

Primostar Group AS – Half-Year Report

Unaudited Consolidated Interim Report for the Six Months Ended 30 June 2025

Management Report 2025

Primostar Group AS was established on 27 August 2024 with the purpose of creating a holding structure to consolidate the companies operating under the Primostar brand. In December 2024, the share capital of Primostar Group AS was increased through non-monetary contributions, consisting of a 100% holding in Primostar Tootmine OÜ and a 91% holding in OÜ Primostar. In addition, in September 2024, Primostar Group AS acquired a subsidiary in Sweden (Enita AB, subsequently renamed Primostar Group AB). As a result of these transactions, the group structure was reorganized, consolidating all business activities of the Primostar entities under the holding company Primostar Group AS.

This management report has been prepared on the consolidated financial results of Primostar Group AS, Primostar OÜ, Primostar Tootmine OÜ, Primostar SIA, Primostar UAB, and Primostar Group AB (hereinafter the “Group”) for the first six months of 2025.

With more than 20 years of accumulated experience, the Group is a leading expert in innovative white tank waterproofing technology, offering optimal and environmentally friendly solutions in its core markets – Estonia, Latvia, Lithuania, Finland, Ukraine, and Turkey. Throughout the years, Primostar’s activities have been driven by innovation, consistent growth, and sustainability.

Main Areas of Activity:

- Comprehensive waterproofing solutions
- Protection and repair of concrete structures
- Production of prefabricated and customized products
- Engineering development and design
- Development of new materials and technologies
- Expansion into international markets and export sales

Key Developments in 2025

- During the first six months of 2025, Primostar Group AS continued consolidating the management of all companies operating under the Primostar® brand into a unified structure. The harmonisation of intra-group processes and improvements in governance have provided greater transparency in production, sales, and project management. This has created a stronger foundation for international growth.
- Primostar Group AS was granted a patent in the United Arab Emirates. The invention, titled “Rupture Element in Concrete Structures”, is a specialized profile that enables controlled crack initiation in reinforced concrete. It ensures predictable behavior and controlled cracking of the concrete structure without reducing its strength.
- We commenced operations in Sweden, where the first sales representative joined Primostar Group AB.

Seasonality and Economic Cycles:

The seasonality of the construction sector was also evident in the first half of 2025 – demand for installation and materials increased significantly with the arrival of spring. Compared to previous years, project planning has become more flexible:

- Order management has been optimized to ensure an even distribution of work across quarters.

- New technologies have made it possible to perform concrete waterproofing and protection works even during colder months. As a result, the execution period has been extended and seasonality-related risks reduced.

Environmental and Social Impacts:

In the first half of 2025, the Group has further enhanced the environmental sustainability and social impact of its operations:

- Products continue to use galvanized steel sheets, mineral coatings, and crystalline admixtures, with origins and recyclability aligned with circular economy principles.
- The packaging-free product concept has proven successful – reducing both waste volumes and transportation costs.
- Thoughtful logistics and transport planning helped reduce the Group's CO₂ footprint during the reporting period.

In terms of social responsibility, the Group continued to focus on:

- Employee professional development and safety have been central to management, including the introduction of new training programmes.
- Active cooperation with TalTech, sharing expertise and experience in waterproofing solutions with students to link academic knowledge with practical application.

Financial Risk Management

During the first six months of 2025, financial risk management remained a priority for Primostar Group AS. The following measures were implemented:

- Foreign exchange risk – financial instruments were applied in export markets to mitigate the impact of currency fluctuations and stabilize revenues.
- Price risk – long-term contracts with raw material suppliers ensured price stability and reduced market volatility risks.
- Interest rate risk – developments in financial markets were monitored and the financing structure was adjusted to maintain controlled funding costs.
- Credit risk – more thorough customer credit analyses were carried out, reducing the likelihood of payment difficulties.

Risk management has become an integral part of strategic management in 2025, providing assurance for stable development in the coming quarters.

Key Financial Indicators:

Net profit: EUR 34,354

Return on equity: 3.22%

Plans for the 2025 Financial Year

- Strengthen strategic partnerships and promote research and development activities.
- Expand production capacity and increase international reach.
- Continue investments in sustainable development to ensure long-term growth and responsible business operations.
- Enhance cooperation with universities and research institutions to support innovation.

Financial Results:

The Group's consolidated revenue for the first six months of 2025 amounted to EUR 555,716.

Interim Financial Statements
Consolidated Statement of Financial Position
(in euros)

	30.06.2025	31.12.2024
Assets		
Current assets		
Cash and cash equivalents	431 229	115 360
Receivables and prepayments	271 400	222 003
Inventories	481 187	355 787
Total current assets	1 183 816	693 150
Non-current assets		
Receivables and prepayments	2 450	2 450
Property, plant and equipment	451 915	335 257
Intangible assets	53 743	27 196
Total non-current assets	508 108	364 903
Total assets	1 691 924	1 058 053
Liabilities and equity		
Liabilities		
Current liabilities		
Borrowings	23 947	111 946
Payables and prepayments	420 985	2 086 228
Total current liabilities	444 932	2 198 174
Non-current liabilities		
Borrowings	179 139	194 639
Total non-current liabilities	179 139	194 639
Total liabilities	624 071	2 392 813
Equity		
Equity attributable to owners of the parent		
Share capital at nominal value	1 007 482	25 000
Share premium	1 284 565	0
Other reserves	-1 257 009	-1 360 441
Retained earnings (losses) from previous periods	-43 770	0
Profit (loss) for the reporting period	34 354	-43 770
Total equity attributable to owners of the parent	1 025 622	-1 379 211
Non-controlling interests	42 231	44 451
Total equity	1 067 853	-1 334 760
Total liabilities and equity	1 691 924	1 058 053

Consolidated Statement of Profit or Loss
(in euros)

	01.01.2025 - 30.06.2025	27.08.2024 - 31.12.2024
Revenue	555 716	52 019
Other operating income	69 974	0
Changes in inventories of finished goods and work in progress	644	0
Goods, raw materials, supplies and services	-369 624	-21 083
Other operating expenses	-184 010	-72 743
Employee benefits expense	-207 640	-1 769
Depreciation, amortisation and impairment	-21 517	-194
Other expenses	-1 220	0
Operating profit (loss)	-157 677	-43 770
Interest income	305	0
Interest expense	-7 191	0
Other finance income and costs	198 917	
Profit (loss) before income tax	34 354	-43 770
Profit (loss) for the reporting period	34 354	-43 770
Profit (loss) attributable to owners of the parent	34 354	-43 770
Profit (loss) attributable to non-controlling interests	-6 723	1 905

Consolidated Statement of Cash Flows
(in euros)

	01.01.2025 - 30.06.2025	27.08.2024 - 31.12.2024
Cash flows from operating activities		
Operating profit (loss)	-157 677	-43 770
Adjustments:		
Depreciation, amortisation and impairment	21 517	194
Gain (loss) on disposal of property, plant and equipment	-1 083	0
Other adjustments	-2 220	-41 412
Total adjustments	18 214	-41 218
Change in trade and other receivables	-49 397	-62 018
Change in inventories	-125 400	22 192
Change in trade and other payables	-1 665 243	73 494
Interest received	305	
Interest paid	-7 191	
Net cash flows from operating activities	-1 986 389	-51 320
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	-61 290	0
Net cash outflow on acquisition of subsidiaries and businesses		88 680
Proceeds from disposal of subsidiaries	200 000	
Net cash flows from investing activities	138 710	88 680
Cash flows from financing activities		
Proceeds from borrowings		53 000
Repayments of borrowings	-91 465	0
Repayments of finance lease liabilities	-12 034	0
Proceeds from issue of shares	2 267 047	0
Net cash flows from financing activities	2 163 548	53 000
Net increase (decrease) in cash and cash equivalents	315 869	90 360
Cash and cash equivalents at beginning of period	115 360	25 000
Change in cash and cash equivalents	315 869	90 360
Cash and cash equivalents at end of period	431 229	115 360

Consolidated Statement of Changes in Equity
(in euros)

						Total
	Equity attributable to owners of the parent				Non-controlling interests	
	Share capital at nominal value	Share premium	Other reserves	Retained earnings (losses)		
27.08.2024	25 000		0	0	0	25 000
Profit (loss) for the reporting period				-43 770		-43 770
Changes in reserves			-1 360 441		44 451	-1 315 990
31.12.2024	25 000		-1 360 441	-43 770	44 451	-1 334 760
Profit (loss) for the reporting period				34 354		34 354
Issued share capital	982 482	1 284 565	103 432			2 370 479
Changes in reserves					-2 220	-2 220
30.06.2025	1 007 482	1 284 565	-1 257 009	-9 416	42 231	1 067 853