



## SIA Arsenal Industrial

Unaudited consolidated quarterly results  
Q4 2025

February 28, 2026



## INFORMATION ABOUT THE GROUP

Name of the Parent Company	Arsenal Industrial SIA
Legal status	Limited liability company
Registration number, place and date of registration	40103815302, Riga, August 8, 2014
Activity code (NACE)	NACE2 77.32 Renting and leasing of construction and civil engineering machinery and equipment NACE2 46.14 Agents involved in the sale of machinery, industrial equipment, ships and aircraft
Legal address	Stabu street 61-11, Riga, Latvia, LV-1011
Shareholders	SIA "Klucīši" (51%) FlyCap Investment Fund I AIF, limited partnership (49%)
Board Members	Gints Vanags, Member of the Board
Council Members	Ģirts Milgrāvis, Chairman of the Council Eva Miķelsone, Deputy Chairman of the Council Jānis Liepiņš, Council Member
Subsidiaries	ARSENAL INDUSTRIAL OU Suur-Sõjamäe 25a, Tallinn, 11415, Estonia Reg.No. 14041623 (100%, 02.05.2016.)  ARSENAL INDUSTRIAL Sp.z o.o. ul. Marszałkowska, nr 111, lok., miejsc. Warszawa, kod 00-102, Poland Reg.No. 634144 (100%, 31.08.2016.)  ARSENAL INDUSTRIAL UAB Perkūnkiemio g. 13-91, Vilnius, LT-12114, Lithuania Reg.No. 304784353 (100%, 07.03.2018.)



## BUSINESS &amp; OPERATIONS OVERVIEW

# Management report



**Gints Vanags**  
CEO since 2014

The main activity of the Group, the Parent Company of which is SIA Arsenal Industrial (hereinafter- the Parent Company, together with daughter companies – “the Group”), is rent and sale of construction equipment and hand tools with complementary activities of transportation and technical services.

Currently, the Group works in all three Baltic countries. The Group's goal is to provide products and services in high quality and to be an effective company that listens to the wishes of customers and implements them. To be a stable cooperation partner providing high quality customer service, establishing partnerships with entrepreneurs and continuing to invest in the Group's infrastructure.

During the reporting period from 1 January 2025 to 31 December 2025, the Group achieved solid and sustainable growth across its core markets. Group turnover increased by 4%, reaching EUR 11,203,130 compared with EUR 10,803,202 in 2024. Rental turnover recorded strong growth of 9.5%, reflecting continued demand for the Group's services. The Group's net result improved significantly to a loss of EUR -7,572, compared with a loss of EUR -400,000 in the previous year, representing a substantial year-on-year improvement. EBITDA increased by 27.4%, reaching EUR 1,659,989. These results confirm that the strategic direction pursued by the Group continues to deliver measurable outcomes, supported by a gradually recovering market environment and disciplined operational management.

Performance in Latvia was particularly strong, with total turnover increasing by 16.8% compared with 2024 and reaching EUR 8,132,353. Sales turnover grew by 22%, exceeding EUR 3 million in 2025. In Lithuania, rental turnover from own equipment increased by 28%, while reliance on re-rented equipment decreased, improving operational efficiency and margins. This positive development was supported by continued and gradual investments in the fixed asset base throughout 2025, enabling the Group to respond effectively to rising demand.

During 2025, the Group made significant investments in fixed assets totaling EUR 2.9 million. These investments played an important role in supporting revenue growth and operational capacity. As the newly acquired assets have not yet been utilized for a full financial year, their full EBITDA contribution is not yet reflected in the current results, and additional positive impact is expected going forward.

To further strengthen the capital structure, the Group increased its share capital by EUR 200,000 during the year. This contributed to a stronger equity position and enabled the Group to achieve the Adjusted Equity / Assets covenant ratio of 15.2%. While the Net Debt / EBITDA covenant target of below 3.5 was not fully met, with the ratio reaching 4.14, this represents a meaningful improvement compared with the previous year. The ratio was influenced by the significant investment program, the benefits of which are expected to be more fully reflected in future periods.

Demand for rental equipment continues to grow at a rate exceeding that of the broader construction sector. The strongest momentum is observed in the military, infrastructure, and energy segments, which remain key focus areas for the Group. In parallel, the continued adoption of digital solutions, including remote signing of rental agreements, has enhanced operational efficiency and improved the overall customer experience.

Considering the strong results delivered in 2025, supported by disciplined cost management and steady demand across priority segments, the Group remains well positioned for further improvement. Management will continue to focus on operational efficiency, the attraction of new customers, and the strategic enhancement of the equipment fleet through targeted investments and the gradual replacement of older units.

In addition, as the maturity of the outstanding bond is approaching, the Group is actively evaluating refinancing options. Management is working to ensure a timely and structured refinancing process that will support financial stability and the Group's long-term development objectives.



FINANCIAL HIGHLIGHTS

# Income Statement

€'000	12m 2025	12m 2024 Audited
Net turnover	11,203	10,799
Cost of goods sold (COGS)	8,509	8,417
<b>Gross profit</b>	<b>2,694</b>	<b>2,382</b>
Sales costs	1,291	1,293
Administration costs	823	861
Other operating income	266	294
Other operating expenses	41	52
<b>EBIT</b>	<b>805</b>	<b>470</b>
Other interest and similar income	7	6
Interest and similar expenses	820	876
<b>Profit (loss)</b>	<b>-8</b>	<b>-400</b>
<b>EBITDA</b>	<b>1,660</b>	<b>1,274</b>

FINANCIAL HIGHLIGHTS

# Balance Sheet

€'000	31.12.2025	2024 Audited
<b>ASSETS</b>	<b>12,434</b>	<b>11,324</b>
<b>LONG-TERM INVESTMENTS</b>	<b>8,966</b>	<b>7,138</b>
Intangible assets	74	90
Fixed assets	8,859	7,014
Non-current financial assets	34	34
<b>CURRENT ASSETS</b>	<b>3,468</b>	<b>4,186</b>
Inventories	1,402	2,432
Receivables	1,676	1,478
Cash	390	276
<b>LIABILITIES</b>	<b>12,434</b>	<b>11,324</b>
<b>Adjusted EQUITY*</b>	<b>1,613</b>	<b>1,643</b>
<b>CREDITORS</b>	<b>10,761</b>	<b>9,681</b>
<b>Long-term creditors</b>	<b>6,550</b>	<b>5,180</b>
Bond issue	4,500	4,500
Long-term leasing	2,050	680
<b>Short-term creditors</b>	<b>4,210</b>	<b>1,227</b>
Short-term leasing	378	1,227
<b>Other short-term creditors</b>	<b>3,832</b>	<b>3,274</b>

\*Including Subordinated Debt 658 thousand EUR on 31.12.2024 and 719 thousand EUR on 31.12.2025.

**FINANCIAL HIGHLIGHTS**

# Statement of Changes in Equity

€'000	Share capital	Share premium	Revaluation reserves	Foreign currency revaluation reserve	Retained loss	Profit for the reporting year	Total
<b>BALANCE AT 01.01.2024</b>	<b>49</b>	<b>981</b>	<b>715</b>	<b>18</b>	<b>-1674</b>	<b>674</b>	<b>763</b>
Revaluation of property, plant and equipment	-	-	621	-	-	-	621
Profit carried forward	-	-	-	-	674	-674	-
Losses for year 2024	-	-	-	-	-	-400	-400
Foreign currency revaluation	-	-	-	-	-	-	-
<b>BALANCE AT 31.12.2024</b>	<b>49</b>	<b>981</b>	<b>1,336</b>	<b>18</b>	<b>-1,000</b>	<b>-400</b>	<b>984</b>
Revaluation of property, plant and equipment, net	-	-	-2	-	-	-	-2
Losses carried forward	-	-	-	-	-400	400	-
Loss for year 2025	-	-	-	-	-	-8	-8
Foreign currency revaluation	-	-	-	-	-	-	-
Investment in share capital	8	192	-	-	-	-	200
<b>BALANCE AT 31.12.2025</b>	<b>56</b>	<b>1173</b>	<b>1,334</b>	<b>18</b>	<b>-1,400</b>	<b>-8</b>	<b>1175</b>

FINANCIAL HIGHLIGHTS

# Cash Flow statement

€'000	12m 2025	12m 2024 Audited
<b>Cash flows to/ from operating activities</b>		
Profit or loss before corporate income tax	-8	-400
Adjustments for:		
Depreciation and impairment of property, plant and equipment	727	692
Amortization and impairment of intangible assets	27	27
Gain or loss from fluctuations of currency exchange rates	-	-
Gain or loss from disposal of property, plant and equipment	-168	-153
Other interest and similar income	-7	-6
Interest and similar expense	820	876
<b>Profit or loss before adjustments for the effect of changes in current assets and current liabilities</b>	<b>1391</b>	<b>1036</b>
• (increase) or decrease in receivables	-203	5
• (increase) or decrease in inventories	1,013	-1,216
• increase or (decrease) in trade and other payables	23	1135
<b>Cash generated from operations</b>	<b>2,224</b>	<b>960</b>
Corporate income tax paid	-	-
<b>Net cash flows to/ from operating activities</b>	<b>2,224</b>	<b>960</b>

**FINANCIAL HIGHLIGHTS**

# Cash Flow statement

€'000	12m 2025	12m 2024 Audited
<b>Cash flows to/ from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	-1,082	-201
Proceeds from sale of property, plant and equipment and intangible assets	497	350
Loans issued	-	-
Loans repaid	-	-
Interest received	7	6
<b>Net cash flows to/ from investing activities</b>	<b>-578</b>	<b>155</b>
<b>Cash flows to/ from financing activities</b>		
Expenditure on interest payments	-678	-739
Expenditure on fixed assets acquired under finance leases	-853	-1,206
Loans received	-	799
Loans repaid	-	-
<b>Net cash flows to/ from financing activities</b>	<b>-1,531</b>	<b>-1,146</b>
<b>Net foreign exchange difference</b>	-	-
<b>Net cash flow for the quarter</b>	<b>115</b>	<b>-31</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>275</b>	<b>306</b>
<b>Cash and cash equivalents at the end of the quarter</b>	<b>390</b>	<b>275</b>

FINANCIAL HIGHLIGHTS

# Financial covenants calculation

	12m 2025	12m 2024
Capitalization Ratio	15,2%	14,3%
Net Debt Leverage Ratio	4,14	4,72
Collateral Coverage Ratio	1,66	1.83

# ARSENAL

## Gints Vanags

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