



## SIA Arsenal Industrial

Unaudited consolidated quarterly results  
Q1 2025

May 30, 2025





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.

In the reporting period from 1 January 2025 to 31 March 2025, the Group's net turnover was EUR 2,142,293. Compared to the corresponding period in 2024, when turnover was EUR 2,558,808, this represents a decrease of approximately 16%. The primary driver of the decline was the discontinuation of rental activities in Estonia. Meanwhile, turnover in Latvia increased by 5% in 2025 compared to the same period in 2024, and in Lithuania, rental turnover grew by 6%. However, the growth in these markets was not sufficient to fully offset the decrease experienced in Estonia. Despite the decline in turnover, operating costs were reduced by 12% compared to Q1 2024, largely due to the cessation of rental operations in Estonia. As a result, the Group achieved an improved EBITDA of EUR 14,624, which represents a 22% increase year-on-year.

The Group reported a first-quarter loss of EUR 399,887, primarily attributed to the seasonal slowdown in rental activity typical for this period. Such downturns are common in the construction equipment rental industry, due to reduced construction activity and project delays during the first quarter. Despite these challenges, the Group anticipates that the losses will be offset by increased profitability in the subsequent quarters, aligning with industry trends where demand for rental equipment typically rises during the warmer months. In addition, a rental agreement concluded in March outside the Baltic region is expected to have a positive impact on the Group's results throughout the remainder of 2025.

In anticipation of the peak rental season, the Group has strategically invested an additional EUR 1.1 million into fixed assets, enhancing its equipment fleet to meet the expected surge in demand. This proactive approach is designed to improve the fixed asset turnover ratio, a key metric indicating efficient utilization of assets to generate revenue. Taking into account these new fixed asset acquisitions, the Group anticipates an increase in rental income by the end of 2025, which is expected to provide significant EBITDA improvement for the full year. Concurrently, the Group is actively expanding its customer base through targeted marketing initiatives and strategic partnerships, aligning with industry practices that emphasize customer acquisition and retention to drive growth. These efforts are expected to contribute positively to the Group's financial performance in the upcoming quarters.





FINANCIAL HIGHLIGHTS

# Balance Sheet

€'000	31.03.2025	2024 Audited
<b>ASSETS</b>	<b>12,000</b>	<b>11,324</b>
<b>LONG-TERM INVESTMENTS</b>	<b>8,403</b>	<b>7,138</b>
Intangible assets	84	90
Fixed assets	8,225	7,014
Non-current financial assets	94	34
<b>CURRENT ASSETS</b>	<b>3,597</b>	<b>4,186</b>
Inventories	1,996	2,432
Receivables	1,418	1,478
Cash	183	276
<b>LIABILITIES</b>	<b>12,000</b>	<b>11,324</b>
<b>Adjusted EQUITY*</b>	<b>1,810</b>	<b>1,643</b>
<b>CREDITORS</b>	<b>10,190</b>	<b>9,681</b>
<b>Long-term creditors</b>	<b>5,871</b>	<b>5,180</b>
Bond issue	4,500	4,500
Long-term leasing	1,371	680
<b>Short-term creditors</b>	<b>4,319</b>	<b>1,227</b>
Short-term leasing	763	1,227
<b>Other short-term creditors</b>	<b>3,556</b>	<b>3,274</b>

\*Including Subordinated Debt 658 thousand EUR on 31.12.2024 and 667 thousand EUR on 31.03.2025.

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	-	-	488	-	-	-	488
Losses carried forward	-	-	-	-	-400	400	-
Loss for year 2025	-	-	-	-	-	-329	-329
Foreign currency revaluation	-	-	-	-	-	-	-
<b>BALANCE AT 31.03.2025</b>	<b>49</b>	<b>981</b>	<b>1,824</b>	<b>18</b>	<b>-1,400</b>	<b>-329</b>	<b>1143</b>



FINANCIAL HIGHLIGHTS

# Cash Flow statement

€'000	3m 2025	12m 2024 Audited
Cash flows to/ from operating activities		
Profit or loss before corporate income tax	-329	-400
Adjustments for:		
Depreciation and impairment of property, plant and equipment	175	692
Amortization and impairment of intangible assets	7	27
Gain or loss from fluctuations of currency exchange rates	-	-
Gain or loss from disposal of property, plant and equipment	-15	-153
Other interest and similar income	-3	-6
Interest and similar expense	203	876
Profit or loss before adjustments for the effect of changes in current assets and current liabilities	38	1036
• (increase) or decrease in receivables	-5	5
• (increase) or decrease in inventories	419	-1,216
• increase or (decrease) in trade and other payables	301	1135
Cash generated from operations	753	960
Corporate income tax paid	-	-
Net cash flows to/ from operating activities	753	960

FINANCIAL HIGHLIGHTS

# Cash Flow statement

€'000	3m 2025	12m 2024 Audited
Cash flows to/ from investing activities		
Purchase of property, plant and equipment and intangible assets	-402	-201
Proceeds from sale of property, plant and equipment and intangible assets	65	350
Loans issued	-	-
Loans repaid	-	-
Interest received	3	6
Net cash flows to/ from investing activities	-334	155
Cash flows to/ from financing activities		
Expenditure on interest payments	-169	-739
Expenditure on fixed assets acquired under finance leases	-371	-1,206
Loans received	-	799
Loans repaid	-	-
Net cash flows to/ from financing activities	-540	-1,146
Net foreign exchange difference	-	-
Net cash flow for the quarter	-121	-31
Cash and cash equivalents at the beginning of the year	275	306
Cash and cash equivalents at the end of the quarter	155	275



FINANCIAL HIGHLIGHTS

# Financial covenants calculation

	3m 2025	12m 2024
Capitalization Ratio	15,1%	14,3%
Net Debt Leverage Ratio	5.00	4,72
Collateral Coverage Ratio	1.59	1.83



**Gints Vanags**

*Director, Member of the Board*

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

P: +371 26 303 848

