SIA Arsenal Industrial

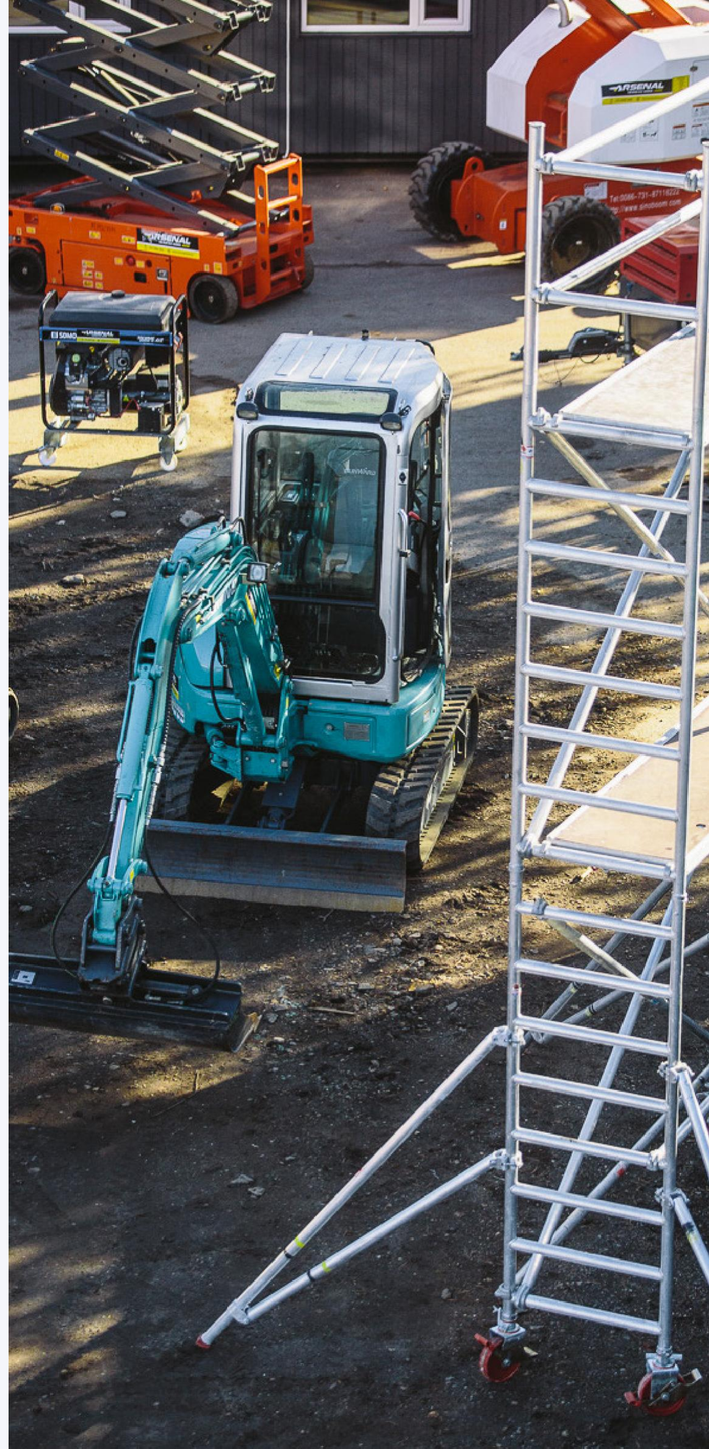
Unaudited consolidated quarterly results
Q3 2026

November 30, 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. Marszalkowska, 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.)



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 to 30 September 2026, the Group achieved solid growth across its core markets, with total turnover reaching EUR 8,188,122. Rental turnover increased by 14% to EUR 4,399,023, compared with EUR 3,846,250 in the corresponding period of 2025, reflecting continued demand for the Group's services. The Group recorded a net loss of EUR 177,340. EBITDA increased by 36% to EUR 1,498,874, compared with EUR 1,099,676 in the same period of 2025. These results demonstrate that the Group's strategic direction continues to deliver measurable improvements in operating performance, supported by a gradually recovering market environment and disciplined operational management.

Performance in Latvia was particularly strong, with total turnover increasing by 7.8% compared with the corresponding period of 2025 to EUR 6,370,199. Rental turnover grew by 9.5%, reaching EUR 3,198,485 in the first three quarters of 2026. In Lithuania, sales turnover increased by 2.5% to EUR 1,520,476. This positive development was supported by continued investment in the Group's fixed asset base throughout 2025 and 2026, enabling the Group to respond effectively to rising demand. The Group continues to invest in new equipment, with an additional EUR 700,000 invested during the first nine months of 2026 to expand and modernise its equipment fleet.

During the reporting period, the Group successfully completed the refinancing of its EUR 4.5 million bond upon maturity. The maturing bond was refinanced through a new EUR 3 million bond issue, with the remaining balance refinanced through credit facilities. This represents an important step towards strengthening the Group's financial position and establishing a more balanced and sustainable financing structure. Together with improved operating performance, the new financing structure provides a solid foundation for continued investment in the equipment fleet, an effective response to market demand and further development of the Group's core business activities.

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 the remote signing of rental agreements, has enhanced operational efficiency and improved the overall customer experience.

Building on the improvement in operating performance during the first nine months of 2026, supported by disciplined cost management and steady demand across priority segments, the Group remains well positioned for further progress. Management will continue to focus on operational efficiency, attracting new customers and enhancing the equipment fleet through targeted investments and the gradual replacement of older units, with the aim of sustaining growth and improving financial performance in the coming periods.

FINANCIAL HIGHLIGHTS

Income Statement

€'000	9m 2026	12m 2025 Audited
Net turnover	8,188	11,224
Cost of goods sold (COGS)	6,257	8,483
Gross profit	**1,931**	**2,741**
Sales costs	995	1,340
Administration costs	688	823
Other operating income	335	225
Other operating expenses	48	50
EBIT	**535**	**753**
Other interest and similar income	1	7
Interest and similar expenses	713	819
Profit (loss)	**-177**	**-59**

EBITDA	**1,207**	**1,608**

FINANCIAL HIGHLIGHTS

Balance Sheet

€'000	30.09.2026	2025 Audited
ASSETS	**12,261**	**12,669**
LONG-TERM INVESTMENTS	**8,551**	**9,210**
Intangible assets	54	74
Fixed assets	8,448	9,136
Non-current financial assets	49	
CURRENT ASSETS	**3,710**	**3,459**
Inventories	1,426	1,398
Receivables	1,709	1,666
Cash	575	395
LIABILITIES	**12,261**	**12,669**
Adjusted EQUITY*	**1,544**	**2,116**
CREDITORS	**10,717**	**10,553**
Long-term creditors	**7,785**	**6,272**
Bond issue	3,000	4,500
Long-term leasing	4,785	1,772
Short-term creditors	**2,932**	**4,281**
Short-term leasing	209	1,007
Other short-term creditors	**2,723**	**3,274**

**Including Subordinated Debt 764 thousand EUR on 30.09.2026 and 715 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
BALANCE AT 01.01.2025	**49**	**981**	**1,336**	**18**	**-1,000**	**-400**	**985**
Investment in share capital	8	192	-	-	-	-	200
Revaluation of property, plant and equipment	-	-	275	-	-	-	275
Profit carried forward	-	-	-	-	-400	400	-
Loses for year 2024	-	-	-	-	-	-59	-59
Foreign currency revaluation	-	-	-	-	-	-	-
BALANCE AT 31.12.2025	**57**	**1,173**	**1,611**	**18**	**-1,400**	**-59**	**1,401**
Revaluation of property, plant and equipment, net	-	-	-444	-	-	-	-444
Loses carried forward	-	-	-	-	-59	59	-
Loss for year 2025	-	-	-	-	-	-177	-177
Foreign currency revaluation	-	-	-	-	-	-	-
BALANCE AT 30.09.2026	**57**	**1,173**	**1,167**	**18**	**-1,459**	**-118**	**780**

FINANCIAL HIGHLIGHTS

Cash Flow statement

€'000	9m 2026	12m 2025 Audited
Cash flows to/ from operating activities		
Profit or loss before corporate income tax	-177	-47
Adjustments for:		
Depreciation and impairment of property, plant and equipment	586	726
Amortization and impairment of intangible assets	20	27
Gain or loss from fluctuations of currency exchange rates	-	-
Gain or loss from disposal of property, plant and equipment	-224	-158
Other interest and similar income	-1	-7
Interest and similar expense	713	819
Profit or loss before adjustments for the effect of changes in current assets and current liabilities	**917**	**1,360**
• (increase) or decrease in receivables	-93	-181
• (increase) or decrease in inventories	-28	1,031
• increase or (decrease) in trade and other payables	-555	-386
Cash generated from operations	**241**	**1,824**
Corporate income tax paid	-	-
Net cash flows to/ from operating activities	**241**	**1,824**

FINANCIAL HIGHLIGHTS

Cash Flow statement

€'000	9m 2026	12m 2025 Audited
Cash flows to/ from investing activities		
Purchase of property, plant and equipment and intangible assets	360	-796
Proceeds from sale of property, plant and equipment and intangible assets	637	490
Loans issued	-	-
Loans repaid	-	-
Interest received	1	7
Net cash flows to/ from investing activities	**998**	**-299**
Cash flows to/ from financing activities		
Expenditure on interest payments	-603	-803
Expenditure on fixed assets acquired under finance leases	-2,149	-807
Income from equity investments		204
Loans received	6,461	-
Loans repaid	-4,767	-
Net cash flows to/ from financing activities	**-1,058**	**-1,406**
Net foreign exchange difference	-	-
Net cash flow for the quarter	180	119
Cash and cash equivalents at the beginning of the year	395	276
Cash and cash equivalents at the end of the quarter	**575**	**395**

FINANCIAL HIGHLIGHTS

Financial covenants calculation

	6m 2026	12m 2025
Capitalization Ratio	12,6%	17,1%
Net Debt Leverage Ratio	4,32	4,25
Collateral Coverage Ratio	4,48	1,71

ARSENAL

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