



A Top-6 Pan-Baltic Equipment Rental, Service, and Product Sales Company

SIA Arsenal Industrial
Company Description

MAY 2024





COMPANY AT A GLANCE



Important legal information

This document (the "Document") has been drawn up and made public solely for the purposes of listing the securities of SIA Arsenal Industrial, registration number 40103815302, legal address at Stabu iela 61 - 11, Riga, LV-1011, the Republic of Latvia (the "Issuer") and admitting them to trading in multilateral trading facility First North operated by Nasdaq Riga AS. This Document is not and should not be construed as an offer to sell or solicitation of an offer to buy any securities. The Issuer has made all reasonable efforts to ensure that this Document provides an accurate overview of the Issuer's business activities, financial standing, and the Notes issue. The information contained in this Document is published for the assistance of recipients but is not to be relied upon as authoritative or taken in substitution for the exercise of judgement by any recipient.

Issuer, its founders and its associated companies and/or their officers, directors or employees may own or have positions in any securities or investments mentioned herein, and may from time to time add to or dispose of any such securities or investments.

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Investing into debt securities involves risks. While every care has been taken to ensure that this Document presents a fair and complete overview of the risks related to the Issuer, the operations of the Issuer and its subsidiaries, and to the notes mentioned in this Document (the "Notes"), the value of any investment in the Notes may be adversely affected by circumstances that are either not evident at the date hereof or not reflected in this Document.

Investors are advised to carefully read the information contained in this Document, including the risk factors, before making a decision to purchase the Notes. Each potential investor should make his or her own analysis, and should consult his or her own financial, legal, business or tax advisers to fully understand the benefits and risks associated with the purchase of the Notes. The responsibility of the investment decision lies on each individual investor, and the Issuer and its shareholders accept no liability for any direct or consequential loss arising from the use of this Document or its contents.

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Responsible persons

The Issuer and its management board are responsible for the information contained in this Company Description and Terms of the Notes Issue signed on 28 November 2023 in the attachment.

Hereby I, Member of the Board of SIA Arsenal Industrial, Gints Vanags, certify that, by paying sufficient attention to this purpose, the information included in the Company Description and Terms of the Notes Issue is true, in accordance with the facts, and no information which may affect its meaning is concealed therein.

Gints Vanags
Member of the Board

COMPANY AT A GLANCE

Key Highlights

Arsenal specializes in the rental and sale of construction equipment and tools, with an extensive experience in the industry



An extensive fleet consisting of **more than 2,650 fixed assets** and 25,000 items in stock, with a combined purchase value of EUR 10M



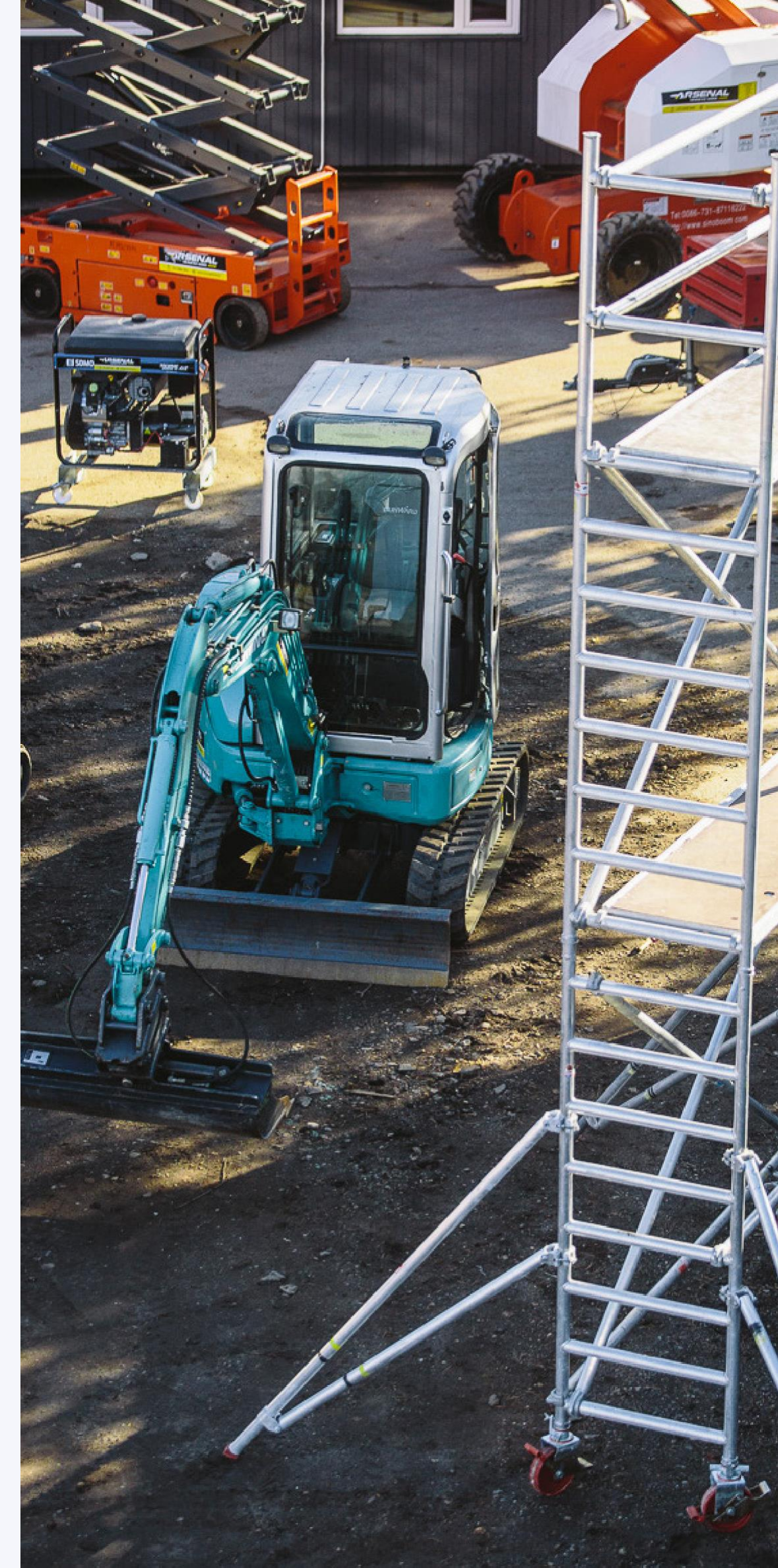
More than **20,000 rental contracts** executed each year



Nearly **3,500 active customers** in 2023, with the majority being B2B construction companies



Contactless service through **a new rental program** and online store



COMPANY AT A GLANCE

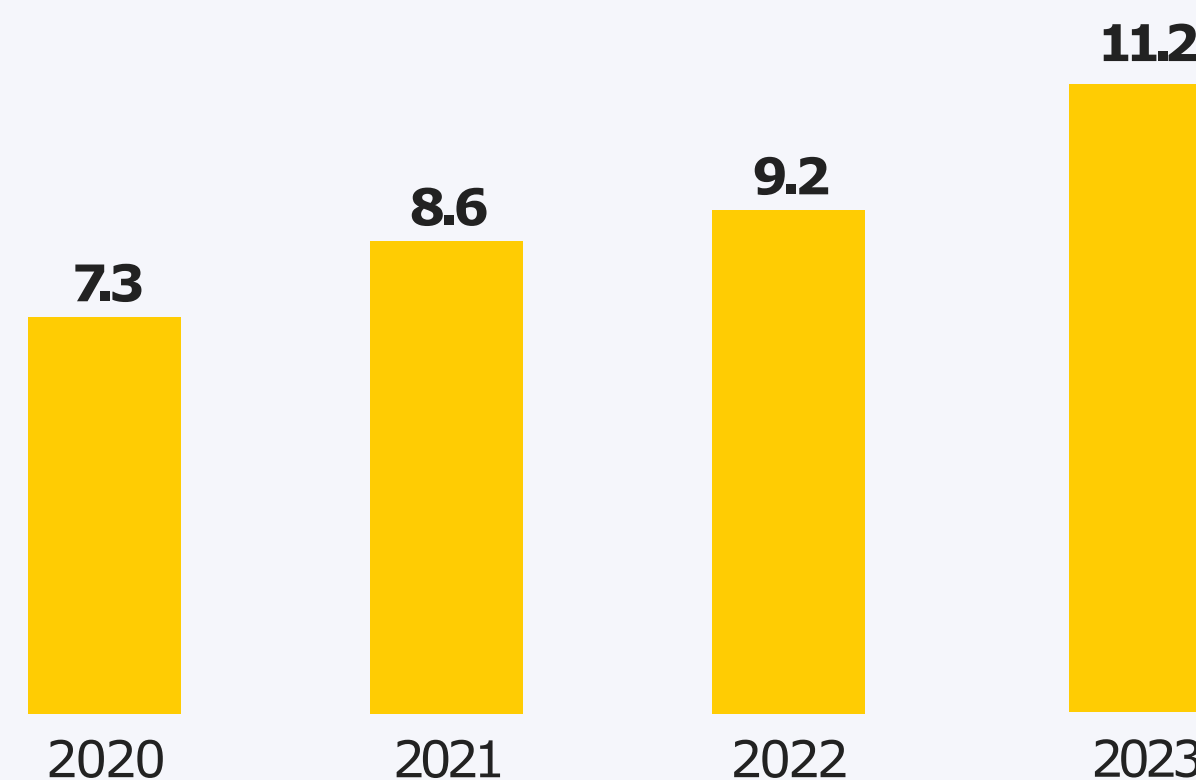
Executive Summary

- Arsenal specializes in construction machinery rental, with a primary focus on lifts, road building machinery, tools, compaction equipment, and concrete equipment, generally with a weight capacity of under 10 tons
- Arsenal's unique model includes the sale of new machinery, parts, second-hand machines, installation services, groundworks equipment with skilled operators, and maintenance services
- The Company places significant emphasis on leveraging e-channels to discover, communicate with, support, and retain its customers through the use of best IT solutions in the industry. Additionally, offering the option for customers to remotely sign rental contracts

75

The Company employs
75 skilled professionals

Sales in 2020-2023 in EUR, M



COMPANY AT A GLANCE

Who are we?

Arsenal is a Pan-Baltic company that stands as the preferred choice for contractors, home builders, industries, and homeowners seeking top-quality light equipment rentals, sales, maintenance and service



Geography & size

The goal is to expand market diversification, with a particular focus on establishing depots in Baltic cities with populations exceeding 0.4M



Speed

Key focus is on speed in all activities and services. Arsenal's competitive edge lies in delivering exceptional service, rapid responsiveness, flexibility, and innovative solutions



Diversified customer base

The customer base is well-diversified, comprising almost 3,500 active customers. The largest customer accounted for up to 3% of the total revenue last year



COMPANY AT A GLANCE

Who are we?

Arsenal is a Pan-Baltic company that stands as the preferred choice for contractors, home builders, industries, and homeowners seeking top-quality light equipment rentals, sales, maintenance and service



Diversified revenue

Revenue consists of:

- rental services (50%)
- sale of goods (39%)
- other services (11%)



Re-rent broker

In the re-rent segment, Arsenal partners with other companies to meet customer demand, allowing for flexibility in fleet size while maintaining high asset utilization and profitability



High quality used machines

The Group provides excellent offers on used machines in top condition, sourced directly from the rental fleet. This provides the Group (Company) with flexibility to manage the fleet utilization levels and overall balance sheet

COMPANY AT A GLANCE

Who are we?

Arsenal is a Pan-Baltic company that stands as the preferred choice for contractors, home builders, industries, and homeowners seeking top-quality light equipment rentals, sales, maintenance and service



Our services

Arsenal provides customers with a range of services, including 24/7 support, equipment replacement, operator services, financing options, short-term rentals, seasonal rentals, equipment testing, re-rental, and buy-back contracts



Digitalization

The Company prioritizes e-channels for customer acquisition, communication, service, and retention, utilizing industry-leading IT solutions, including digital contracts, ordering, payments, and asset tracking



After-sale support

Arsenal offers maintenance and repair services for the equipment it has sold. Satisfied customers return to make additional purchases and frequently recommend Arsenal to others



COMPANY AT A GLANCE

Arsenal Operations

Arsenal is present in three geographical markets:
Latvia, Estonia and Lithuania

**The Company operates the following
rental locations:**

Latvia, 1depo

Kārļa Ulmaņa gatve 3, Riga

Estonia, 1depo

Suur-Sõjamäe 25a, Tallinn

Lithuania, 2depo

Parodų gatvė 2, Vilnius

Nesvyžiaus g.18, Bukiškio k., Vilnius r.

From 2016 to 2020, the Company had a subsidiary in Gdansk, Poland.
However, due to low business results, operations have been discontinued
since December 31, 2020. All equipment has been transferred to the Baltics

Company Timeline

**2014**

Establishment of the Company

**2015**

Launched operations with the first depo in Riga, Latvia

**2016**

- Launched subsidiary in Estonia
- Launched Polish operations

**2018**

- Launched Lithuania operations
- Secured co-financing from the Polish Mezzanine Fund and issued bonds worth 5.2million

**2020**

Closed Polish operations

**2021**

- The Company's largest deal to date, with Bererix (Rail Baltica)
- New services offered: retail of Sunward construction equipment, asset rental with operators, construction machinery

**2022**

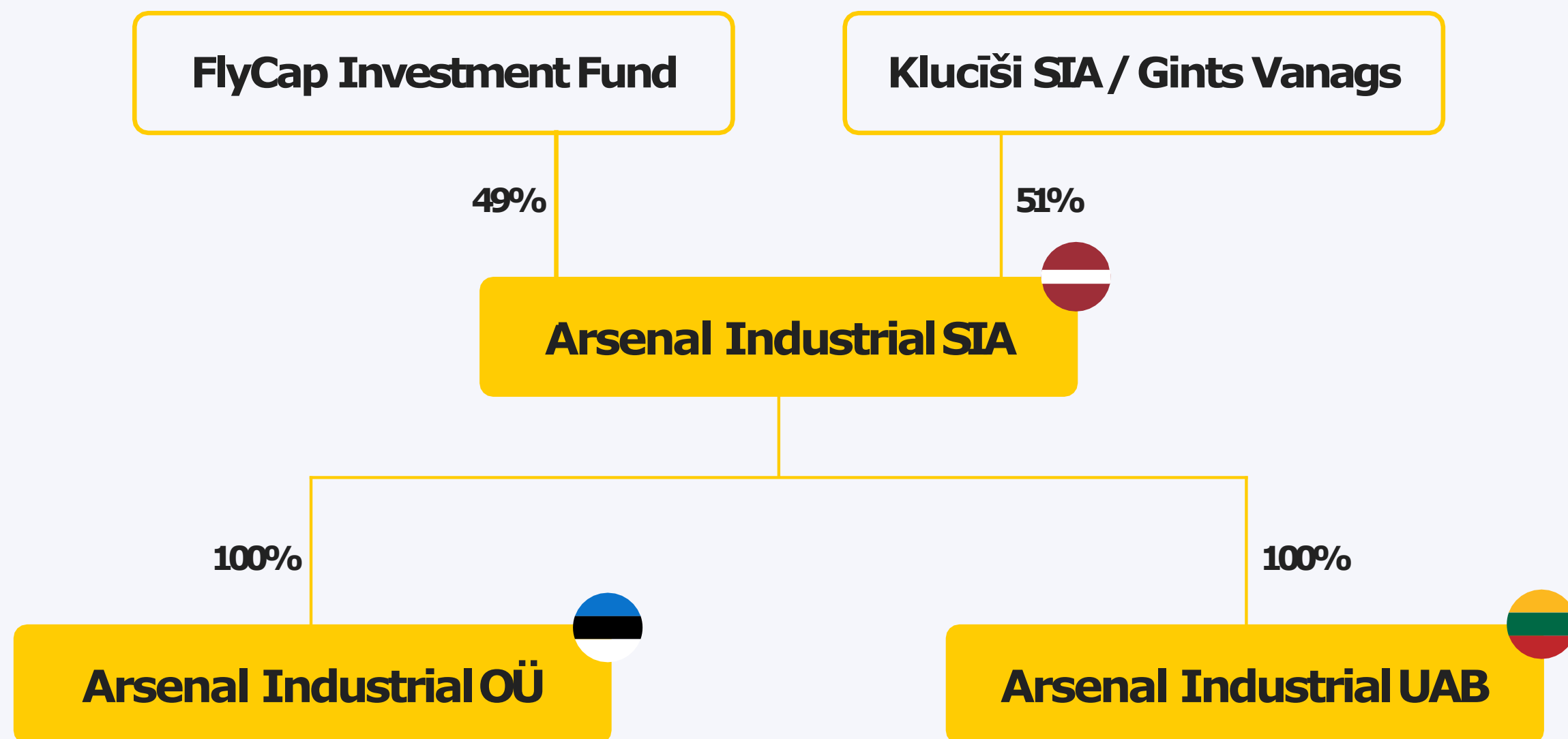
Launch of the new ERP program

**2023**

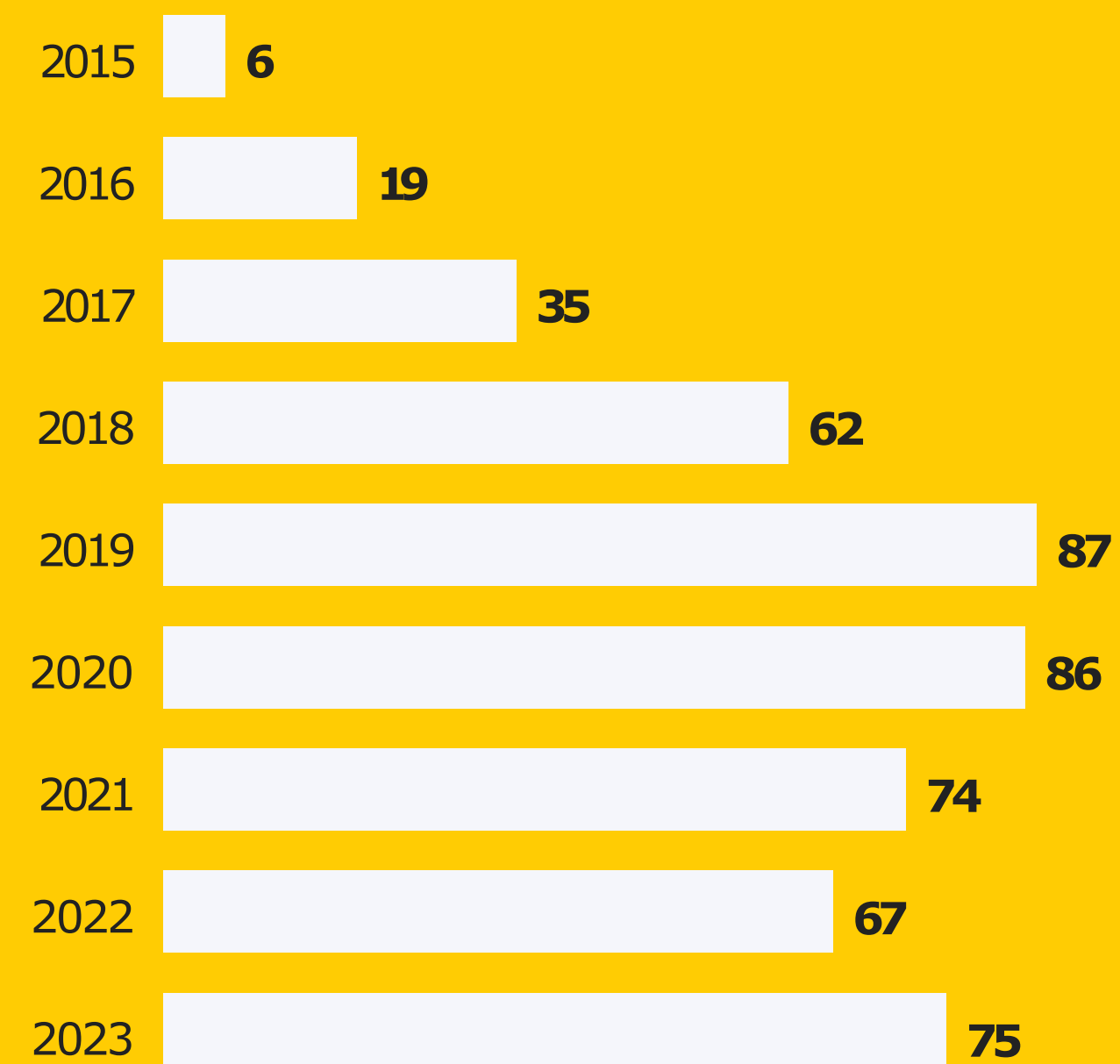
- Issued bonds worth 4.5million (refinance of previous bonds)
- Increased total turnover by 22%
- Became a No.1 distributor of mini-excavators in Latvia, sold more than 100 in Baltics in 2023
- Arsenal introduces fully remote access to order-related services

COMPANY AT A GLANCE

Company Structure



NUMBER OF EMPLOYEES



COMPANY AT A GLANCE

Suppliers

SWEPAC

Swepac AB is the main supplier of compaction and concreting equipment (including forward vibratory plates, tampers, reversible vibratory plates, trowels and other tools)

HILTI

Hilti is the leading tool producer (including electric drills, heavy angle drills, laser levels, power saws, fasteners and other tools)



JUMBO is the largest supplier of scaffolds (including aluminium scaffolds, steel scaffolds, step ladders and etc)

Husqvarna®

Husqvarna is the key supplier of cutting tools (including trimmers, hedge trimmers, leaf blowers, chainsaws and other tools)

MANITOU

Manitou is the World's leading producer of material handling equipment, offering the best solutions for the main segments such as agriculture, construction and specific industries

SUNWARD

Sunward Europe Heavy Industry serves as the primary supplier of mini excavators and loaders

DINOlift

DINOlift is the main supplier of telescopic lifts

BUSINESS & OPERATIONS OVERVIEW



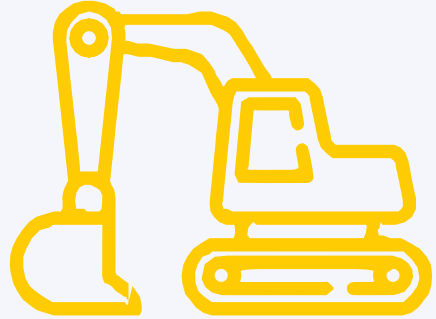
BUSINESS & OPERATIONS OVERVIEW

Market Overview

The management of the Group anticipates growth in the construction market in the forthcoming years, with a specific emphasis on increasing Arsenal's market share across all three Baltic countries



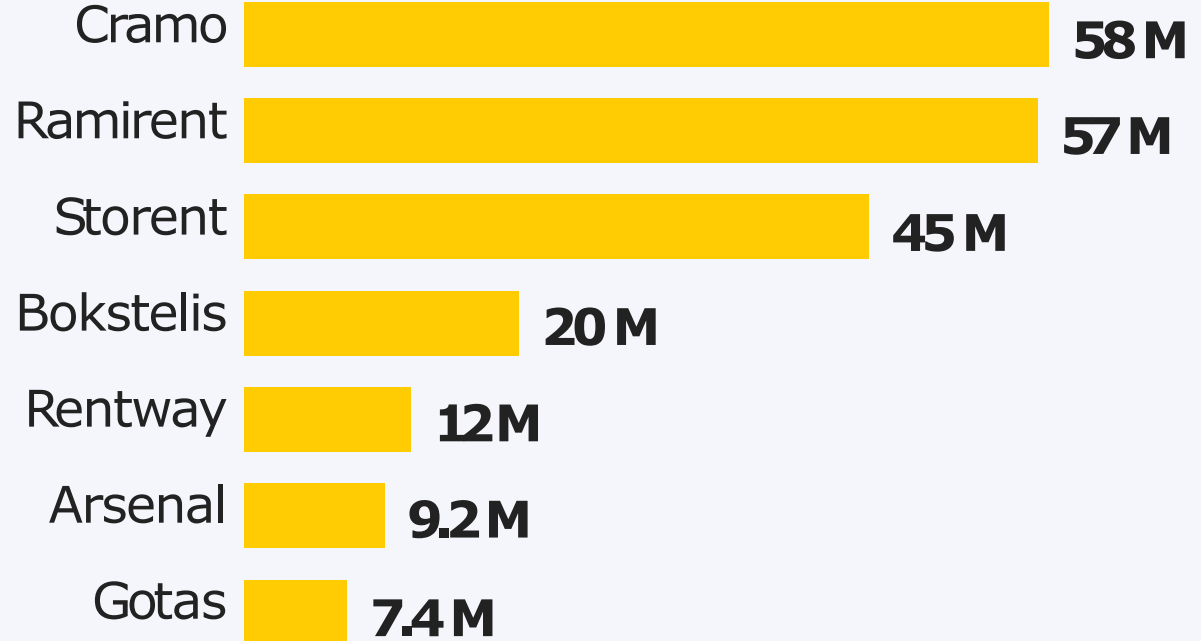
Baltic rental machinery market size is around **300 million EUR**



Arsenal's market share in the Baltics is 3%

- Latvia 7%
- Estonia 3%
- Lithuania 2%

Largest Baltic market players by turnover (2022)



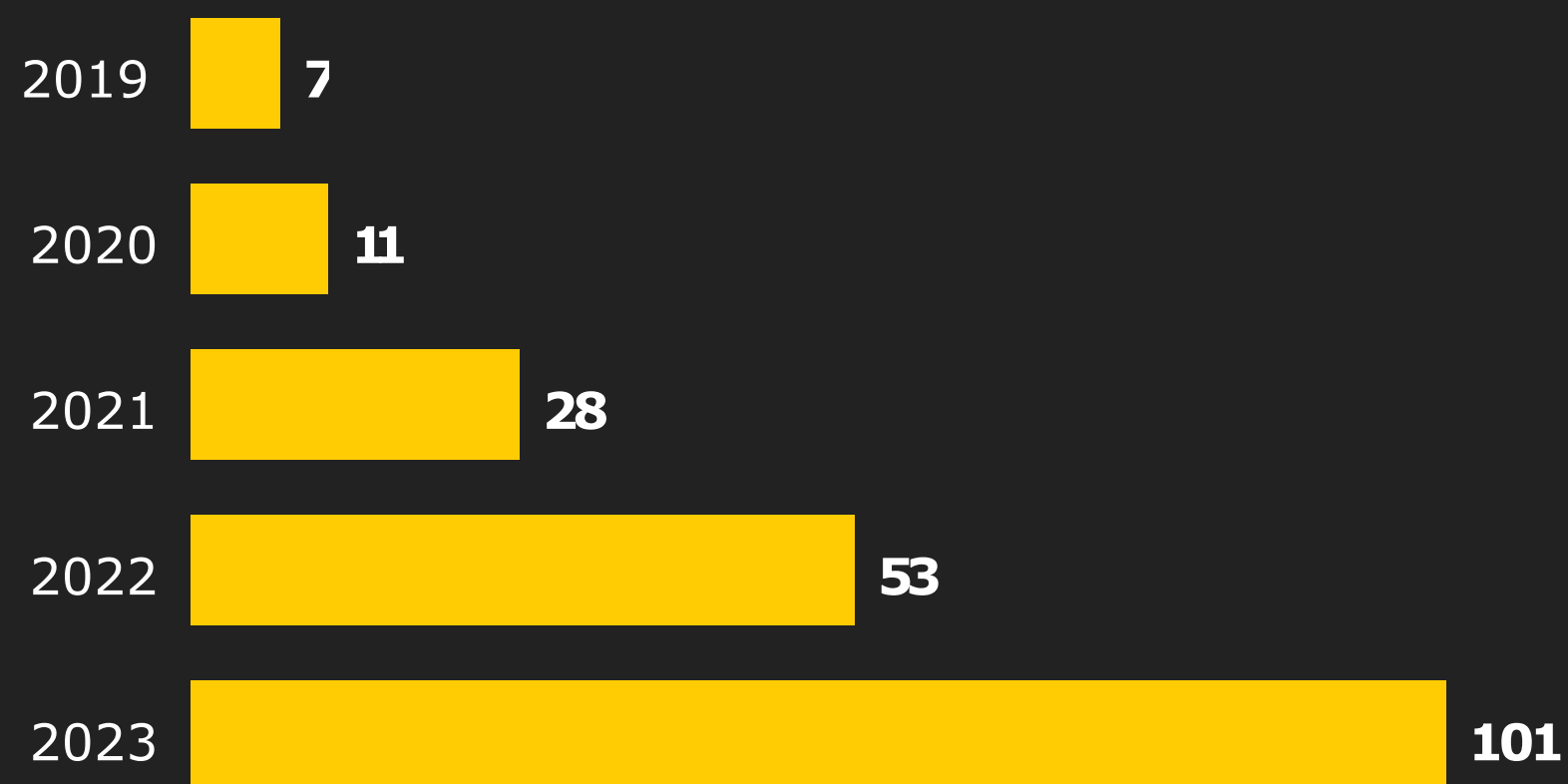
Source: CrediWeb, Rekvizitai Verslo Žinios, E-Krediidiinfo

BUSINESS & OPERATIONS OVERVIEW

Arsenal is #1 in the Baltics in mini excavator sales



Sunward Mini Excavators Sold to Customers in the Baltics



TOTAL SOLD: 200

Sunward excavators, particularly those up to 9 tons, command a substantial market share of **16.9% in Latvia**. The closest competitors are Kubota with 15%, Yanmar with 12.4%, Bobcat with 11.7%, Caterpillar with 7%, and JCB with 3%

When analyzing the trajectory of mini-excavator sales, it is clear that Sunward is set to become the definitive market leader in the Baltics in the upcoming years

BUSINESS & OPERATIONS OVERVIEW

Management Team



Gints Vanags
Member of the Management Board
Chief Executive Officer
since 2014

- Since establishing the Company in 2014, Gints Vanags (CEO) has played an integral role in Arsenal’s operations
- Before his current role, he acquired experience in various positions, including Rental Manager at Ramirent/Loxam, Director of the Rental and Sales Department at Konekesko, and Managing Director at Storent
- Gints holds an MBA degree from Stockholm School of Economics in Riga



Gatis Melņiks
Chief Financial Officer since 2021
 Previously CFO in IT and IoT industry companies (Intelligent Systems, AdvanGrid, Engine Reader) and Business Controller in SIA Tet



Mārtiņš Skrastiņš
Sales Director since 2021
 Previously Project Manager in Arsenal Industrial and Project Manager in SIA Cramo



Arturas Simkavicius
Country Manager in Lithuania since 2018
 Previously Project Group Manager of UAB Cramo



Artjom Dmitrijev
Country Manager in Estonia since 2023
 Previously Project manager of OU Storent and Depo manager of OU Arsenal Industrial

Supervisory Board

**Ģirts Milgrāvis**

Chairman of the Supervisory Board since 2014

- FlyCap Partner since 2013
- Previous experience in corporate finance and participation in 10 investment transactions totaling EUR 40 million
- MBA from Riga Business School

**Kaspars Zuicens**

Deputy Chairman of the Supervisory Board since 2014

- Co-Founder and CEO at Max Moto SIA
- Master's degree from RISEBA

**Jānis Liepiņš**

Member of the Supervisory Board since 2014

- FlyCap Partner since 2013
- Experience as an asset manager
- Previously in a managerial role in corporate banking
- MBA from SSE Riga

BUSINESS & OPERATIONS OVERVIEW

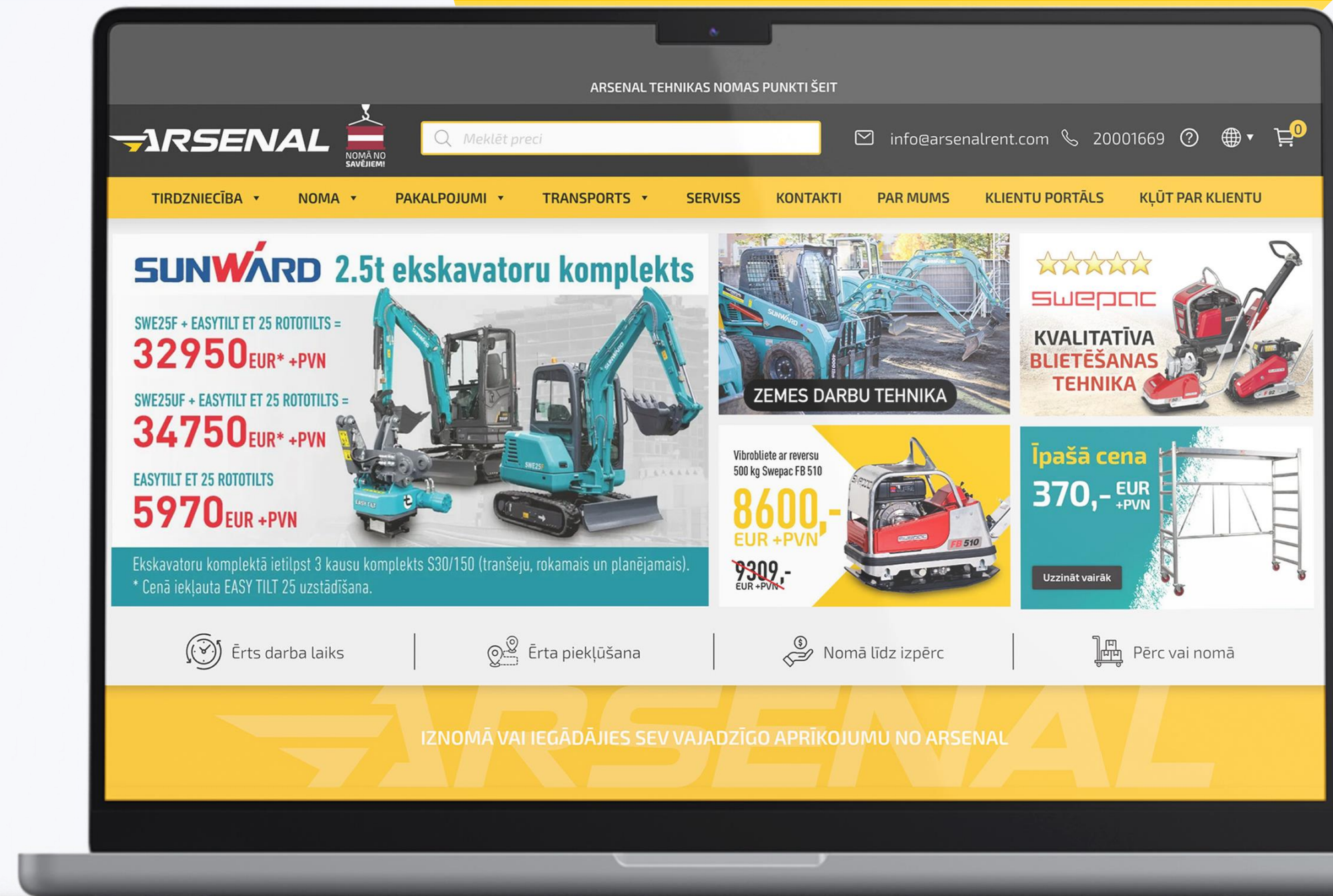
Arsenal Industrial Digitalization of Processes

- Use of modern Rental management Solutions - **MCS-rm rental software**, that gives full control of our hire business, improves performance and helps business grow
- Development of Customer portal for equipment rental
- Simplified rental process for both the Customer and the Company with less paperwork
- MCS-rm rental software integrations with the Company accounting system and Customer portal
- More data for better insights and decision making

As a result of processes optimization:
Improve asset utilization, Increase productivity,
Improve profitability, Make better decisions

www.arsenalrent.com

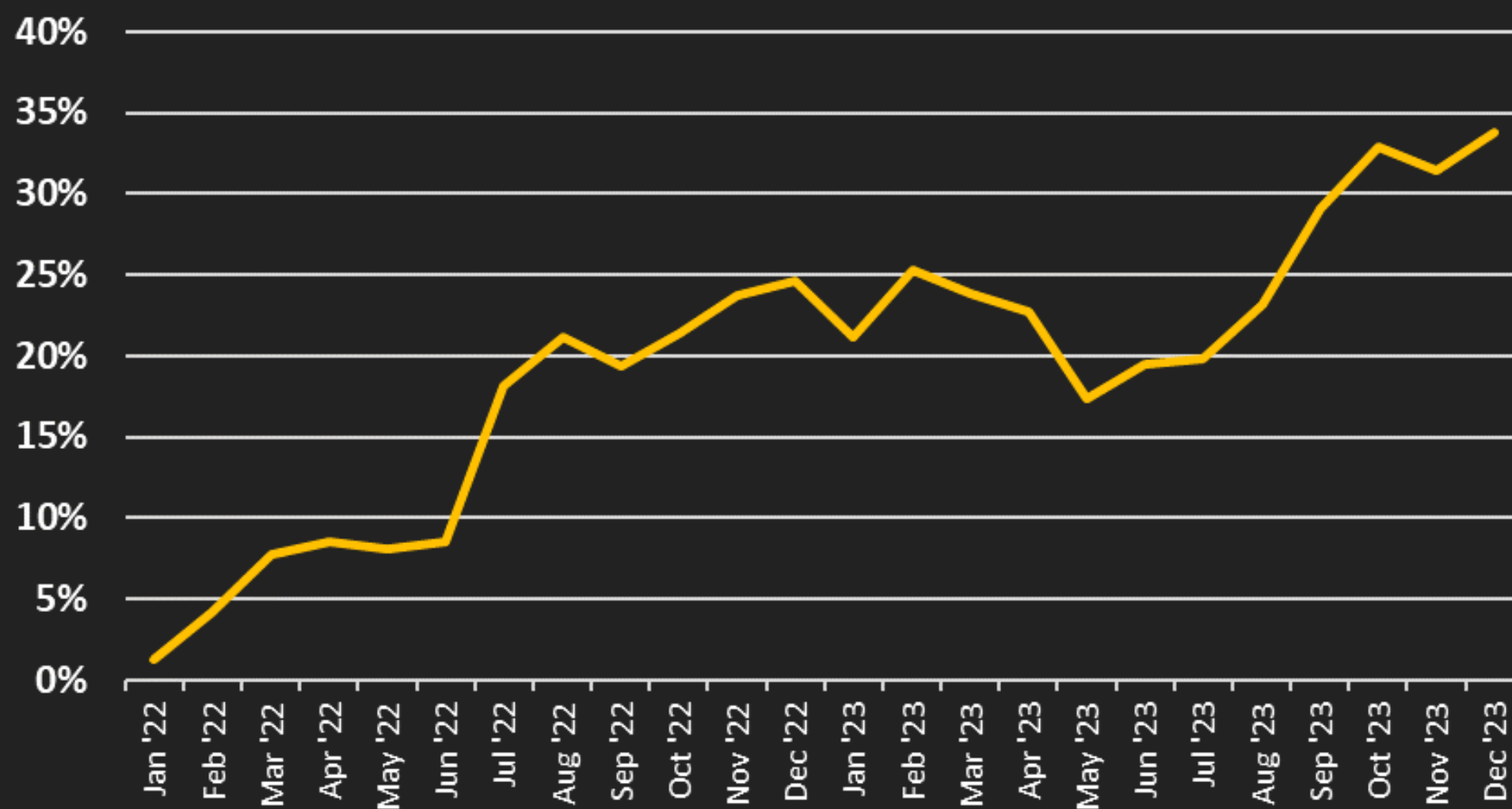
Our website is easy to navigate, allowing every customer to seamlessly **access their current rentals, review pending bills, make machine orders, and engage with us** through e-signatures and Smart-ID



BUSINESS & OPERATIONS OVERVIEW

Digitally signed rental contracts reached almost 35%

Contracts signed with eSign, %



TARGET IN 2024 IS ABOVE 50%



FINANCIAL HIGHLIGHTS



FINANCIAL HIGHLIGHTS

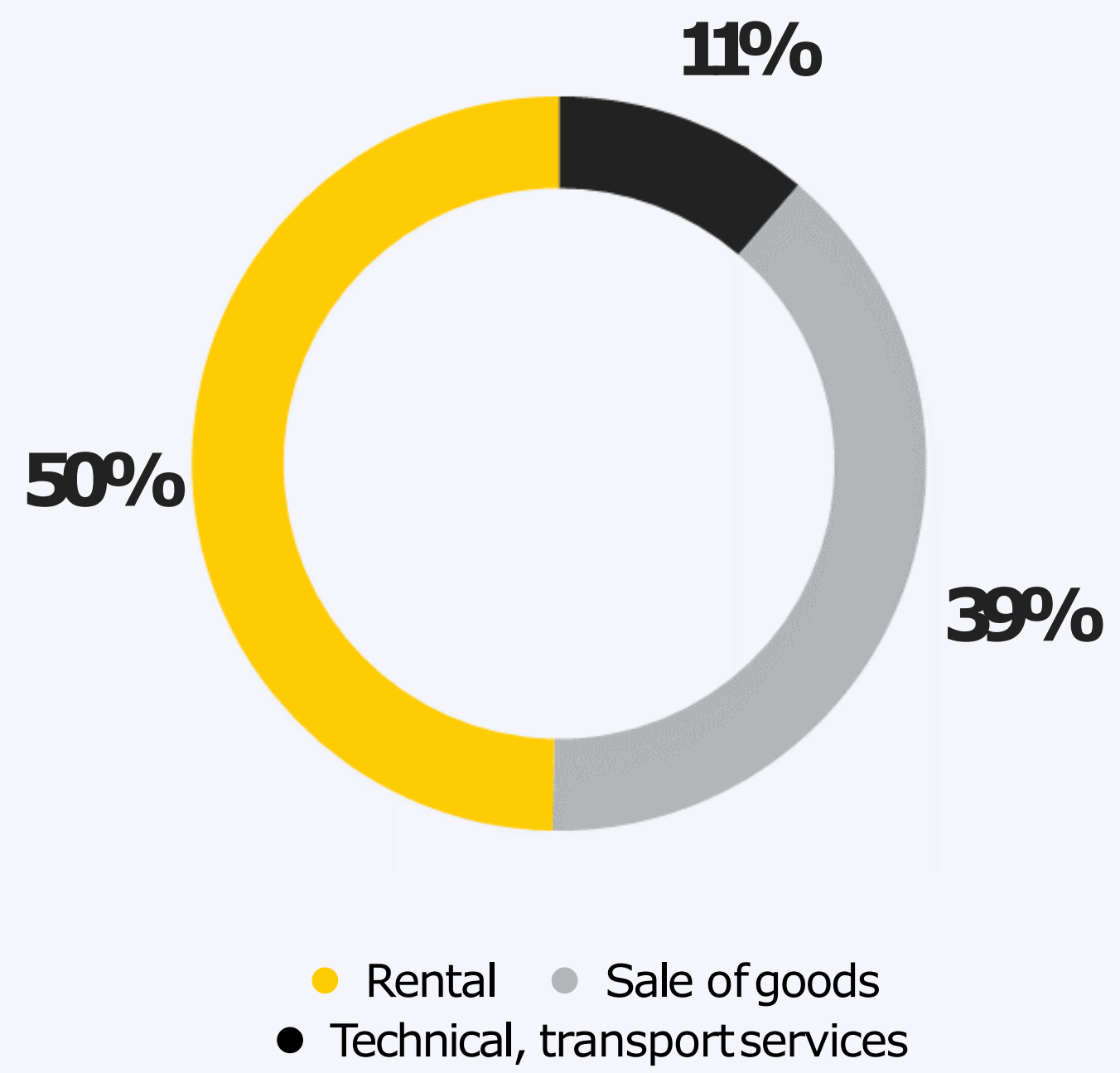
Sales Breakdown

Arsenal maintains Pan-Baltic operations with balanced performance across all three markets and product groups

Sales by type in 2019-2023

€'000	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Rental	5,279	4,880	5,085	5,575	5,544
Sale of goods	1,376	1,198	2,604	2,416	4,348
Technical, transport services	1,006	1,086	930	1,164	1,260
Net turnover	7,661	7,164	8,619	9,155	11,152

Sales by Type, 2023



FINANCIAL HIGHLIGHTS

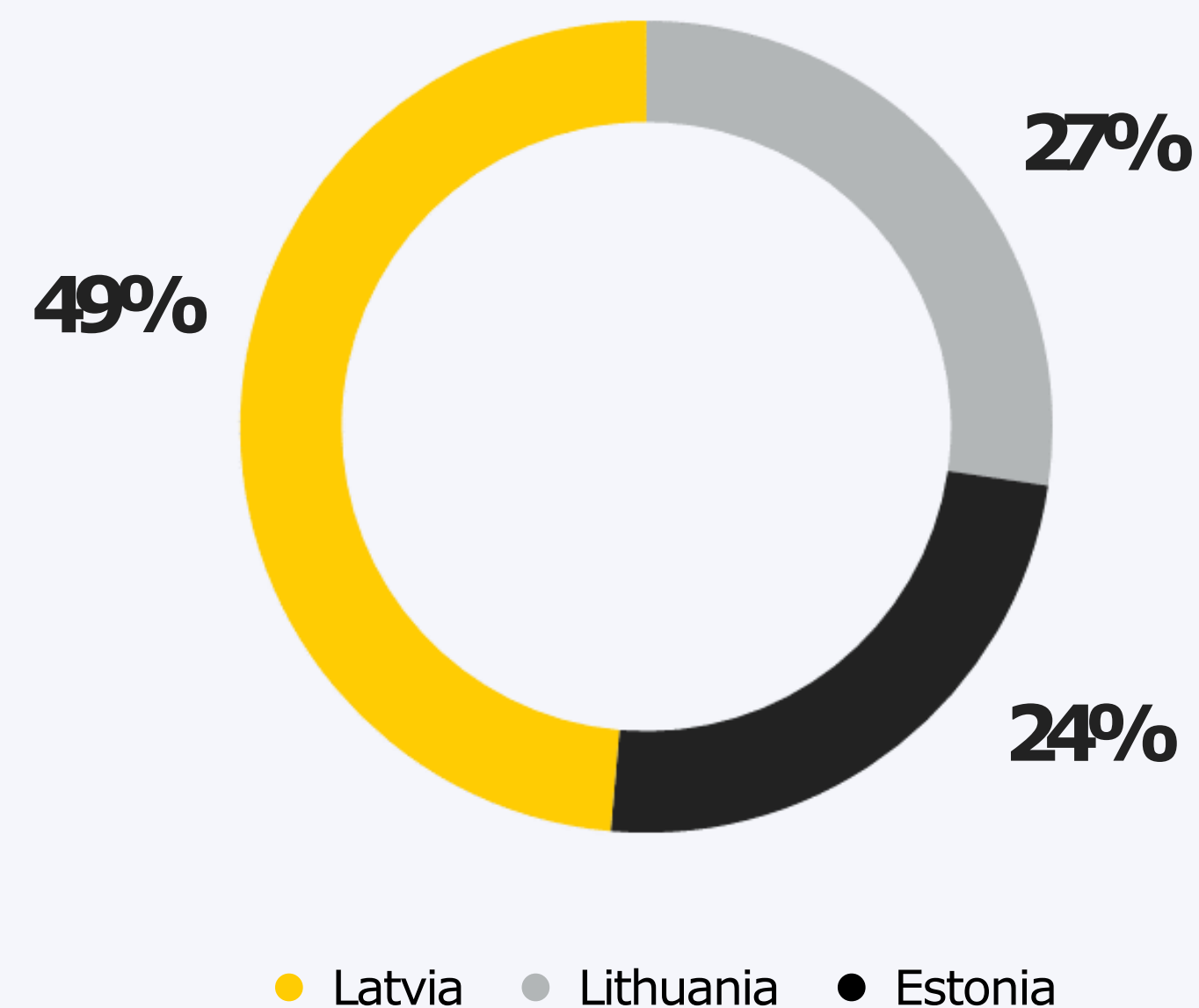
Sales Breakdown by Country

Pan-Baltic operations, balanced performance across all 3 markets and product groups

Sales by country in 2019-2023

€'000	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual
Latvia	3,384	3,331	4,080	3,951	5,419
Lithuania	1,388	1,471	2,196	2,588	3,047
Estonia	2,091	1,884	2,339	2,614	2,685
Other	797	477	3	2	-
Net turnover	7,660	7,163	8,618	9,155	11,152

Sales Breakdown in 2023



FINANCIAL HIGHLIGHTS

Fixed Assets

Acquisition Value €'000	2018	2019	2020	2021	2022	2023
Own rental equipment	6,145	6,342	6,315	6,112	5,968	5,708
Leased rental equipment	105	1,786	1,782	1,813	3,921	4,077
Other assets (for own use)	504	865	913	852	926	931
Total Value	6,754	8,993	9,010	8,777	10,815	10,716

Book Value €'000	2018	2019	2020	2021	2022	2023
Own rental equipment	4,471	4,002	3,670	3,952	3,580	3,059
Leased rental equipment	59	1,689	1,590	1,488	3,380	3,307
Other assets (for own use)	296	512	403	351	519	500
Total Value	4,826	6,203	5,663	5,791	7,479	6,866



FINANCIAL HIGHLIGHTS

Income Statement

€'000	2021 Audited	2022 Audited	2023 Audited		
Net turnover	8,619	1	2	9,155	11,152
Cost of goods sold (COGS)	5,527	5,914	7,606		
Gross profit	3,092	3,241	3,546		
Sales costs	995	969	3	1,188	
Administration costs	864	753	903		
Other operating income	240	450	4	197	
Other operating expenses	22	43	38		
EBITDA	1,451	1,926	1,615		
Income from revaluated assets	-	219	330		
Liquidation costs from revaluated assets	-	54	170		
Depreciation	812	977	1,032		
EBIT	639	1,114	742		
Other interest and similar income	1	1	5	884	
Interest and similar expenses	653	816	897		
Refinancing costs	98	-	5	52	
Tax	-	4	3		
Profit (loss)	-111	295	674		

- 1 In 2022, there was an increase in turnover and profitability due to expansion of rental fleet, new IT rental system, and the reorganization of operations in Lithuania
- 2 Turnover increased in 2023 due to successful sale of goods (additional 1.9M in turnover in comparison to previous year)
- 3 The increase in sales and rentals led to higher salary costs in 2023
- 4 Other operating income includes sale of assets
- 5 Additional boost in profit in 2023 from discount of liabilities and from refinancing

FINANCIAL HIGHLIGHTS

Balance Sheet

€'000	2021 Audited	2022 Audited	2023 Audited
ASSETS	8,145	9,758	10,023
LONG-TERM INVESTMENTS	5,791	7,566	7,097
Intangible assets	-	86	117
Fixed assets	5,791	7,480	6,866
Long-term financial investments	-	-	114
CURRENT ASSETS	2,354	2,192	2,926
LIABILITIES	8,145	9,758	10,023
Adjusted EQUITY*	436	809	1,365
CREDITORS	7,709	8,949	8,658
Long-term creditors	6,093	7,196	5,667
Bond issue	5,200	5,200	4,500
Long-term leasing	893	1,996	1,167
Short-term creditors	275	551	988
Short-term leasing	275	551	988
Other creditors	1,340	1,202	2,003

- Fixed assets book value increased by EUR 1.7 M in 2022 from 2 M investments in rental fleet.
- Current assets increased by EUR 0.7 M because of increasing warehouse for sale of goods, prepaid expenses and accrued income.
- The Equity is increasing from growing profit each year.
- EUR 5.2 M bonds in 2023 was refinanced to EUR 4.5 M bonds
- Lease amount reduced by EUR 0.4 M in 2023; other creditors amount increased by EUR 0.8 M due to purchases for sale warehouse.

*Including Subordinated Debt

FINANCIAL HIGHLIGHTS

Future Outlook

- To keep the rental business more profitable, Arsenal plans to focus more on domestic market, increase rental customer amount in Latvia, open one more depo in Riga and facilitate services to increase customer satisfaction.
- Expansion of machinery sales in Lithuania market will strengthen the growth and reduce vulnerability from market changes in separate countries or segments.
- Continuing work on digitalization, IT development and process improvement will improve cooperation with clients and their satisfaction.



TRANSACTION OVERVIEW



TRANSACTION OVERVIEW

Bond Term Sheet

Issuer	SIA Arsenal Industrial
Type of notes	Senior secured bonds
Collateral	<ul style="list-style-type: none"> Commercial pledge on Assets of the Issuer, Arsenal Industrial OÜ and Arsenal Industrial UAB Commercial pledge on 51% shares of the Issuer
Corporate guarantee	Corporate guarantees from Arsenal Industrial OÜ and Arsenal Industrial UAB
Seniority of notes	SNDB – Senior Debt
ISIN	LV0000860153
Issue price	100.00%
Issue size	EUR 4,500,000
Annual coupon rate, frequency	12% , paid monthly
Maturity	31 May 2026, bullet
Nominal value	EUR 1,000
Use of proceeds	Refinancing of existing liabilities
Call option	@102% after 1st year @100% 3 months before maturity
Put option	In case of Change of Control @101% (Including FlyCap exit scenario)
Financial Covenants (based on consolidated data)	<ul style="list-style-type: none"> Interest coverage ratio of min 1.75x until Q4'2024; and 2.0x from Q1'2025 Adjusted Equity ratio of min 15% until Q4'2024; and 20% from Q1'2025 Net Debt / EBITDA of max 4.0x until Q4'2024; and 3.5x from Q1'2025; and 3.0x from Q3'2025 Collateral Coverage Ratio (Notes Collateral / Net Notes Debt) of min 1.25x
Arranger and Certified Adviser	Signet Bank AS
Legal Advisor and Collateral Agent	ZAB Vilgerts SIA
Admission to trading	Nasdaq Riga First North Bond list

TRANSACTION OVERVIEW

Certified Adviser

Signet Bank AS acts as the First North Certified Adviser for SIA Arsenal Industrial

Official name: **Signet Bank AS**

Registration number: 40003043232

Main field of activity: Banking services

Address: Antonijas iela 3, Riga, LV-1010, Latvia

Web page: <https://www.signetbank.com/>

Representative

Kristiāna Janvare, CFA

E-mail: Kristiana.Janvare@signetbank.com

Phone: +371 67 081 128



Signet Bank AS is advising SIA Arsenal Industrial with the preparation of admission documents. The agreement is valid from the day of submitting the application for admission to trading on First North to Nasdaq Riga until the actual first trading day of the Notes on First North platform.

Certified Adviser and employees of the Certified Adviser do not have any direct or indirect shareholdings in the Issuer and are not represented in Board of the Issuer.

Investor Rights

Any Noteholder has the right to receive Coupon and Nominal Value payments in accordance with the Clause 3.2.13. "Coupon payments" and 3.2.14. "Procedure of the Notes repayment", as well as exercise other rights fixed in these Terms of the Notes Issue and Applicable Laws of the Republic of Latvia.

Status of the Notes: The Notes rank pari passu with other secured obligations of the Issuer. In case of the insolvency of the Issuer, the Noteholders will be entitled to recover their investment on the same terms as other creditors in the respective claims' group according to the Applicable Laws, taking into account, that if the Collaterals would be enforced, the Noteholders would receive payment of their claims in respect to Notes only to the extent that the enforcement proceeds of the sale of the Collaterals are sufficient to pay the costs of enforcement of the Collaterals. Save for mandatory provisions of the Applicable Laws, there are no contracts or other transaction documents that would subordinate the claims of the Noteholders to other secured or unsecured liabilities of the Issuer.

Early redemption: The Noteholders shall not have a right to early redemption of the Notes (put option), except in case of occurrence of the events of default in accordance with the Clause 4.2 "Event of default". Additionally, in case a Change of Control has occurred, Noteholders have the right to require the Issuer to purchase all of such Noteholder's Notes at a price equal to 101% (one hundred and one per cent) of the Nominal value plus accrued and unpaid Coupon.

Restrictions on free circulation of the Notes: The Notes are freely transferable securities and can be pledged. However, the Notes cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which it would be unlawful or require measures other than those required under the Applicable Laws.

Representation of the Noteholders: Collateral Agent holds the Collaterals and the Guarantees on behalf of Noteholders and is authorized to act with the Collaterals in favour of all the Noteholders in accordance with the Terms of the Notes Issue and the Collateral Agent Agreement. Noteholders have no rights to act with the Collateral directly, yet at the same time there are no restrictions set for Noteholders' right to create and/or authorize an organization/person that represents the legal interests of all Noteholders or part thereof. In case of the insolvency of the Issuer, every Noteholder has the right to represent their own interests in creditors' meetings. The Noteholders will have equal rights for satisfaction of their claims with other creditors in the same claims' group.

Rights if Issuer breaches its obligations

Noteholders representing at least 10% (ten) per cent of the outstanding Notes issue may by written notice to the Issuer declare the occurrence of Event of Default, at any time after the event of default has occurred (and as long as the event of default exists). If the Issuer confirms that the Event of Default has occurred, the Issuer shall pay all Noteholders the Nominal value of Notes along with the accrued Coupon and contractual penalty in accordance with Clause 4.3 "Contractual penalty" within 10 (ten) Business Days after the receipt of the notification.

Each of the events or circumstances set out in below shall constitute an event of default:

- Non-payment (Clause 4.2.1.)
- Breach of covenants (Clause 4.2.2.)
- Cross-Default (Clause 4.2.4.)
- Insolvency (Clause 4.2.5.)

Note: For full overview, please refer to the Terms of the Notes Issue

TRANSACTION OVERVIEW

Transactions with related parties

The parties are considered related when one party has a possibility to control the other one or has significant influence over the other party in making financial and operating decisions. Related parties of the Group are shareholders who could control or who have significant influence over the group in accepting operating business decisions, key management personnel of the Group including close family members of any abovementioned persons, as well as entities over which those persons have control or significant influence, including subsidiaries.

31.12.2023, EUR m	Companies controlled by beneficial owner ¹	Other related parties ²
Receivables from related parties:		
Loans issued	-	-
Trade and other receivables	-	-
Borrowings and payables:		
Loans received	-	601 487
Trade and other payables	10 460	-
12M 2023, EUR m	Companies controlled by beneficial owner ¹	Other related parties ²
Income and expenses:		
Sales to related parties	-	-
Purchases from related parties	87 015	9 600
Interest income	-	103 403
Interest expense	-	59 933

¹Companies controlled by beneficial owner: AS Klucīši, SIA Tehnikas brigade

²Other related parties are entities which are under control or joint control of the shareholders of the Group, but not part of the Group. They are Gints Vanags and Komandītsabiedrība "FlyCap Investment Fund I AIF"

Other statements

Legal proceedings and arbitration

At the moment of signing the Terms of Notes Issue, the Issuer or its Subsidiaries, Guarantors and Collateral Providers are not involved in any government interventions, lawsuits or arbitration processes, which may significantly affect or have significantly affected the financial situation or profitability of the Issuer.

Important agreements

The Issuer has no knowledge of any other important agreements or internal decisions that could have been concluded within the company or between the Issuer and any related company and that could affect the Issuer's capability to fulfil its liabilities due to Noteholders regarding the securities to be issued.

Substantial changes in financial situation of the Issuer

According to the data of the consolidated annual report of the Group, as at 31 December 2023, certain financial covenants specified in the bond Issue Terms are breached and the management of the Group together with the shareholders takes measures to ensure that the required cure is taken within the specified deadlines.

The Issuer is unaware of any other factors, claims, obligations, or events which would negatively affect the financial situation or performance of the Issuer in the future.

Significant and recent known trends

The Group and the construction market were affected by the increase in the price of raw materials and salaries due to the war in Ukraine started by Russia on February 24, 2022, the sanctions imposed on Russia, and the following inflation resulted in decreasing volume of construction activity. The Group will continue to invest in new equipment and tools, increase the customer portfolio and market share, while continuously evaluating the situation in the Baltics and the world and the demand for the Group's services.

Risk Factors

Risks related to the economic and regulatory environment:

- Macroeconomic risk
- Geopolitical risk
- The global pandemic risk
- Regulatory risk
- Changes in customs regulations
- Taxation risk
- Privacy and data protection breach risk

Risks related to the Group's business and industry:

- Construction equipment rental market risk
- Changes in market conditions risk
- Competition risk
- Seasonality risk
- Global trader risk
- Fleet management risk
- Business strategy risk
- Quality standard risk

Risks related to Notes:

- Notes repayment risk
- Liquidity risk
- Delisting risk
- Price risk
- Early redemption risk
- Tax risk
- Resolutions of Noteholders risk
- Risk that some Noteholders might have more preferential terms than others

- Rental agreement management risk
- Working capital management risk
- Technological development risk
- Insurance coverage risk
- Leverage risk
- No limitation on issuing additional debt
- Corporate governance and policy-related risk

Risks related to Collateral and Guarantees:

- Risk associated with registering the Collateral
- Risks associated with the Collateral Agent Agreement
- Collateral Risk
- Risks associated with Parallel Debt
- Risks associated with the value of the Collateral
- The Collateral and the Guarantees will be subject to certain limitation on enforcement and may be limited by the Applicable Laws or subject to certain defenses that may limit its validity and enforceability
- The enforcement of the Guarantee and the Collateral will be subject to the procedures and limitations set out in the Collateral Agent Agreement and these Terms of the Notes Issue
- The rights of the Noteholders depend on the Collateral Agent's actions and financial standing

- Key personnel risk
- Employee retention risk
- Operational risk
- Counterparty credit risk
- Litigation risk
- IT Systems risk
- Risk of natural disasters and other business disruption



Appendix

Terms of the Notes Issue signed on 28 November 2023

ARSENAL

Gints Vanags

Director, Member of the Board

[E:gints.vanags@arsenalrent.co](mailto:gints.vanags@arsenalrent.co)

m T: +37126 303848

