



Equipment Rental, Service
& Construction Machinery
Sales Company

Bond Investor Presentation

12 May 2026



IMPORTANT INFORMATION

Disclaimer

This Presentation (the Presentation) has been produced by SIA Arsenal Industrial (the Issuer) solely for use in connection with the contemplated offering of the Bonds (the Bonds) and may not be reproduced or redistributed in whole or in part to any third party. The arranger for the Bonds is Signet Bank AS (the Arranger).

This Presentation for information purposes only and is an unpaid marketing communication in accordance with the Prospectus Regulation and does not constitute investment advice or an offer. Every investment decision must be based on the Issue Terms. A prospective Investor should not make an investment decision relying solely upon this Presentation. By attending a meeting where this Presentation is presented or by reading the Presentation you agree to be bound by the following terms, conditions, and limitations.

No liability

The information in this Presentation has not been independently verified and can be subject to updating, completion, revision, and further amendment. The Issuer undertakes no obligation to update this Presentation or to correct any inaccuracies that may become apparent. The facts, information, opinions and estimates contained in this Presentation have been obtained from sources believed to be reliable and in good faith, but no representation or warranty, expressed or implied, is made as to their accuracy, completeness, and reliability.

This Presentation contains forward-looking statements that are based on current expectations and assumptions of the Issuer and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by context, words such as "aims", "expects", "anticipates", "intends", "plans", "believes", "estimates", "assumes", "seeks", and similar expressions are intended to identify such forward-looking statements. Opinions and any other contents in this Presentation are provided for personal use and for tentative reference only.

No advice

This Presentation shall not be treated as legal, financial or tax advice of any kind. The investors shall conduct their own investigation as to the potential legal risks and tax consequences related to the issue and investment into the Bonds. Nothing in this Presentation shall be construed as giving of investment advice by the Issuer or any other person.

Each potential investor must determine the suitability of the investment in light of its own circumstances. In particular, you should have: (i) sufficient knowledge and experience, access to and knowledge of appropriate analytical tools to meaningfully evaluate and fully understand this investment opportunity alongside with its advantages and risks, as well as the impact of this investment on your overall investment portfolio; (ii) sufficient financial resources and liquidity to bear all of the risks associated with this investment. If you are in any doubt as to whether to invest in the Bonds, you should consult a qualified independent advisor.

General restrictions

This Presentation does not constitute an offer to sell or a solicitation of an offer to purchase any securities in any jurisdiction in which such offer or solicitation is not authorized or any person to whom it is unlawful to make such offer or solicitation. Each violation of such restrictions may constitute violation of applicable securities laws of such countries. Investors are required to inform themselves of any such restrictions and return this Presentation to the Issuer should such restrictions exist. By accepting this Presentation, the recipient represents and warrants that it is a person to whom this presentation may be delivered or distributed without a violation of the laws of any relevant jurisdiction.

This Presentation is not to be disclosed to any other person or used for any other purpose and any other person who receives this Presentation should not rely or act upon it.

Conflict of interest

By presenting this material the Arranger has a conflict of interest situation as the Arranger can receive a fee for the placement of the Bonds and have other business with the Issuer. Additionally, the Arranger may invest its own funds into the Bonds and enter into other financing arrangements with the Issuer, such as providing bank loan to the Issuer. The Arranger's Policy for Prevention of Conflicts of Interest is available on the arranger's website: <https://www.signetbank.com/mifid/>.

The Issuer or its Affiliates may, subject to applicable laws, purchase the Bonds. It should be noted that under specific circumstances their interests may conflict with those of other Bondholders.

Target market

The target market assessment by the product manufacturer Signet Bank AS has led to the conclusion that: (i) the target market for the bonds is eligible counterparties, professional clients, and retail clients, each as defined in Directive 2014/65/EU (MIFID II); (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and retail clients are appropriate.

Any person subsequently offering, selling or recommending the Bonds (a Distributor) should take into consideration the manufacturer's target market assessment, however, a Distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.



EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

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 2,700 fixed assets and 25,000 items in stock, with a combined purchase value of EUR 14M



More than 20,000 rental contracts executed each year



The Company was founded in 2014 by Gints Vanags (20 years in industry), and FlyCap Investment Fund



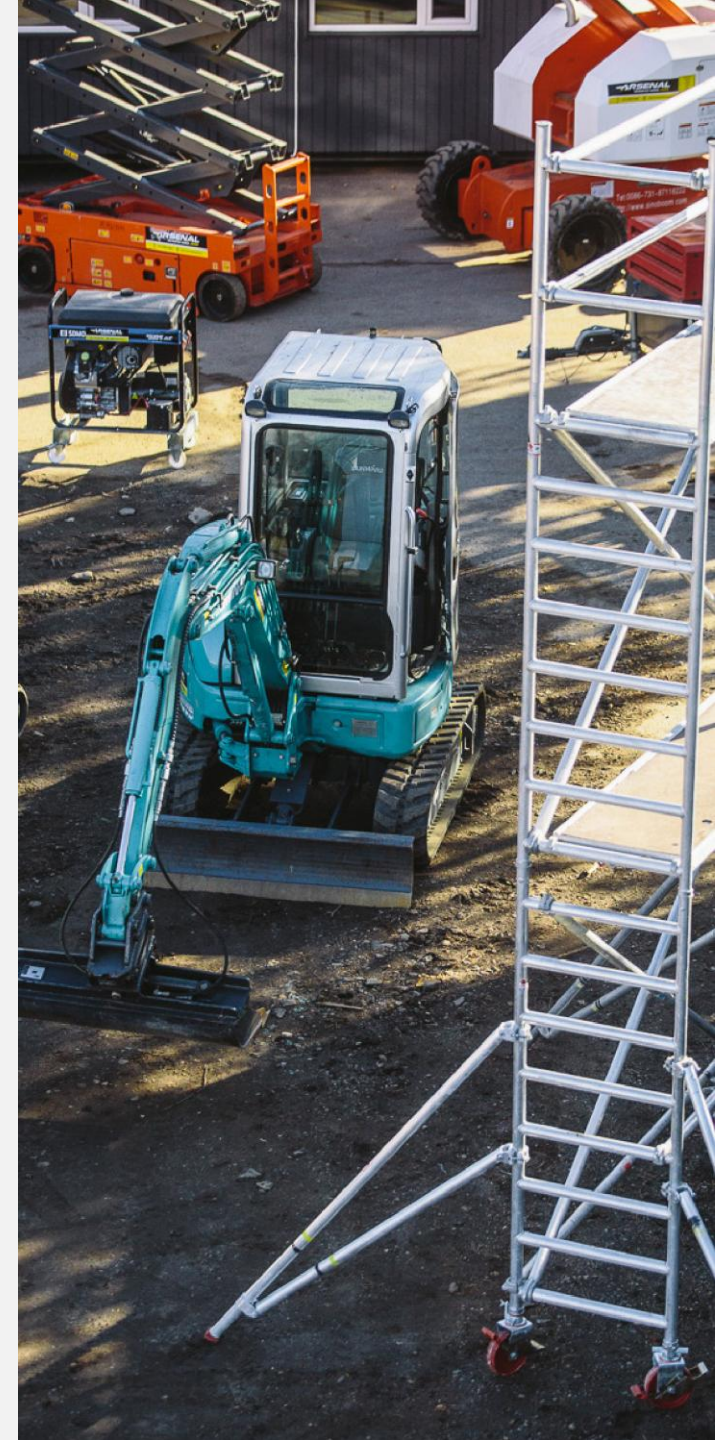
Nearly 3,000 active customers in 2025, with the majority being B2B construction companies



#1 in excavator sales in Latvia in 2024 and 2025



Focusing on e-channels through IT solutions from MCS for acquiring, communicating, servicing and retaining its customers



EXECUTIVE SUMMARY

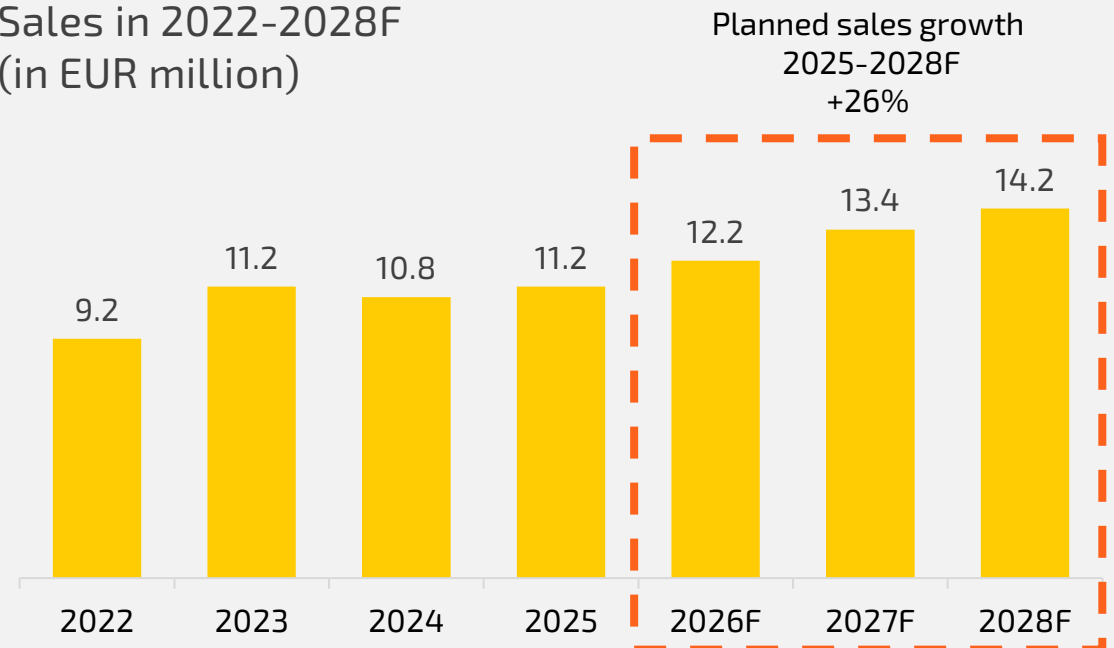
Introduction

- Construction machinery rental focused on lifts, road building machinery, tools, compaction, and concrete equipment
- Integrated offering including new equipment sales, spare parts, used machinery, installation, maintenance, and groundworks with skilled operators
- Strong digital focus, leveraging advanced IT solutions for customer acquisition, communication, and retention, including remote contract signing
- Ongoing development of an additional Rental + Service segment, expanding into larger, higher-value equipment while complementing the existing core business
- 2026F revenue of EUR 12.5m and EBITDA of EUR 1.7m, supported by continued investments and stable underlying demand

64

The Company employs
64 skilled professionals

Sales in 2022-2028F
(in EUR million)

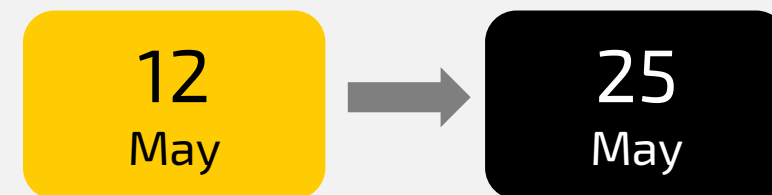


EXECUTIVE SUMMARY

Bond Term Sheet

Issuer	SIA Arsenal Industrial
ISIN	LV0000111623
Security type	Secured bonds
Issue size	EUR 3,000,000
Coupon rate	12%
Coupon payment	monthly
Nominal value	EUR 1,000
Maturity date	28.05.2029
Maturity	3 years, bullet
Listing	Nasdaq Baltic First North within 3 months after the Issue Date

Subscription and exchange period



Exchange of bonds

- Exchange premium 1.0%

Use of proceeds

- Refinancing of the Existing Bonds

COMPANY AT A GLANCE



COMPANY AT A GLANCE

Company Timeline



2014

Establishment
of the Company



2015



Launched operations with
the first depo in Riga,
Latvia



2016



Launched subsidiary
in Estonia



2018



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



2025

Equity investment
of EUR 204,000
(equity + share
premium)

2023 

Launched operating leasing
solutions for excavators with
Citadele
Retail of equipment for the forestry
sector, including excavators with
grapples
Introduces fully remote access to
order - related services
Issued EUR 4.5 million bonds, listed
on Nasdaq First North

2022 

Launch of the
new ERP program

2021  

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



2026

Bond refinancing and
new investment programme

COMPANY AT A GLANCE

Arsenal Operations

Arsenal is present in 2 geographical markets:
Latvia and Lithuania

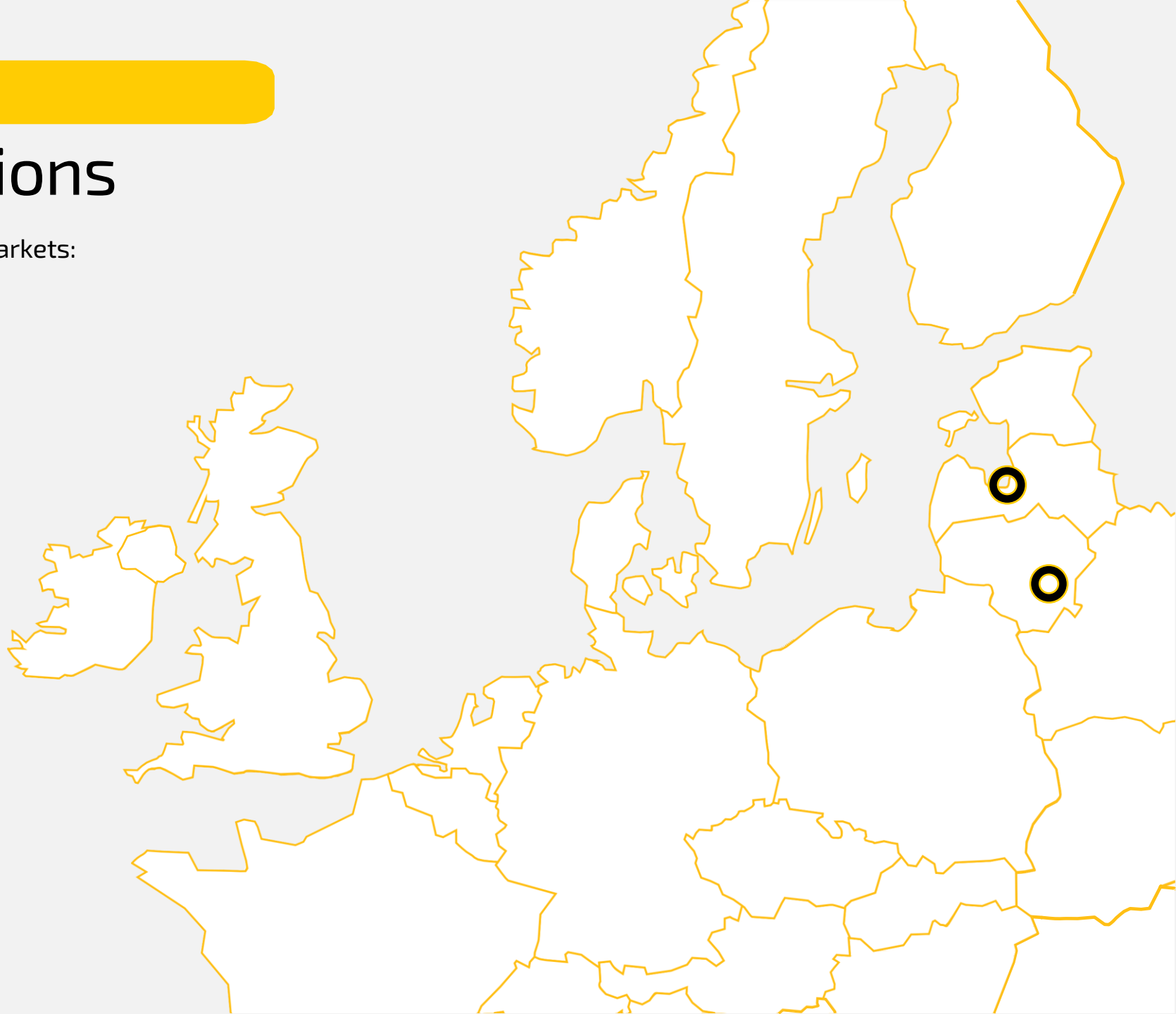
The Company operates the following
rental locations:

Latvia (2 depots)

- Kārļa Ulmaņa gatve 3, Riga
- Dzelzavas iela 70, Riga

Lithuania (1 depo)

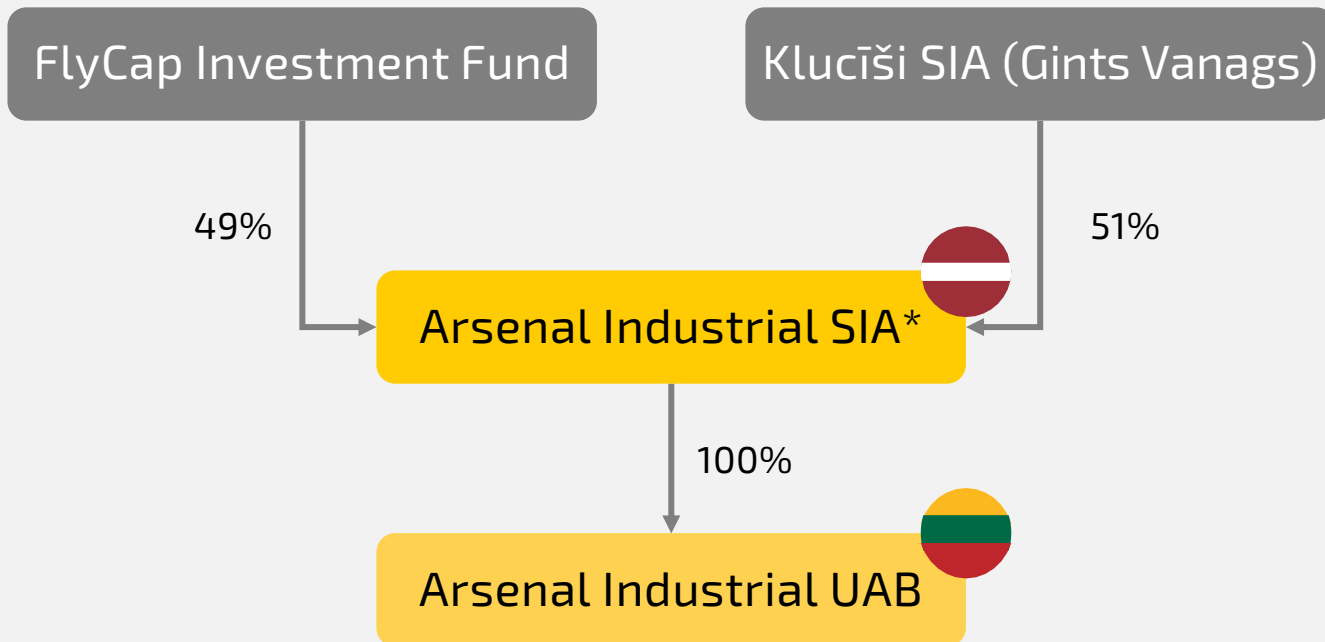
- Savanorių ave. 191A, Vilnius



COMPANY AT A GLANCE

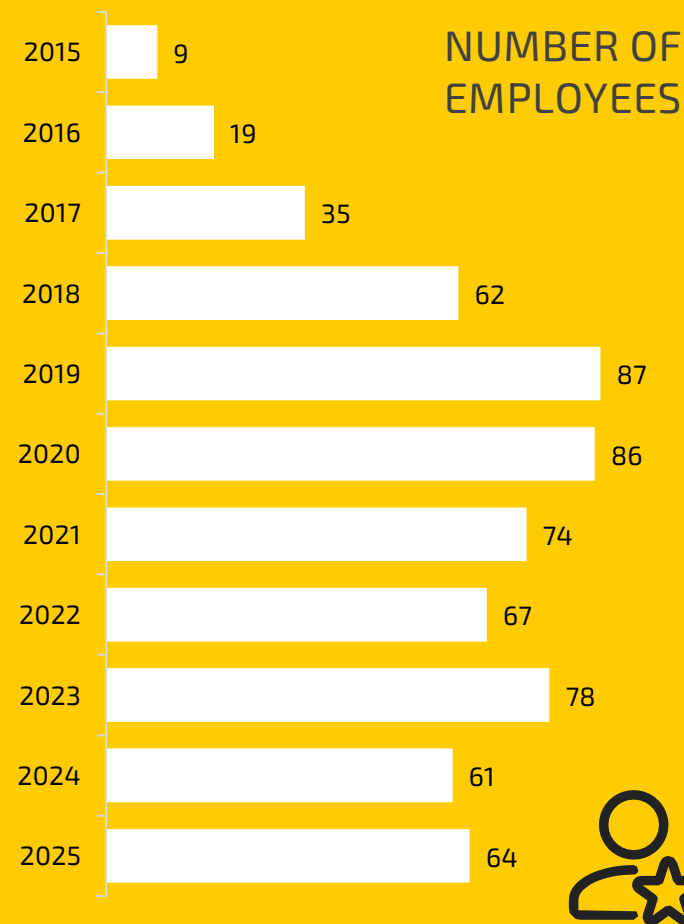
Company Structure

Arsenal currently operates in its key markets of Latvia and Lithuania, where it has established a local platform serving customers across its core end-markets



* Arsenal Industrial SIA also has subsidiaries in Estonia and Poland that have very limited operations

The Company employs c. 64 FTEs and has its HQ in Riga, providing a solid operational base for continued development and growth



COMPANY AT A GLANCE

Experienced Management Team in Place



Gints Vanags
CEO & Board Member

- Co-Founder of Arsenal, serving as CEO since the company was founded in 2014
- Has successfully led the company through multiple economic cycles
- Ownership 51%



Ģirts Milgravis
Council Member

- Co-Founder of Arsenal, serving as Council Member since the company was founded in 2014
- Has provided strategic and financial support throughout Arsenal's growth
- Ownership (FlyCap) 49%



Eva Miķelsone
Head of Marketing &
Council Member

- Head of Marketing at Arsenal since 2017
- Strong experience across various marketing roles with previous employers



Mārtiņš Skrastiņš
Head of Sales

- Head of Sales at Arsenal since 2021
- Employed at Arsenal since 2017
- Strong experience from various sales routes at previous employers



BUSINESS & OPERATIONS OVERVIEW

BUSINESS & OPERATIONS OVERVIEW

Rental Market Overview (1/2)

Baltic rental machinery market size is around 430 million EUR

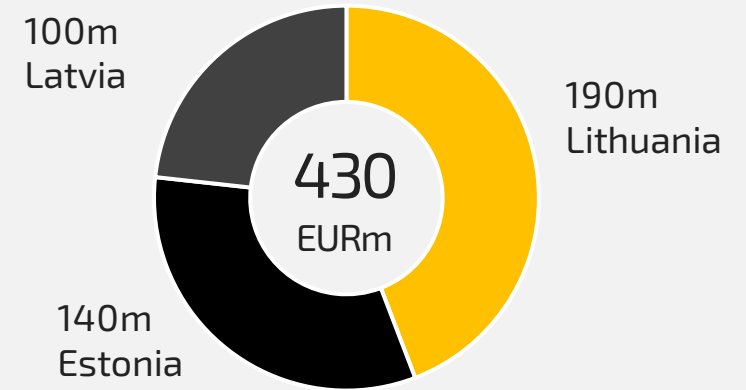
Baltic Construction Market Overview (2022–2027E)

	2022 actual	2023 actual	2024 actual	2025 estimate	2026 estimate	2027 estimate
Construction Output (EUR bn)	14.7	15.8	15.4	16.6	17.4	18.1
YoY Growth	—	7.5%	(2.5%)	7.8%	4.8%	4.0%
Residential Construction Volume (1000 m ² permitted area)	2,320	2,450	2,520	2,650E	2,780E	2,920E
Active Construction Companies	~21,500	~22,000	~22,200	~22,700E	~23,100E	~23,500E

Market Highlights

- Baltic construction market is expected to continue growing, supported by infrastructure, energy and EU-funded projects across Baltics
- Market growth is driven by Rail Baltica, renewable energy investments, grid modernization and public infrastructure development
- Residential construction activity is gradually recovering across the Baltics, supported by stabilizing interest rates and improving building permit activity
- Earthmoving and heavy construction equipment remain the dominant rental segment across the Baltics, driven by infrastructure and civil engineering projects (~55–60% of total rental demand)
- Lithuania remains the largest construction market in the Baltics, while Latvia and Estonia continue benefiting from significant transport, defense and energy infrastructure investments

Baltic equipment rental market growth
+3% in 2024, +5% in 2025



BUSINESS & OPERATIONS OVERVIEW

Rental Market Overview (2/2)

The Management of the Company anticipates growth in the machinery rental market in the forthcoming years

Latvian Construction Market Overview (2022–2027E)

	2022 actual	2023 actual	2024 actual	2025 estimate	2026 estimate	2027 estimate
Construction Output (EURm)	3,300	3,920	3,750	4,090	4,250	4,390
YoY Growth	—	18.9%	(4.3%)	9.0%	3.9%	3.2%
Residential Construction Volume (1000 m ² permitted area)	917	829	923	950E	980E	1,010E
Active Construction Companies	~7,300	~7,450	~7,600	~7,750E	~7,850E	~7,950E

Market Highlights

- Latvian construction market is expected to continue growing, supported by infrastructure, energy, and EU-funded projects
- Market growth is driven by increasing public sector investments, including Rail Baltica and renewable energy developments
- Residential construction activity remains stable, supported by a gradual recovery in building permits issuance
- Digital rental platforms and telematics improving fleet utilization and operational efficiency
- Earthmoving equipment dominates demand (~57% of global rental segment in 2025)



BUSINESS & OPERATIONS OVERVIEW

Sales Breakdown

Arsenal provides rental, sales and service of construction equipment in Latvia and Lithuania

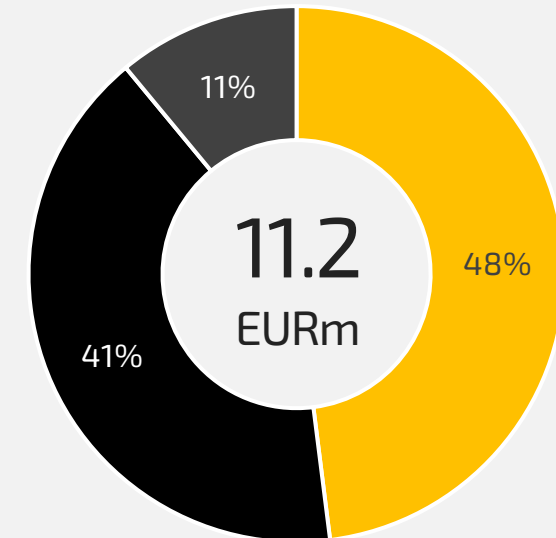
Sales by type in 2021-2027

EUR thousands	2021 actual	2022 actual	2023 actual	2024 actual	2025 actual	2026 estimate	2027 estimate
Rental	5,085	5,575	5,544	4,902	5,370	5,932	6,341
Sale of goods	2,604	2,416	4,348	4,784	4,600	4,922	5,201
Technical, transport services	930	1,164	1,260	1,113	1,245	1,422	1,583
Revenues	8,619	9,155	11,152	10,798	11,216	12,276	13,126

Rent of own machinery represents 36% from total revenues

The rest is new/used machinery sales, re-rent and other services

Revenue split by segment (2025)

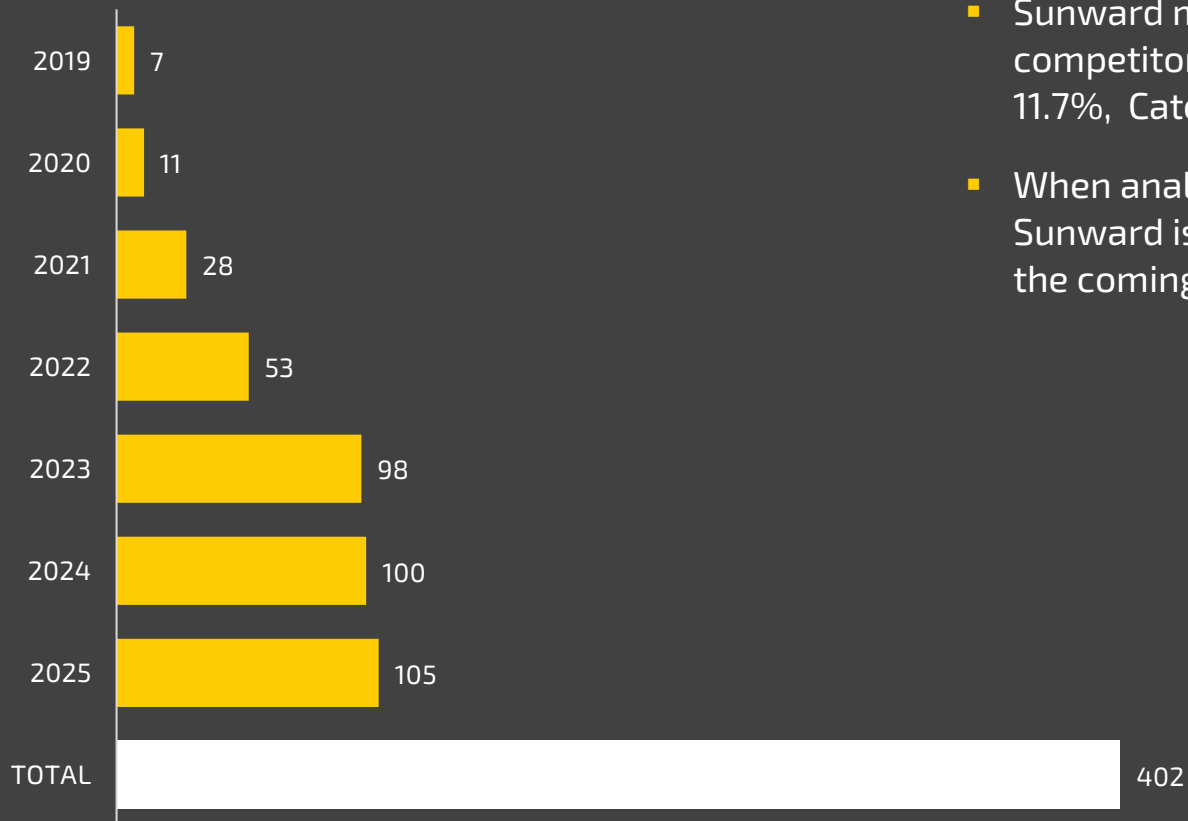


- Rental
- Sale of goods
- Technical & transport services

BUSINESS & OPERATIONS OVERVIEW

Arsenal is # 1 in Latvia (Baltic) mini excavator sales

Sunward Mini Excavators Sold to Customers in Baltics



- Sunward mini-excavator market share in Latvia 16-17%. 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 coming years.



BUSINESS & OPERATIONS OVERVIEW

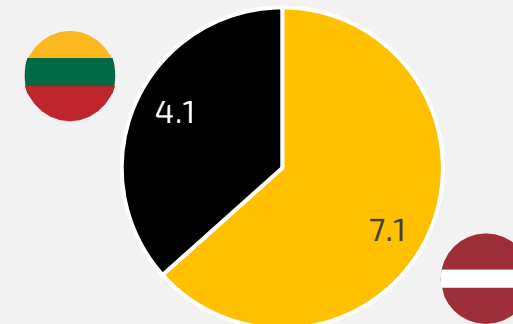
Customers & Revenue Breakdown

- As Arsenal provides products and services to both consumers and businesses, the customer concentration is very low: Approximately 20,000 contracts each year
- Average contract value of EUR 450 in 2025
- The five largest customers represented c. 8% of total revenues for 2025
- In 2025, the Company recorded record revenues of EUR 11.2 million with an EBITDA of EUR 1.7 million

Top 10 largest customers (EUR million)















Customer	Revenues	Customer since
Customer 1	0.31	2020
Customer 2	0.16	2023
Customer 3	0.16	2020
Customer 4	0.14	2023
Customer 5	0.11	2019
Customer 6	0.14	2023
Customer 7	0.14	2019
Customer 8	0.14	2025
Customer 9	0.13	2019
Customer 10	0.11	2023
Total	1.54	

Geographic split in 2025 (EUR million)



BUSINESS & OPERATIONS OVERVIEW

Asset Overview

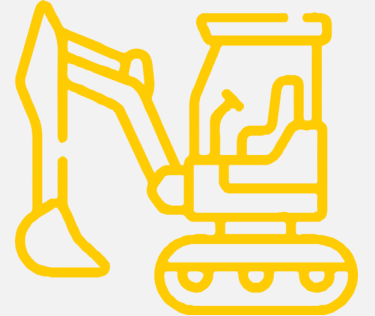
Asset group	Earth treatment and tractor units	Lifting machines	Telescopic and warehouse loaders	Compaction	Heaters and dehumidifiers	Aluminium towers and ladders	Other equipment
Revenue share	44%	9%	9%	4%	3%	8%	23%
Avg. acquisition value (EUR)	39,791	16,808	56,235	3,223	401	133	1,135
Key brands							
Selected equipment							

- In addition, the Company also has machinery for sale worth c. EUR 1–1.3m
- The latest valuation of the asset base was conducted December 31, 2025, and valued the asset base at EUR 8.9m
- Further investments in machinery are expected to increase asset value to EUR 9.7m in 2028, improving collateral value
- The lease portfolio primarily consists of equipment with an average age not exceeding five years

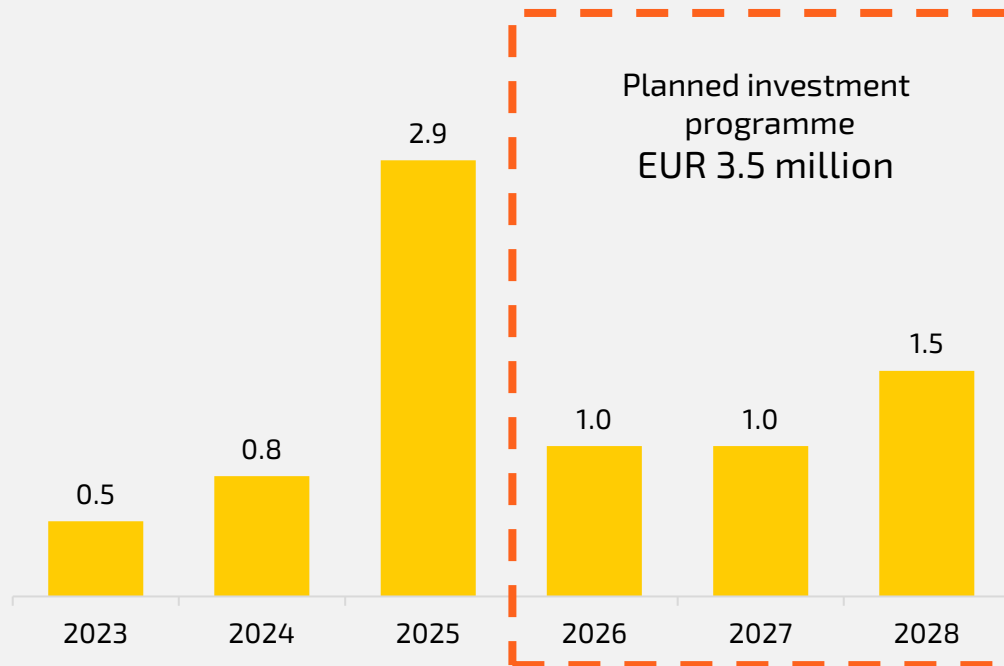
BUSINESS & OPERATIONS OVERVIEW

Investment plan 2026 – 2028

- Over a three-year period (2026 – 2028), it is planned to acquire new equipment with a total value of up to EUR 3.5 million
- This additional equipment is expected to generate approximately EUR 980,000 in annual rental revenue



Annual investment plan in fleet (EUR million)



- Investment strategy prioritizes modern, high-performance machinery with strong rental demand in the market
- Investments are primarily focused on heavy construction machinery and high-capacity equipment to support large-scale projects
- Up to 2025, investment in equipment was relatively limited, however, with the existing fleet and planned new acquisitions, the Company is now positioned to achieve improved operational and financial performance
- Planned investments of EUR 3.5m for 2026–2028 represent approximately 45% of the total investments shown for the 2023–2028 period, highlighting the Company's accelerated fleet expansion strategy in the coming years

FINANCIAL HIGHLIGHTS



FINANCIAL HIGHLIGHTS

Income Statement - Annual results

EUR thousands	2024 (audited)	2025 (audited)
Revenues	10,799	11,217 ¹
Cost of goods sold (COGS)	(8,417)	(8,487)
Gross profit	2,382	2,730
Gross profit margin %	22%	24% ²
Sales costs	(1,293)	(1,340)
Administration costs	(861)	(823) ³
Other operating income	294	248
Other operating expenses	(52)	(51)
EBIT	470	764
Other interest and similar income	6	7
Interest and similar expenses	(876)	(819)
Corporate income tax	0	(11)
Profit (loss)	(400)	(59)
EBITDA	1,303	1,608 ⁴

Income Statement – Highlights (2025)

- ¹ Net turnover increased by 3.9%
- ² Gross margin improvement from 22% to 24%
- ³ Administrative costs decreased by 4.5%
- ⁴ EBITDA increased by 23.4%

Comments

- Gross margin improved from 22% to 24%, primarily driven by a higher share of value-added services, including equipment rental with operators and related service solutions
- Administrative costs decreased in 2025 following implemented cost optimization and efficiency improvement measures
- Improved operational efficiency and a stronger service mix resulted in EBITDA increasing by approximately EUR 0.3 million to EUR 1.6 million in 2025

FINANCIAL HIGHLIGHTS

Income Statement - Quarterly results

EUR thousands	2024 Q1		2025 Q1
Revenues	2,285	1	2,585
Cost of goods sold (COGS)	(1,731)		(1,935)
Gross profit	554		650
Gross profit margin %	24%	2	25%
Sales costs	(313)		(329)
Administration costs	(213)		(226)
Other operating income	47		178
Other operating expenses	(6)		(7)
EBIT	(129)		40
Other interest and similar income	3		0
Interest and similar expenses	(186)		(211)
Corporate income tax	0		0
Profit (loss)	(331)	3	(171)
EBITDA	69	4	267

Income Statement – Highlights (2025)

- 1 Net turnover increased by 13.1%
- 2 Gross profit margin improvement from 24% to 25%
- 3 EBITDA increased by 3.8x
- 4 Weakest seasonal quarter, yet results exceeded expectations

Comments

- Revenue increased by 13% year-on-year in Q1 2026, supported by continued demand growth and expansion of service activities
- Gross profit margin improved from 24% to 25%, driven by a higher share of value-added services and improved operational efficiency
- EBITDA increased significantly from EUR 0.1 million to EUR 0.3 million in Q1 2026, reflecting stronger profitability and improved cost absorption

FINANCIAL HIGHLIGHTS

Balance Sheet - Assets

EUR thousands	2024 (audited)	2025 (audited)
Intangible assets	90	74
Fixed assets	7,014	9,137
Long-term financial investments	33	-
LONG-TERM INVESTMENTS	7,138	9,210
Inventories	2,432	1,402
Accounts receivable	1,478	1,667
Cash	276	395
CURRENT ASSETS	4,186	3,464
BALANCE	11,324	12,674

Balance Sheet Assets – Developments (2025)

- 1 Fixed assets increased by 30%
- 2 As of 31 December 2025, leased fixed assets with a total value of EUR 8.9 million¹
- 3 Inventories reduced by 42%
- 4 Total assets increased by 12%

Comments

- Fixed assets increased by EUR 2.1 million in 2025, reflecting strong investments in equipment and operational capacity
- Inventory levels decreased significantly in 2025 following improved inventory management and stronger asset utilization
- Total assets increased to EUR 12.7 million in 2025, primarily driven by investments in fixed assets supporting business expansion

Notes: ¹ The revaluation of fixed assets was performed by the independent expert from SIA JUREAL

FINANCIAL HIGHLIGHTS

Balance Sheet - Equity & Liabilities

EUR thousands	2024 (audited)	2025 (audited)
Share capital	49	1 57
Share premium	981	1,177
Reserves of revaluated assets	1,336	1,611
Other reserves – exchange rate	18	19
Retained earnings	(1,400)	(1,459)
EQUITY	985	2 1,405
FlyCap Investment Fund, long term	658	715
Bond issue, long-term	4,500	-
Long-term leasing	680	1,057
LONG-TERM CREDITORS	5,838	1,772
Bond issue, short-term	-	4,500
Short-term leasing	1,227	3 1,699
Advances	15	46
Trade payables	2,598	2,521
Taxes payables	426	437
Other creditor	236	293
SHORT-TERM CREDITORS	4,501	9,497
CREDITORS	10,339	4 11,269
BALANCE	11,324	12,674

Balance Sheet Liabilities – Developments (2025)

- 1 Share capital and share premium increased by € 203,844
- 2 Equity increased by 43%
- 3 Leasing liabilities +45% driven by CAPEX & fleet expansion
- 4 Total liabilities increased by 12%

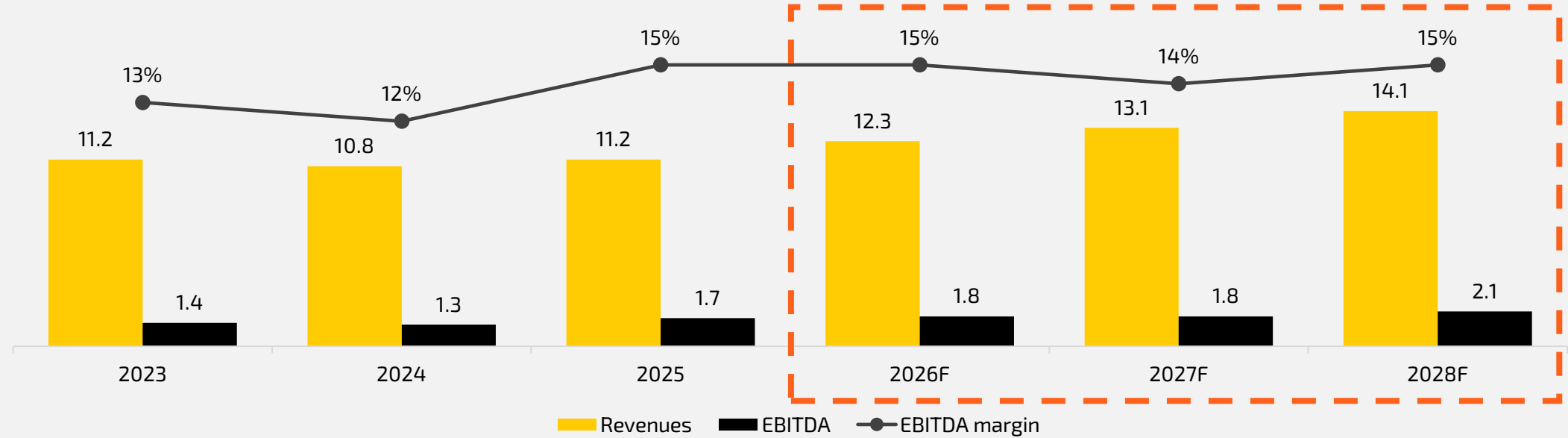
Comments

- Equity increased from EUR 1.0 million to EUR 1.4 million, supported by capital injections and asset revaluation reserves
- Leasing liabilities increased in line with ongoing investments in equipment fleet expansion and modernization
- Trade payables remained stable, reflecting disciplined working capital management despite business growth

FINANCIAL HIGHLIGHTS

Revenues and EBITDA Development

Revenues and EBITDA (EUR million)



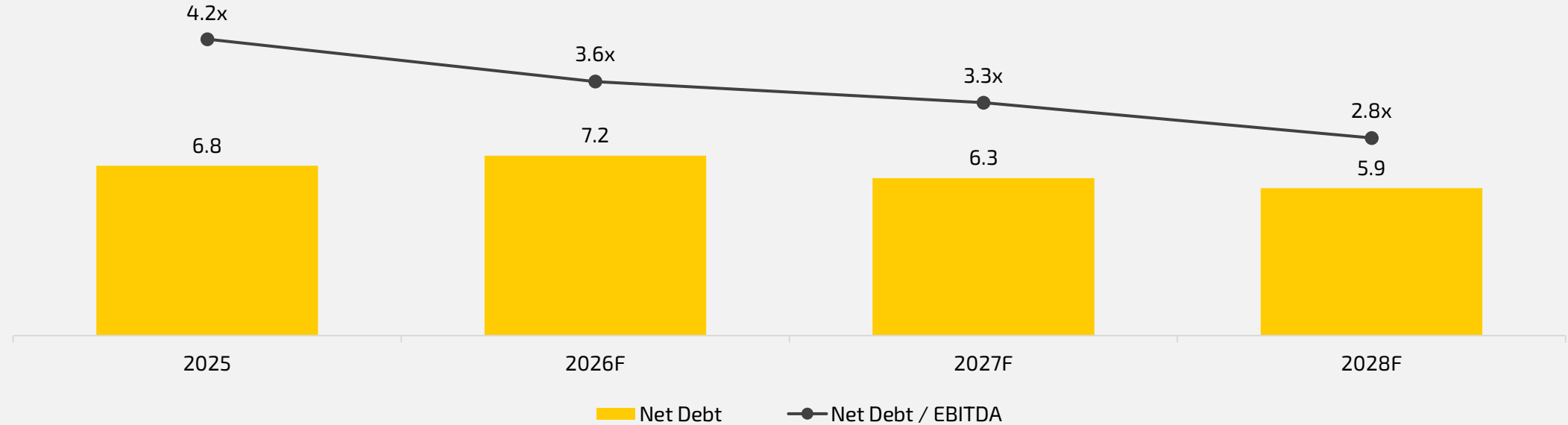
Track-record of stable revenue growth

- Revenue is projected to increase steadily from EUR 12.3 million in 2026 to EUR 14.1 million in 2028, supported by continued business expansion and stable operational growth
- Further investments in machinery during the coming years are projected to drive growth while keeping the EBITDA-margin stable at around 14–15%

FINANCIAL HIGHLIGHTS

Debt Development 2025-2028¹

Total Debt (EUR million) and Net Debt to EBITDA (x) development



Gradual deleveraging

- The Company expects solid deleveraging from 3.6x in 2026 to 2.8x in 2028 through EBITDA expansion
- The Company is currently financed via a bond of EUR 4.5m, lease financing of EUR 2.7m, and a subordinated shareholder loan of EUR 0.7m from FlyCap
- The Company is refinancing its existing bond and lease obligations through a new EUR 3.0 million bond issue and a new EUR 4.4 million bank loan

Notes: 1 The shareholder loan is not included in the figures above

FINANCIAL HIGHLIGHTS

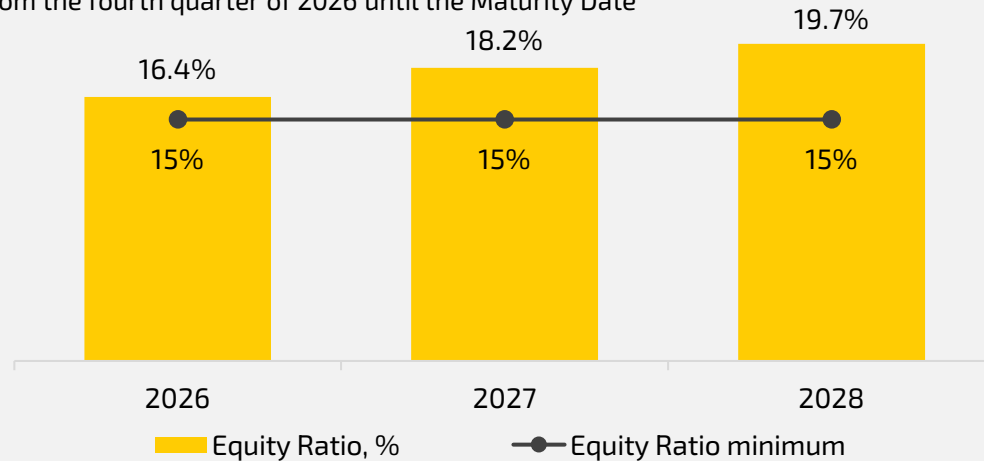
Financial Ratio Development

Overview of Key Financial Ratios for 2026–2028

- The Group's equity ratio is projected to improve from 16.4% in 2026 to 19.7% in 2028, supported by retained earnings generation and strengthening capitalization
- Net debt leverage is expected to decrease from 3.6x in 2026 to 2.8x in 2028, reflecting EBITDA growth and gradual deleveraging over the forecast period
- The forecasted financial profile provides solid headroom against the proposed financial covenants, including the maximum Net Leverage covenant of 5.0x

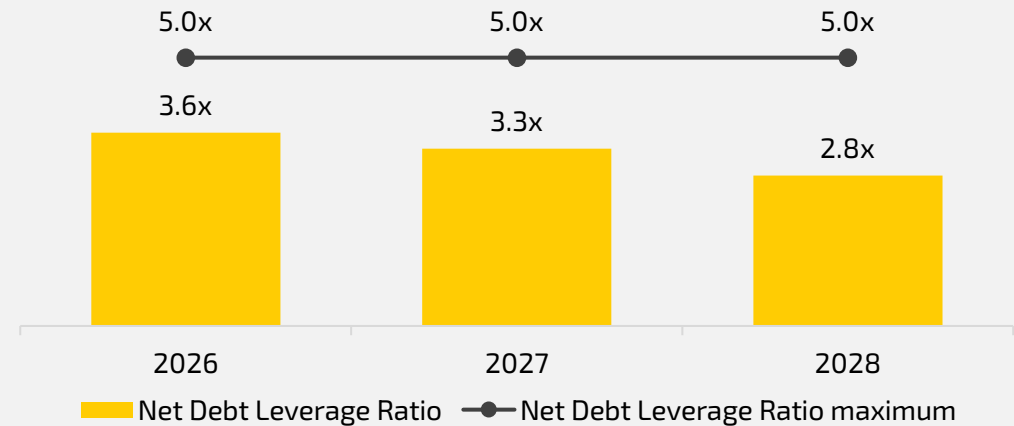
Equity Ratio development (%)

from the fourth quarter of 2026 until the Maturity Date



Net Debt Leverage Ratio

5x from the Issue Date, 4x starting from 1 January 2029 until the Maturity Date



TRANSACTION OVERVIEW



TRANSACTION OVERVIEW

Bond term sheet (1/2)

Issuer	SIA Arsenal Industrial
Type of bond	Secured bonds
Collateral	<p>2nd ranking commercial pledge on:</p> <ul style="list-style-type: none"> ▪ The Issuer's assets; ▪ The Issuer's shares (AS Klucīši); ▪ The assets of subsidiary Arsenal UAB; <p><i>First-ranking commercial pledges in favor of the bank.</i></p>
Type of placement	Public offer in Latvia, Lithuania and Estonia
Exchange offer	Exchange premium: 1.0% for existing bondholders participating in the exchange offer
Total issue size	EUR 3 million
Coupon rate	12%, <i>bullet</i>
Coupon frequency	Monthly
Maturity	3 years
Call Option	<ul style="list-style-type: none"> ▪ After the 1st year – @102%, ▪ After the 2nd year – @101%, ▪ 6 months before maturity – @100%
Put Option	@101% in Case of Change of Control and / or FlyCap exit
Nominal value & minimal subscription	EUR 1,000
Use of proceeds	Refinancing of existing bonds
Financial covenants	<ul style="list-style-type: none"> ▪ Adjusted Equity ratio: min 15% from Q4 2026, ▪ Net Debt / EBITDA: max 5x from Issue Date; max 4x starting from 31.12.2028 ▪ ICR: min 1.5x
Arranger	Signet Bank AS
Collateral Agent	Vilgerts ZAB SIA
Listing	Listing on Nasdaq Baltic First North within 3 months after the Issue Date

TRANSACTION OVERVIEW

Bond term sheet (2/2)

Undertakings	<ul style="list-style-type: none">▪ No dividends or shareholder distributions▪ Related party liabilities subordinated to the Bonds▪ Negative pledge▪ No change in business activities▪ Non-compete restriction for shareholders and management▪ Restriction on minority investments and third-party lending▪ No transfer of trademarks or IP rights▪ No liquidation or share capital reduction▪ Related party transactions at fair market value▪ Information disclosure through Nasdaq Riga information system▪ Nasdaq Baltic First North listing within 3 months after the issue date▪ Use of proceeds restriction / proceeds dedicated to stated purpose
Reporting covenants	<ul style="list-style-type: none">▪ From the Issue Date, to prepare and publish consolidated unaudited quarterly reports within 2 months after the reporting period▪ From the Issue Date to prepare and publish consolidated audited annual reports within 4 months after the reporting period▪ Proof of compliance with the financial covenants to be included in every quarterly report▪ Annual independent asset revaluation with the results of such revaluation in the annual consolidated report
Events of default	<ul style="list-style-type: none">▪ Non-payment▪ Breach of financial covenants (30 calendar day Covenant Cure)▪ Breach of other material undertakings (30 calendar day remedy)▪ Cross-default (EUR 300,000 threshold)▪ Issuer insolvency or bankruptcy petition

TRANSACTION OVERVIEW

Risk Factors

Risks related to the economic and geopolitical environment

- Geopolitical risk
- Macroeconomic risk
- Public health emergency risk

Risks related to legal and regulatory environment

- Regulatory risk
- Changes in customs regulations
- Taxation risk
- Privacy and data protection breach risk

Risks related to the Collateral

- Subordination risk
- Scope of Collateral and leasing arrangements risk
- Risks associated with the Collateral Agent Agreement
- Collateral risk
- Risk associated with the value of the Collateral
- Enforceability of Collateral
- Collateral enforcement risk
- Risks associated with the Collateral Agent's actions and financial standing

Risks related to the Group's business and industry

- Construction equipment rental market risk
- Risk that the Group may not be able to respond quickly to changes in market conditions
- Competition risk
- Seasonality risk
- Equipment sourcing risk
- Fleet management risk
- Business strategy risk
- Product and service quality risk
- Rental agreement management risk
- Working capital and capital expenditure risk
- Insurance coverage risk
- Financial leverage risk
- Interest rate risk
- Inflation risk
- Refinancing risk
- Risk of incurring additional financial indebtedness
- Corporate governance and policy compliance risk
- Personnel risk
- Operational risk
- Counterparty credit risk

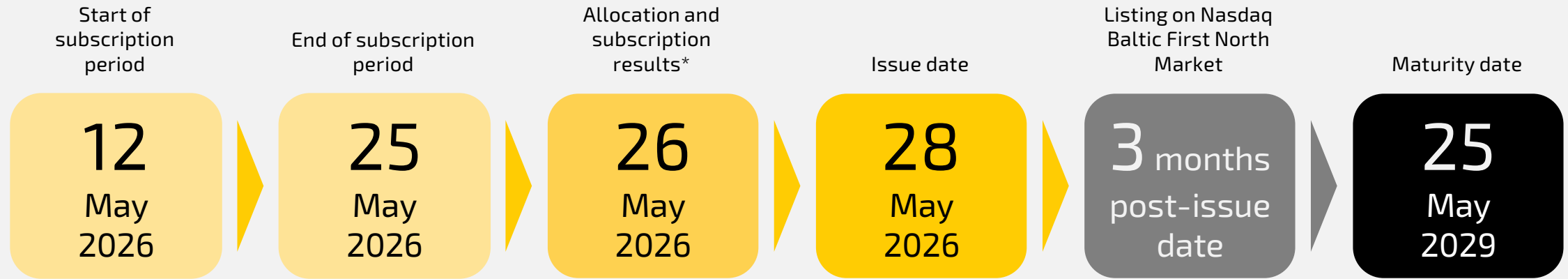
- Litigation risk
- Technology and IT systems risk
- Natural disasters and business disruption risk

Risks related to the Bonds

- Cancellation of the offering risk
- Bonds repayment risk
- Credit and default risk
- Liquidity risk
- Delisting risk
- Price risk
- Early redemption risk
- Tax risk
- Resolutions of the Bondholders risk
- Risk that some Bondholders might have more preferential terms than others
- Exchange Offering risk

TRANSACTION OVERVIEW

Timeline of the Bond Issue



Arranger



How to subscribe?

To invest, a securities account is required. If you do not have one yet, you can open it at any financial institution in the Baltic States that provides investment services.



Legal Counsel & Collateral Agent
VILGERTS

You can subscribe to the Bonds by submitting orders through any Baltic financial institution where you hold a securities account, either via internet banking or by contacting your bank and inquiring about the procedure of subscription.



Auction Provider



Subscription orders can be submitted from 12 May 2026 10:00 until 25 May 2026 14:30.



Notes: * The Offering will be conducted as a public offering in the Baltic States. Final allocation of the Notes will be determined based on investor demand during the offering process.

TRANSACTION OVERVIEW

Co-funded by the European Union

The Issuer has applied for support from the European Regional Development Fund (ERDF) under the EU Cohesion Policy Programme 2021–2027 to implement an investment project aimed at fostering business development, innovation, and international competitiveness, supporting its further expansion in Baltics.

The goal of the project is to attract up to EUR 3 million in investment from capital markets for SIA Arsenal Industrial to support the company's development, innovation, and international competitiveness. The project includes the organization of capital raising and issuance, as well as the engagement of legal, collateral agent, communication, marketing, and advertising services to ensure the necessary capacity for its implementation.

The eligible project costs are around EUR 120,910.00, based on the concluded procurement and conducted market research. The ERDF (European Regional Development Fund) financing amounts to EUR 60,455.00, with the planned ERDF support intensity at 50.00%.



Co-funded by
the European Union



ARSENAL

Gints Vanags

Director, Member of the Board

E: gints.vanags@arsenalrent.com

T: +371 26 303 848

Ģirts Milgrāvis

Member of the Board in FlyCap Investment Fund

E: girts.milgravis@flycap.lv

T: +371 26 150 221

