ARVORE
PARTNERS

Arovre
Investor Letter
Q2 2026

INTRODUCTION:

Broader-Based Profitability, Distribution Yield Extends Higher

ANNUALIZED YIELD	Q2 DISTRIBUTIONS	TTM DISTRIBUTIONS	PRIOR YEAR YIELD
12.3%	**$3.7M**	**$12.6M**	**11.0%**
+133 bps vs. prior year	+42% vs. prior year	Trailing twelve months	Q2 2025 comparative

Arvore delivered a strong second quarter, with distributions and profitability advancing broadly across the platform. The annualized yield reached 12.3% in Q2 2026, up 133 basis points from 11.0% in the same quarter of the prior year, while second-quarter distributions of $3.7M were up 42% versus $2.6M in Q2 2025, lifting trailing twelve-month distributions to $12.6M from $11.5M at the end of the first quarter. Beneath the headline figures, TTM EBITDA increased year-over-year in all five verticals, while TTM revenue grew at four of five verticals, led by the Environmental Services and Light Industrial verticals.

OPERATIONAL SUMMARY:

The second quarter built directly on the foundation established in the first quarter. Profitability broadened across the platform, and the improvement in Light Industrial that began in the first quarter converted into a full turnaround this quarter, with both revenue and EBITDA returning to growth. Environmental Services benefited from a significant project anniversary that lifted its year-over-year comparison, while the remaining verticals continued to execute in line with their respective growth plans. Liquidity across the portfolio remains stable, and management teams continue to balance near-term execution with the investments required to support the next phase of growth.

Master Franchisors

FRANCHISE VERTICAL

TTM SALES	TTM EBITDA	EBITDA MARGIN	GEOGRAPHIC REACH
$46.9M	**$8.9M**	**19.0%**	**CA + US**
-1.0% vs. prior year	+3.9% vs. prior year	TTM basis	Active expansion pipeline

Master Franchisors generated TTM revenue of $46.9M in the second quarter, down 1.0% over the same period last year, while EBITDA of $8.9M was up 3.9% over the same period, lifting EBITDA margin to 19.0%. The modest pullback in revenue was more than offset by continued profitability gains, underscoring the operating leverage embedded in the network as it scales. Same-store performance remained the primary driver of results, and the development pipeline continues to provide forward visibility. Management remains focused on converting pipeline discussions into signed commitments over the balance of the year.

Auto Maintenance

AUTO VERTICAL

TTM SALES	TTM EBITDA	EBITDA MARGIN	GROWTH CATALYST
$9.6M	**$3.5M**	**36.5%**	**New Sites**
+7.9% vs. prior year	+28.8% vs. prior year	TTM basis	2026 openings progressing

Auto Maintenance generated TTM revenue of $9.6M and EBITDA of $3.5M in the second quarter, up 7.9% and 28.8% respectively against prior-year comparables, with EBITDA margin strengthening to 36.5%. The margin gain was the largest of any vertical this quarter and reflects continued cost discipline and a favorable service mix, even as top-line growth moderated slightly from the first quarter's pace. The slate of new locations secured for 2026 openings continues to progress, and management expects these sites to continue contributing to growth as they come online through the remainder of the year.

Environmental Services

ENVIRONMENTAL VERTICAL

TTM SALES	TTM EBITDA	EBITDA MARGIN	PROJECT MILESTONE
$76.8M	**$10.9M**	**14.2%**	**Fortis**
+42.9% vs. prior year	+43.7% vs. prior year	TTM basis	Full TTM of contribution

Environmental Services remained the platform's standout performer. TTM revenue of $76.8M was up 42.9% and TTM EBITDA of $10.9M was up 43.7% over the prior-year period, with EBITDA margin essentially unchanged at 14.2%, as EBITDA continues to scale in step with revenue. The comparison itself reflects a base effect: the Fortis Project began ramping in early Q2 of the prior year, so the current trailing-twelve-month window is the first to capture a full twelve months of the project's contribution, whereas the year-ago period reflected only a partial quarter. Underlying demand remains healthy, and the vertical continues to operate more like a scaled, diversified industrial services platform than a single-project story.

Building Products Distribution

BPD VERTICAL

TTM SALES	TTM EBITDA	EBITDA MARGIN	KEY MARKETS
$52.0M	**$3.9M**	**7.5%**	**ON + AB**
+6.4% vs. prior year	+25.7% vs. prior year	TTM basis	Continued share gains

Building Products Distribution continued to perform in line with the trends established earlier in the year. TTM revenue of $52.0M was up 6.4% and TTM EBITDA of $3.9M was up 25.7% over the prior-year period, with EBITDA margin extending its climb to 7.5%. Demand across core Ontario and Alberta markets remained consistent, and the team continued to defend and extend share gains in the non-residential and multi-family segments. Operational discipline around inventory positioning and supplier terms continues to support margin improvement, and large project activity in the vertical's key markets provides multi-quarter visibility.

Light Industrial

INDUSTRIAL VERTICAL

TTM SALES	TTM EBITDA	EBITDA MARGIN	TRAJECTORY
$94.7M	**$13.8M**	**14.6%**	**Growth**
+4.0% vs. prior year	+28.6% vs. prior year	TTM basis	H2 momentum building

Light Industrial completed its turnaround this quarter. TTM revenue grew 4.0% to $94.7M and TTM EBITDA grew 28.6% to $13.8M against the prior-year period, a sharp reversal from the declines reported as recently as the first quarter, with EBITDA margin strengthening to 14.6%. The recent awards referenced last quarter have now converted into active work at scale, and management's forecast for the remainder of 2026 shows no signs of the momentum slowing. Customer diversification continues to reduce the vertical's sensitivity to any single end-market, and the vertical has moved from a recovery story to a growth story heading into the second half of the year.

CONCLUSION:

Q2 2026 marked a step-change in the breadth of the platform's performance. TTM EBITDA grew year-over-year at every vertical, and the annualized distribution yield expanded to 12.3%, with trailing-twelve-month distributions reaching $12.6M. Environmental Services delivered another quarter of exceptional growth as the Fortis Project reached its first full year of contribution, and Light Industrial's recovery has now fully converted into growth, with management's outlook pointing to continued momentum through the balance of 2026. With Master Franchisors, Auto Maintenance, and Building Products Distribution continuing to execute steadily, the platform enters the second half of the year with broader-based profitability and a stronger foundation for sustained distribution growth.

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