total equity) is to ensure the continuity of its operations and within foreseeable future achieve optimal returns to shareholders. Management aims to maintain an optimal capital and funding structure that ensures the lowest cost of capital available to the Group.

The Group monitors equity capital on the basis of the capitalization ratio as defined in Bond prospectus. This ratio is calculated as Ratio of Adjusted Equity (the aggregate book value of the Group's total equity on a consolidated basis, increased by Subordinated Debt) to consolidated assets of the Group. Ratio as at 30 June 2025 was 42%. Overall management of the borrowings is driven by monitoring and complying with the lender imposed covenants as well as planning the further borrowing needs to ensure business development of the Group.

Liquidity risk

Prudent liquidity risk management of Longo means maintaining sufficient cash reserve to cover planned liabilities of the Group.

Events after the reporting period

There were no significant events after reporting period.

Signed on behalf of the Group on 28 August 2025 by:

Edgars Cērps

Chairman of the Board

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Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

	Notes	01.01.2025-30.06.2025 EUR	01.01.2024-30.06.2024 EUR
Revenues		21 302 406	22 645 033
Cost of sales		(17 636 441)	(19 191 779)
Gross profit		3 665 965	3 453 254
Selling expenses		(852 213)	(723 023)
Administrative expenses	1	(2 591 875)	(2 615 032)
Other operating expenses		(30 753)	(20 774)
Other income from interest and similar income		2 704	41 523
Interest expenses and similar expenses	2	(683 797)	(486 265)
Net operating expenses		(4 155 934)	(3 803 571)
Profit/(loss) before tax		(489 969)	(350 317)
Income tax		12 713	3 664
Net profit/(loss) for the period		(477 256)	(346 653)
EBITDA		741 457	619 612
Other comprehensive loss			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Translation of financial information of foreign operations to presentation currency		(2 806)	(39 526)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(480 062)	(386 179)

The accompanying notes on pages 15 to 19 are an integral part of these consolidated financial statements.

Signed on behalf of the Group on 28 August 2025 by:

Edgars Cērps
Chairman of the Board

Ina Volkova
Responsible Accountant

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Consolidated Statement of Financial Position

ASSETS

NON-CURRENT ASSETS	Notes	30.06.2025 EUR	31.12.2024 EUR
Intangible assets			
Intangible assets		1 066 524	1 115 488
Intangible assets development costs		48 866	581
Total intangible assets		1 115 390	1 116 069
Tangible assets			
Right-of-use assets		1 565 062	1 645 438
Property and equipment		2 266 214	438 176
Leasehold improvements		71 303	71 774
Construction in progress		127 945	1 750 462
Total tangible assets		4 030 524	3 905 850
Deferred tax assets		379 846	366 932
Total non-current financial assets		379 846	366 932
TOTAL NON-CURRENT ASSETS		5 525 760	5 388 851
CURRENT ASSETS			
Inventories			
Goods for resale and raw materials	3	14 343 540	12 870 451
Work in progress	3	75 172	137 507
Total inventories		14 418 712	13 007 958
Receivables and other current assets			
Other assets		456 737	762 498
Prepayments to suppliers and similar	4	812 347	858 629
Trade and other receivables		482 409	115 363
Contract assets		107 143	148 399
Total receivables and other current assets		1 858 636	1 884 889
Short-term financial investments			
Other investments		-	-
Total short-term financial investments		-	-
Cash and cash equivalents		576 003	2 206 214
TOTAL CURRENT ASSETS		16 853 351	17 099 061
TOTAL ASSETS		22 379 111	22 487 912

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Chairman of the Board

Ina Volkova

Responsible Accountant

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Consolidated Statement of Financial Position

EQUITY AND LIABILITIES

EQUITY	Notes	30.06.2025 EUR	31.12.2024 EUR
Share capital		13 080 810	13 034 872
Share premium		250 000	250 000
Share-based payment reserve		27 014	27 014
Subordinated debt restructuring reserve		174 962	174 962
Foreign currency translation reserve		(62 173)	(59 367)
Accumulated losses/Retained earnings			
brought forward		(6 499 503)	(5 412 990)
for the period		(477 256)	(1 086 513)
TOTAL EQUITY		6 493 854	6 927 978
LIABILITIES			
Non-current liabilities			
Loans and borrowings	5	13 402 631	13 345 628
Total non-current liabilities		13 402 631	13 345 628
Current liabilities			
Loans and borrowings	5	1 079 531	1 075 010
Trade payables		302 480	440 549
Taxes payable		560 827	330 014
Corporate income tax		48	2 597
Other liabilities		219 071	89 395
Accrued liabilities		320 669	276 741
Total current liabilities		2 482 626	2 214 306
TOTAL LIABILITIES		15 885 257	15 559 934
TOTAL EQUITY AND LIABILITIES		22 379 111	22 487 912

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Consolidated Statement of Changes in Equity

	Share capital	Share premium	Foreign currency translation reserve	Other Reserves	Retained earnings / Accumulated loss	Total
Balance at 01.01.2024	13 017 058	250 000	4 532	12 215	(5 412 990)	7 870 815
<i>Total comprehensive income</i>						
Loss for the period	-	-	-	-	(1 086 513)	(1 086 513)
Other comprehensive income	-	-	(63 899)	-	-	(63 899)
Total comprehensive income for the period	-	-	(63 899)	-	(1 086 513)	(1 150 412)
<i>Transactions with owners of the Group</i>						
<i>Contributions and distributions</i>						
Issues of ordinary shares	17 814	-	-	(874)	-	16 940
Equity-settled share-based payment	-	-	-	15 673	-	15 673
Subordinated debt restructuring reserve	-	-	-	174 962	-	174 962
Total transactions with owners of the Group	17 814	-	-	189 761	-	207 575
Balance at 31.12.2024	13 034 872	250 000	(59 367)	201 976	(6 499 503)	6 927 978
Balance at 01.01.2025	13 034 872	250 000	(59 367)	201 976	(6 499 503)	6 927 978
<i>Total comprehensive income</i>						
Loss for the period	-	-	-	-	(477 256)	(477 256)
Other comprehensive income	-	-	(2 806)	-	-	(2 806)
Total comprehensive income for the period	-	-	(2 806)	-	(477 256)	(480 062)
<i>Transactions with owners of the Group</i>						
<i>Contributions and distributions</i>						
Issues of ordinary shares	45 938	-	-	-	-	45 938
Equity-settled share-based payment	-	-	-	-	-	-
Total transactions with owners of the Group	45 938	-	-	-	-	45 938
Balance at 30.06.2025	13 080 810	250 000	(62 173)	201 976	(6 976 759)	6 493 854

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Consolidated Statement of Cash Flows

		01.01.2025-30.06.2025 EUR	01.01.2024-30.06.2024 EUR
Cash flows to/from operating activities	Notes		
Profit/ (loss) before tax		(489 969)	(350 317)
Adjustments for:			
Amortization and depreciation		594 896	565 589
Interest expense	2	634 619	476 756
Interest income		-	(34 113)
(Gain)/Loss from disposal of property and equipment		2 674	196
Equity settled share-based payment transactions		45 939	-
Cash flow from operating activities before working capital changes		788 159	658 111
(Increase)/ decrease in inventories		(1 410 754)	(251 449)
(Increase)/ decrease in trade and other receivables		(15 003)	(694 222)
(Decrease)/ increase in advances received and trade payables		222 421	462 330
(Decrease)/ increase in accrued liabilities		43 928	(151 883)
(Increase)/ decrease in accrued income		41 256	19 036
Cash flows used in/from operations		(329 993)	41 923
Corporate income tax paid		(2 750)	(275)
Net cash flows used in operating activities		(332 743)	41 648
Cash flows to/from investing activities			
Proceeds from sale of other securities		-	1 000 000
Acquisition of property and equipment and other intangible assets		(465 727)	(253 234)
Interest received		-	32 307
Payments for sale of other securities		-	4 471
Net cash flows to/from investing activities		(465 727)	783 544
Cash flows to/from financing activities			
Repayment of liabilities for right-of-use assets		(320 783)	(357 961)
Payments for borrowings issuance costs		(8 840)	-
Interest paid		(500 000)	(378 208)
Cash payments for the interest portions of lease liabilities		-	(30 347)
Net cash flows to/from financing activities		(829 623)	(766 517)
Change in cash		(1 628 093)	58 676
Effects of currency translation on cash and cash equivalents		(2 118)	(44 204)
Cash at the beginning of the period		2 206 214	1 253 098
CASH AT THE END OF THE PERIOD		576 003	1 267 570

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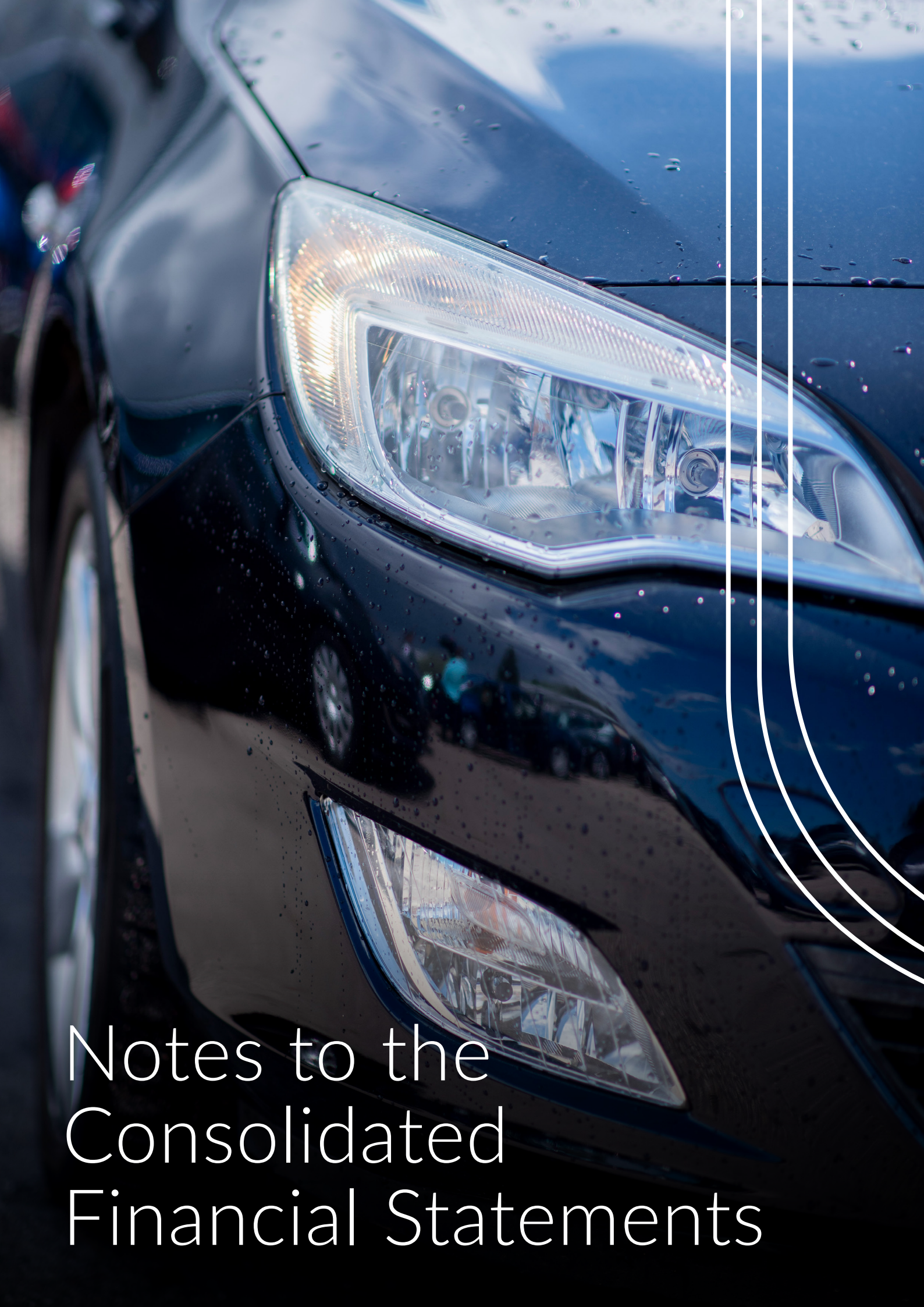
Edgars Cērps

Chairman of the Board

Ina Volkova

Responsible Accountant

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Notes to the Consolidated Financial Statements

1. Administrative expenses

	01.01.2025-30.06.2025 EUR	01.01.2024-30.06.2024 EUR
Employees' salaries	1 097 147	1 329 233
Amortization and depreciation	594 904	565 043
Social tax contributions	158 859	155 074
Office and branches' maintenance expenses	154 929	156 425
Other personnel expenses	173 512	102 542
IT services	110 037	90 400
Professional services	91 718	69 776
Audit fees	51 732	34 952
Other administrative expenses	37 396	27 720
Legal services	27 314	8 517
Insurance	26 958	25 162
Representation	21 793	6 395
Recruitment fees	11 991	9 635
Business trips	11 346	10 401
Communication expenses	10 987	12 683
Bank commissions	7 761	5 511
Transportation expenses	3 491	5 563
TOTAL:	2 591 875	2 615 032

2. Interest expenses and similar expenses

	01.01.2025-30.06.2025 EUR	01.01.2024-30.06.2024 EUR
Interest expenses on issued bonds	634 958	446 409
Interest expenses on lease liabilities	43 977	30 347
Other financial expenses	4 862	9 509
TOTAL:	683 797	486 265

3. Inventories

	30.06.2025 EUR	31.12.2024 EUR
Acquired vehicles for purpose of selling them to customers	14 164 480	12 870 093
Raw materials	179 060	150 358
NRV allowance	-	(150 000)
Work in progress	75 172	137 507
TOTAL:	14 418 712	13 007 958

Inventory is measured at lower of cost and net realizable value. The cost of an individual car included in the inventory balance is determined using the purchase price for the car including directly and indirectly attributable sourcing, transport and repair costs. At the reporting date, a detailed review for net realizable value is executed for cars that have been in inventory at 30 June 2025.

Management has performed analysis to determine profit margins for all cars that were sold after 30.06.2025, and concluded that no adjustment to net realizable value should be expensed through profit or loss in Q2 2025. In Latvia and Lithuania inventories are pledged as bonds' collateral, total amount of pledged inventory in these countries is EUR 12 155 532 (31.12.2024 inventories of Latvia and Lithuania were pledged for amount of EUR 10 492 239).

4. Prepayments to suppliers and similar

	30.06.2025 EUR	31.12.2024 EUR
VAT receivable and other taxes	614 660	646 040
Security deposits	90 059	85 677
Prepayments to suppliers	70 863	82 259
Advances paid for goods and services	36 765	44 653
TOTAL:	812 347	858 629



5. Loans and borrowings

Non-current	Interest rate		30.06.2025	31.12.2024
<i>Liabilities for issued debt securities</i>	per annum (%)	Maturity	EUR	EUR
Bonds 10 million EUR notes issue ¹⁾	10%	30.11.2027	9 199 246	9 163 505
Bonds 3.00 million EUR notes issue ²⁾	6%	31.12.2029	3 110 381	3 019 323
TOTAL:			12 309 627	12 182 828
Lease liabilities ³⁾	3%-9%	up to 5 years	1 093 004	1 162 800
TOTAL:			1 093 004	1 162 800
TOTAL NON-CURRENT BORROWINGS:			13 402 631	13 345 628

1) On 30 November 2024, the Group registered with the Latvian Central Depository a bond facility through which it can raise up to EUR 20 million.

In the first tranche (ISIN LV0000804987) The Group has raised a total of EUR 10 000 000 as at 30 November 2024 (EUR 10 000 000 at 30 Jun 2025). This bond issue is secured by the assets of Longo Latvia LLC, Longo LT LLC and real estate of Longo shared services LLC. The notes are issued at par, have a maturity of three years and carry a coupon of 10% per annum, paid monthly in advance.

The new facility was used to 1) refinance existing bonds that were expiring on November 30 2024 and June 30 2025 (outstanding amounts at 30.06.2024, were EUR 1 515 000 and EUR 4 900 000 respectively) and 2) finance expansion plans via investment in Inventory and opening new branches in the Baltics and Poland.

The bonds of JSC Longo Group have been admitted to trading on the Nasdaq Baltic Main Market by Nasdaq Riga since December 9, 2024.

2) On 30 December 2021, the Group registered with the Latvian Central Depository a subordinated bond facility through which it can raise up to EUR 3 million. The Group has raised a total of EUR 3 000 000 as at 31 December 2024 (EUR 3 000 000 at 30 June 2025). The notes were issued at par, with a maturity of five years, and carried a fixed coupon of 6% per annum, paid monthly in advance. In 2024, the terms were amended. After amendments the maturity date of the subordinated bonds has been extended until 31 December 2029 and the coupon payment frequency is set to once- at maturity. As all subordinated bondholders are shareholders, the modification gain from the restructuring resulted in reducing the carrying amount of subordinated debt and increasing the subordinated bonds reserve within equity in amount of 174 962 EUR.

3) The Group has entered into several lease agreements for office premises and car lots as well as several vehicle rent agreements.

Accordingly, those liabilities are split between current and non-current as at 30 June 2025.

Current	Interest rate		30.06.2025	31.12.2024
<i>Liabilities for issued debt securities</i>	per annum (%)	Maturity	EUR	EUR
Bonds 10 million EUR notes issue ¹⁾	10%	30.11.2027	517 957	518 975
TOTAL:			517 957	518 975
Lease liabilities ³⁾	3%-9%	up to 12 months	561 574	556 035
TOTAL:			561 574	556 035
TOTAL CURRENT BORROWINGS:			1 079 531	1 075 010

6. Commitments and contingencies

There are restrictions in the prospectus for the secured bonds issued (ISIN LV0000804987). These financial covenants are the following :

- (a) To maintain consolidated Collateral Coverage Ratio (The ratio of Collateral Value plus Adjusted Cash divided by Secured Financial Indebtedness) of at least 1.3x (one point three times) calculated for the Relevant Period at the end of each quarter;
- (b) To maintain consolidated Capitalization Ratio (The ratio of Adjusted Equity to consolidated assets of the Group) at least 30% (thirty percent) calculated for the Relevant Period at the end of each quarter;
- (c) To maintain consolidated Debt Service Coverage Ratio (Measures the ability of the Group to service its Financial Indebtedness and is calculated as EBITDA divided by Debt Service Charges over the Relevant Period.) of at least 1.2x (one point two times), calculated for the Relevant Period at the end of each quarter.

During the reporting period the Group complied with all externally imposed capital requirements to which it was subjected to.

All of the covenants are fulfilled with following ratios:

- a) 1.5x
- b) 42%
- c) 1.2x

7. Events after the reporting period

There were no significant events after reporting period.

Signed on behalf of the Group on 28 August 2025 by:

Edgars Cērps

Chairman of the Board

Ina Volkova

Responsible Accountant

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