Timbro Group
Q3 2026 Results

November 2026

SIA Timbro Group
Gaujas iela 5, Cēsis, Cēsu nov., LV-4101
https://timbro.group/

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SIA Timbro Group is pleased to publish this unaudited interim consolidated report for the third quarter and the nine months ended 30 September 2026, prepared in line with the reporting requirements of the Information Document of the secured bonds ISIN LV0000113629 and the terms of the subordinated notes ISIN LV0000113256.

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Company overview

Company name	SIA Timbro Group ("Timbro Group" or the "Company")
Company registration date	21 March 2024
Registration number	40203549571
LEI	984500099E2D75O00E44
Legal address	Gaujas iela 5, Cēsis, Cēsu nov., LV-4101
Co-CEOs	Ringolds Grāpis (Chairman of the Management Board) Raimonds Cipe
Outstanding notes	LV0000113629: secured bonds, 10%, maturing 22.10.2029 LV0000113256: subordinated notes, 12%, maturing 22.03.2030 LV0000850378: subordinated notes, 12%, maturing 14.05.2027 LV0000850360: unsecured notes, 12%, matured on 08.11.2026 LV0000112118: unsecured notes, 12%, called for redemption on 23.11.2026

Group companies as at 30 September 2026

Company	Shareholder	Interest
SIA Timbro	SIA Timbro Group	100%
SIA E-Silva	SIA Timbro Group	80%
SIA Selko	SIA Timbro	66.7%
SIA Slaigo	SIA Selko	100%
SIA Kokvedēji	SIA Timbro	60%
SIA Mežu Loģistika	SIA Kokvedēji	100%

Management commentary

The Group

Timbro Group is a Latvian forestry group engaged in timber and energy wood trading, harvesting and timber logistics, forest and land trading and forest property auctions.

Results

Revenue for the nine months of 2026 was EUR 71.5m (9M 2025: EUR 35.5m) and EBITDA EUR 2.47m (9M 2025: EUR 1.50m). In the third quarter revenue was EUR 22.6m (Q3 2025: EUR 14.0m) and EBITDA EUR 1.01m (Q3 2025: EUR 0.49m). Net profit for the nine months was EUR 0.24m (9M 2025: net loss of EUR 0.05m).

Financial position

At 30 September 2026 total assets were EUR 27.5m and Total Equity, including Subordinated Debt, EUR 9.9m, an Equity Ratio of 35.9%. Net Financial Indebtedness was EUR 12.7m, 2.04x LTM EBITDA.

Significant events in the nine months of 2026

- In September 2026 the Company issued subordinated notes ISIN LV0000113256 of EUR 3.955m (12%, maturing 22 March 2030).
- In August 2026 SIA Timbro acquired 60% of SIA Kokvedēji, the parent company of SIA Mežu Loģistika; both are consolidated from the third quarter of 2026.

Events after the reporting period

- On 22 October 2026 the Company issued secured bonds ISIN LV0000113629 with a total nominal value of EUR 8.0m (10%, maturing 22 October 2029).
- The unsecured notes ISIN LV0000850360 matured on 8 November 2026, and the unsecured notes ISIN LV0000112118 are called for early redemption on 23 November 2026.

Basis of preparation

Unaudited consolidated figures prepared under Latvian accounting standards; 31 December 2025 and FY2025 figures are audited. EUR thousands unless stated otherwise.

Income statement and balance sheet

Consolidated income statement

Currency: EUR '000	Q3 2025	Q3 2026	9M 2025	9M 2026
Revenue	**14,002.3**	**22,645.3**	**35,457.5**	**71,455.2**
of which timber and energy wood sales	*11,242.8*	*18,899.6*	*30,153.4*	*61,986.6*
of which other revenue	*2,759.5*	*3,745.7*	*5,304.1*	*9,468.6*
Cost of goods sold	(13,442.8)	(21,428.4)	(33,426.2)	(67,965.8)
Gross profit	**559.5**	**1,216.9**	**2,031.2**	**3,489.3**
Operating expenses	(384.2)	(330.2)	(963.0)	(1,232.1)
Other operating income and expenses, net	318.1	124.8	432.0	215.3
EBITDA	**493.4**	**1,011.6**	**1,500.2**	**2,472.6**
Depreciation and amortisation	(195.4)	(256.0)	(563.2)	(678.2)
EBIT	**298.0**	**755.6**	**937.0**	**1,794.4**
Net interest expense	(365.6)	(404.7)	(933.6)	(1,171.6)
Profit before tax	**(67.6)**	**350.9**	**3.3**	**622.8**
Corporate income tax	(50.1)	(0.1)	(50.3)	(383.2)
Net profit	**(117.7)**	**350.8**	**(46.9)**	**239.6**

Consolidated balance sheet

Currency: EUR '000	31.12.2025	30.09.2026
Non-current assets	6,935.6	8,137.0
Inventories (incl. advances paid to suppliers)	8,605.7	12,227.4
Receivables and other current assets	10,294.8	6,713.1
Cash and cash equivalents	363.3	381.2
Total assets	**26,199.4**	**27,458.6**
Total equity	**6,510.0**	**5,363.4**
Unsecured notes	8,475.0	5,710.0
Subordinated notes	2,000.0	4,495.0
Bank borrowings, leases and other loans	6,807.1	7,358.6
Trade payables and other liabilities	2,407.3	4,531.6
Total liabilities	**19,689.4**	**22,095.2**
Total equity and liabilities	**26,199.4**	**27,458.6**

Consolidated cash flow statement

Currency: EUR '000	9M 2026
Cash flow from operating activities	
Profit before corporate income tax	622.8
Depreciation, net interest and other non-cash items	1,603.1
Change in working capital [1]	1,907.4
Interest and corporate income tax paid, net	(1,554.8)
Net cash flow from operating activities	**2,578.5**
Cash flow from investing activities	
Acquisition of subsidiaries, net of cash acquired	(324.2)
Purchase of fixed assets, net of disposal proceeds	(683.5)
Net cash flow from investing activities	**(1,007.7)**
Cash flow from financing activities	
Notes issued, net of redemptions	(270.0)
Bank borrowings, leases and other loans, net	249.1
Dividends paid to non-controlling interests	(1,532.0)
Net cash flow from financing activities	**(1,552.9)**
Net change in cash and cash equivalents	**17.9**
Cash and cash equivalents at the beginning of the period	363.3
Cash and cash equivalents at the end of the period	**381.2**

[1] Includes the release of EUR 5.1m of forest sale proceeds held on a Luminor Bank AS transaction account at 31 December 2025 (presented in other receivables).

Financial indebtedness and covenants

Financial Indebtedness and Subordinated Debt

Currency: EUR '000	30.09.2026
Unsecured notes ISIN LV0000850360 and LV0000112118	5,710.0
Luminor Bank AS credit line (SIA Timbro)	4,890.1
Finance leases and other bank loans	2,242.0
Other loans	226.5
Financial Indebtedness	**13,068.6**
Cash and cash equivalents	(381.2)
Net Financial Indebtedness	**12,687.4**
Subordinated notes ISIN LV0000850378	540.0
Subordinated notes ISIN LV0000113256	3,955.0
Subordinated Debt	**4,495.0**

Financial covenants and Net Leverage Ratio

Currency: EUR '000, unless stated otherwise	30.09.2026	Threshold
Total equity	5,363.4	
Subordinated Debt	4,495.0	
Total Equity	**9,858.4**	
Total assets	27,458.6	
Equity Ratio (bonds ISIN LV0000113629)	**35.9%**	**min. 25%**
Equity Ratio (subordinated notes ISIN LV0000113256)	**35.9%**	**min. 20%**
EBITDA (Relevant Period) [1]	6,220.6	
Net Finance Charges (Relevant Period) [2]	1,540.7	
Interest Coverage Ratio	**4.04x**	**min. 1.80x**
Net Financial Indebtedness	12,687.4	
Net Leverage Ratio	**2.04x**	**5.0x step-up**

As at 30 September 2026 the Group met the Financial Covenants of the bonds ISIN LV0000113629 (Information Document, Section 7.15) and the equity ratio covenant of the subordinated notes ISIN LV0000113256 (Terms of the notes, Section 13). The Net Leverage Ratio was below 5.0x, so the Coupon Rate of the bonds ISIN LV0000113629 remains 10% (Section 7.13.1). For the bonds ISIN LV0000113629 the first testing date is 31 December 2026; their calculation as at 30 September 2026 is presented for information.

Relevant Period: 1 October 2025 to 30 September 2026. Equity Ratio = Total Equity / total assets; Total Equity = total equity incl. non-controlling interests + Subordinated Debt (same basis under both terms; the equity ratio of the notes ISIN LV0000113256 is tested quarterly).

[1] Net profit 3,362.8 + corporate income tax 436.6 + net interest expense 1,532.9 + depreciation and amortisation 888.3.

[2] Consolidated interest expense, conservatively including coupons on Subordinated Debt and without deduction of interest income.

Contact information

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