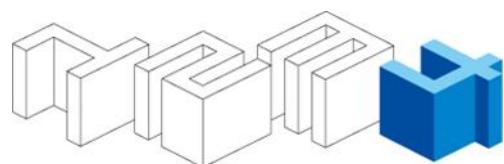




**Financial report for the fourth  
quarter and twelve months of 2025  
(unaudited)**





## Financial report for the fourth quarter and twelve months of 2025 (unaudited)

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<b>Corporate website</b>	<a href="http://www.nordecon.com">www.nordecon.com</a>
<b>Core business lines</b>	Construction of residential and non-residential buildings (EMTAK 4100) Construction of roads and motorways (EMTAK 4211) Repair and maintenance of roads and motorways (EMTAK 4211) Construction of utility projects for fluids (EMTAK 4221) Construction of water projects (EMTAK 4291) Construction of other civil engineering projects (EMTAK 4299)
<b>Financial year</b>	1 January 2025 – 31 December 2025
<b>Reporting period</b>	1 January 2025 – 31 December 2025
<b>Council</b>	Toomas Luman (chairman of the council), Andri Höbemägi, Vello Kahro, Sandor Liive, Andre Luman
<b>Board</b>	Maret Tambek (chairman of the board), Deniss Berman, Tarmo Pohlak
<b>Auditor</b>	KPMG Baltics OÜ



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## Nordecon group at a glance

Nordecon AS (previous names AS Eesti Ehitus and Nordecon International AS) began operating as a construction company in 1989. Since then, we have grown to become one of the leading construction groups in Estonia and a strong player in all segments of the construction market.

For years, our business strategy has been underpinned by a consistent focus on general contracting and project management, and a policy of maintaining a reasonable balance between building and infrastructure construction in our order book. Our core business is supported by road maintenance, property development and other services that provide added value, improve our operating efficiency and help manage risks.

Nordecon's specialists offer high-quality integrated solutions in the construction of commercial, residential, industrial and public buildings as well as infrastructure – roads, utility networks and port facilities. In addition, we are involved in property development, leasing out heavy construction equipment, and road maintenance.

Besides Estonia, the companies of the Nordecon group operate in Ukraine and Sweden.

Nordecon AS is a member of the Estonian Association of Construction Entrepreneurs and the Estonian Chamber of Commerce and Industry. Nordecon AS has developed and implemented a quality management system that complies with ISO 9001, an environmental management system that complies with ISO 14001 and an occupational safety management system that complies with ISO 45001. Compliance with the standards has been certified by DNV.

Nordecon AS shares have been listed on the Nasdaq Tallinn Stock Exchange since 18 May 2006.

## VISION

To be the preferred partner in the construction industry for customers, subcontractors and employees.

## MISSION

To offer customers sustainable building and infrastructure construction solutions that meet their needs and fit their budget and thus help them maintain and increase the value of their assets.

## SHARED VALUES

### Professionalism

As industry professionals, we apply appropriate construction techniques and technologies and observe generally accepted quality standards. Our people are results-oriented and go-ahead, and successfully combine their extensive industry experience with the opportunities provided by innovation.

### Reliability

We are reliable partners – we always keep our promises. Together we can overcome any construction challenge and achieve the best possible results. We act openly, transparently and in accordance with the best practices of the construction industry.

### Teamwork

We value balanced teamwork and create the best environment for sharing knowledge and experience. We notice and recognise each employee's contribution and initiative.

### Sustainability

We uphold responsibility and sustainability in the construction sector and contribute to the achievement of the sustainable development goals supported by society both through our own activities and in cooperation with other market participants.



## Key figures for the 12 months of 2025

<b>€208m</b> Revenue (2024: €224m)	<b>(7)%</b> Revenue change, year on year (2024: 20%)	<b>6.5%</b> Gross margin (2024: 7.5%)
<b>2.7%</b> Operating margin (2024: 3.6%)	<b>€273m</b> Order book at end of period (31 December 2024: €209m)	<b>€235m</b> New contracts secured (2024: €181m)

- **Construction market:** Compared to the optimistic forecasts at the beginning of the year, Estonia's economy grew modestly by 1%, according to preliminary estimates. The construction market stabilised, with a slight increase in activity in the second half of the year in both the buildings and infrastructure segments. The construction price index increased by 1.5% in 2025 compared to 2024, primarily due to an upward trend in material prices.
- **Revenue:** Nordecon's revenue for 2025 decreased compared to 2024, primarily due to a roughly 10% decline in revenue generated by the Buildings segment. Revenue generated by the Infrastructure segment grew by 10%. The Buildings segment accounted for 81% of the group's total revenue, with no significant change in the revenue breakdown between segments compared to the prior year. In 2025, the group substantially increased its order book, paving the way for revenue growth in 2026.
- **Profitability:** The group's gross margin was 6.5% and operating margin was 2.7%. Net profit for the period was primarily affected by the foreign exchange loss caused by the weakening of the Ukrainian hryvnia against the euro.
- **Order book:** During the year, i.e. compared to 31 December 2024, the group's order book grew by 30%, driven by a nearly threefold increase in the order book of the Infrastructure segment. Approximately 69% of the group's order book comprises work scheduled for 2026, with the remainder spread across 2027–2028.



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## Directors' report

### Group strategic agenda and targets for 2023–2027

#### **Business lines and markets**

- The group will grow, mostly organically, with a focus on efficient use of resources.
- In Estonia, we will operate in the building and infrastructure as well as housing development segments.
- In foreign markets (Ukraine, Sweden), we will act as a general contractor and supplier of concrete works.

#### **Activities for implementing the strategy**

- We will provide our people with a modern and inspiring work environment and a motivation system that fosters collaboration and initiative.
- We will improve our profitability by planning and managing our design and construction operations more precisely.
- We will streamline our work and decision-making processes by implementing modern digital solutions.
- We will maintain a balance between the order books of our different operating segments.
- We will set our sustainable development goals and adopt an action plan to achieve them.

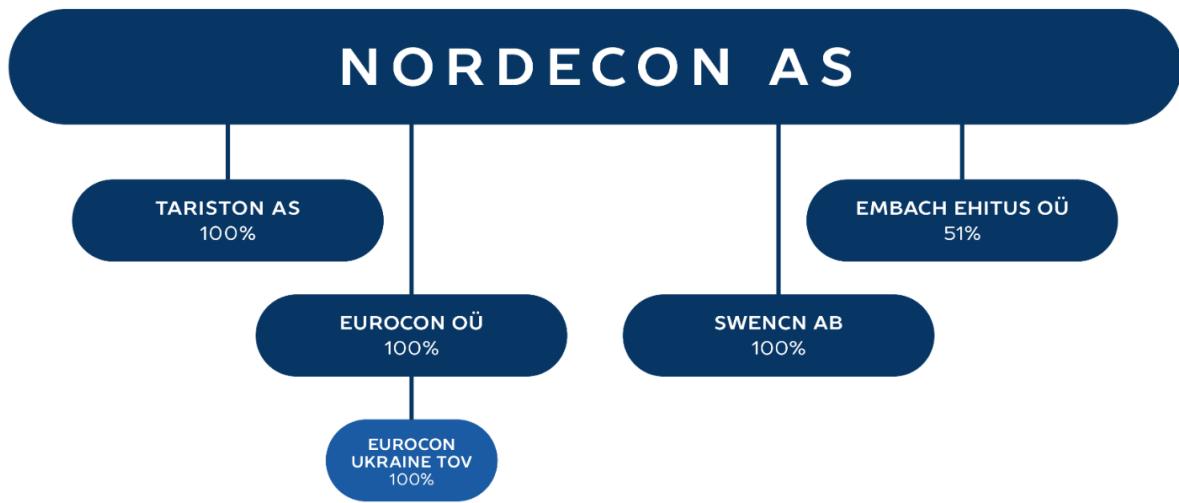
#### **Financial targets**

- Revenue will grow by at least 5% per year.
- Operating margin for the year will be consistently above 3%.
- Operating profit per employee will increase to at least €10 thousand per year.
- We will deliver a strong dividend yield for Nordecon's shareholders.



## Group structure

The group's structure at 31 December 2025, including interests in subsidiaries and associates\*



\* The structure does not include the subsidiaries OÜ Eesti Ehitus, OÜ Aspi, OÜ Linnaehitus, OÜ Eston Ehitus, Kaurits OÜ, EE Ressursid OÜ, SweNCN OÜ, Nordecon Statyba UAB, Eurocon Bud TOV, Technopolis-2 TOV and the associate V.I. Center TOV, which currently do not engage in any significant business activities. The first five were established to protect business names. The structure also excludes investments in companies in which the group's ownership interest is less than 20%, as well as the subsidiary Kalda Kodu OÜ and the associate Ööbikusalu OÜ, which were established for specific development projects.



## Operations and outlook by market

### Operations in Estonia

There were no changes in our operations in the Estonian market compared to the end of 2024. During the period under review, the group was involved in building and infrastructure construction, providing services in practically all market subsegments. A significant share of the core business was conducted by the parent, Nordecon AS, which is also a holding company for the group's larger subsidiaries. In addition to the parent company, construction management services were provided by the subsidiaries Tariston AS and Embach Ehitus OÜ.

The group also continued its other main activities: property development (Embach Ehitus OÜ), rental of heavy construction machinery and equipment, and provision of regional road maintenance services (Tariston AS).

The group did not enter any new operating segments in Estonia.

### Processes and developments characterising the Estonian construction market:

- Contrary to the optimistic forecasts at the beginning of the year, Estonia's economy grew modestly in 2025, expanding by 1%, according to preliminary estimates. The Estonian Institute of Economic Research reports that the construction market has stabilised, with the construction confidence indicator in recent months being slightly higher than in the same period in 2024. A recovery in the construction market became apparent in the second half of the year in both the buildings and infrastructure segments. The construction price index rose by 1.5% in 2025 compared to 2024, by 0.4% in the fourth quarter compared to the third quarter, and by 1.6% in the fourth quarter of 2025 compared to the fourth quarter of 2024. For several consecutive quarters, the construction price index has been most affected by rising material prices, which were also the primary factor in the year-on-year comparison. Labour costs and operating costs for construction machinery have also increased. The outlook for 2026 is more optimistic. Economic analysts are forecasting economic growth of 2.3–3.6%, driven primarily by an improvement in domestic demand. Inflation is also expected to decelerate, accompanied by a modest increase in overall confidence. These factors are expected to create the right conditions for the long-awaited growth of the construction market. The construction market continues to be significantly influenced by public investment, particularly the increased investment in defence and infrastructure. There is also some activity in the private sector, supported by low interest rates. The main risks to the construction market include rising material prices, primarily due to large-scale reconstruction efforts in Ukraine, as well as developments in neighbouring countries' construction sectors.
- Competition in building and infrastructure construction remains fierce. The situation is somewhat less intense for large and complex construction projects, where competition is limited by stricter reference requirements, larger financial guarantees and greater risks for contractors.
- Contracts signed with both public and private sector customers impose strict requirements on construction companies, including extensive obligations, severe sanctions, various financial guarantees and very tight deadlines, which are in striking contrast to the modest eligibility criteria. While the relatively low qualification requirements and the requirement for a low bid have made it easier for a growing number of builders to win a contract, they have also increased the financial, completion delay and quality risks faced by customers during the execution of the contract and the subsequent warranty period.
- Although employment in the construction sector has declined due to the market downturn in recent years, there continues to be a shortage of skilled workers and construction managers (including project and site managers) and the sector needs additional competent employees with proper professional training. This will be particularly important when economic growth triggers a rise in the construction market.

### Operations in foreign markets

#### Ukraine

In Ukraine, our core activities are general contracting and project management in the building construction segment. We also perform concrete works using our own workforce. Due to the military conflict between Russia and Ukraine and the uncertainty as to when it will end, it is not possible to forecast how the Ukrainian economy and construction market will develop in 2026. At the same time, there is an increasing focus on restoring war-damaged buildings and infrastructure and strengthening them against military action. The activities of the group's Ukrainian subsidiary, Eurocon Ukraine, do not have a significant impact on the group's revenue, profit and assets.



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The group has investments in two real estate projects in Ukraine, but the start of development activities has been postponed due to the war. The properties have not been damaged in the military conflict and the group retains control of them.

#### **Sweden**

In the Swedish market, we specialise in the construction of residential and non-residential buildings in the central part of the country. In recent years, rapid inflation and rising interest rates have reduced demand in the Swedish construction market. According to forecasts, the economy is expected to grow by 2.6% in 2026, with a slight increase in building construction volumes. However, the recovery of the construction market is being held back by a large stock of apartments awaiting sale and high vacancy rates for commercial properties. In this challenging market environment, the group is exploring new opportunities while critically assessing potential risks.

During the period, there were no changes in our operations in the Swedish market compared to the end of 2024. Swencn AB did not have any construction projects in progress at 31 December 2025, but the company is seeking new opportunities to continue its business in the Swedish market.



## Description of the main risks

### **Business risks**

The main factors affecting the group's business volumes and profit margins are competition in the construction market, movements in input prices and changes in demand for construction services. Demand for construction services in the infrastructure and buildings segments continues to be strongly influenced by the level of public investment.

Bid prices in both infrastructure and building construction are under strong competitive pressure, with bidders increasingly including not only competing general contractors but also former major subcontractors. This is mainly due to the policy of central and local governments to keep the eligibility requirements for public contracts low. As a result, quality and timely completion are sometimes sacrificed to the lowest price. We are aware of the risks involved in executing contracts signed in an environment of fierce competition and economic uncertainty. When setting prices in such conditions, we seek to strike a reasonable balance between contract performance risks and tight cost control.

Our action plan includes flexible allocation of resources to find more profitable contracts and execute them effectively. In line with our business model, Nordecon is active in all segments of the construction market. This puts us in a somewhat better position than companies that operate in only one narrow segment.

The group's business is affected by the seasonality of construction activity (mainly due to seasonal changes in weather conditions), which has the strongest impact on infrastructure construction, where a lot of work is done outdoors (road construction, earthworks, etc.). Our strategy is to counteract the seasonality of the infrastructure business with building construction, which is less exposed to seasonal fluctuations. Although our long-term goal is to be flexible and maintain a relative balance between our two main operating segments, this has not been possible, mainly due to the decline in public investment. Where possible, our companies implement technical solutions that help them operate efficiently in changing conditions. A key challenge for the construction sector is low productivity, caused by insufficient preparation and planning time and outdated process management methods. We will continue to invest in digital solutions that enable more accurate and efficient planning and management of construction processes. For the third year running, we are also using artificial intelligence to manage our construction process.

### **Operational risks**

To manage their daily construction risks, group companies purchase contractors' all risks insurance. Depending on the nature of the project and the requests of the customer, both general frame agreements and special, project-specific insurance contracts are used. In addition, subcontractors are generally required to secure the performance of their obligations with a bank guarantee provided to a group company or the group retains part of the amount due until the contract has been completed. To remedy construction deficiencies which may be detected during the warranty period, group companies create warranty provisions based on their historical experience. At 31 December 2025, the group's warranty provisions (including current and non-current) amounted to €2,455 thousand (31 December 2024: €2,551 thousand).

In addition to managing the risks directly related to construction operations, we have focused on mitigating the risks associated with pre-construction activities in recent years. In particular, this applies to the bidding process, including compliance with the procurement conditions, budgeting and negotiation of contract terms. Errors made in the planning phase are usually irreversible and, in situations where the price of a construction contract is fixed, can result in direct financial loss.

### **Financial risks**

#### **Credit risk**

The group's credit losses for the year amounted to €354 thousand (2024: €20 thousand). The overall credit risk exposure of the portfolio of receivables is low because the solvency of prospective customers is evaluated, the share of public sector customers is large and customers' payment behaviour is continuously monitored. The main indicator of the realisation of credit risk is a payment delay of more than 180 days combined with no activity on the part of the debtor that would confirm the intention to pay.



## **Liquidity risk**

The group's exposure to liquidity risk is higher than usual. At the reporting date, the group's current ratio was 0.93 (31 December 2024: 0.94). The key factors that influence the liquidity indicator (the current ratio) are the classification of the group's loans to its Ukrainian associate as non-current and the banks' general policy not to refinance overdrafts for a period exceeding 12 months.

Due to the complicated political and economic situation in Ukraine, we believe that the group's Ukrainian investment properties cannot be realised in the short term. Accordingly, the receivables related to the loans provided to the Ukrainian associate of €8,942 thousand were classified as non-current at the reporting date.

In order to better manage cash flows and to address the mismatch between the payment terms agreed with customers and subcontractors, the group uses overdraft facilities. Under IFRS EU, borrowings have to be classified into current and non-current based on contract terms in force at the reporting date. The group's short-term borrowings at 31 December 2025 amounted to €12,049 thousand (31 December 2024: €12,626 thousand). A major share of short-term borrowings was made up of overdraft liabilities of €8,961 thousand. According to the group's assessment, it is likely that the overdrafts will be extended after the reporting date.

The group's cash and cash equivalents as at the reporting date amounted to €5,266 thousand (31 December 2024: €8,195 thousand).

## **Interest rate risk**

The group's interest-bearing liabilities to banks have both fixed and floating interest rates. Lease liabilities have mainly floating interest rates. The base rate for most floating-rate contracts is EURIBOR. The group's interest-bearing liabilities decreased slightly during the year, amounting to €17,757 thousand at the reporting date (31 December 2024: €18,346 thousand). Interest expense for 2025 was €982 thousand (2024: €1,015 thousand).

The main source of interest rate risk is a potential rise in the base rates of floating interest rates. In the light of the group's relatively heavy loan burden, this would significantly increase interest expense, which would have an adverse impact on profit. We mitigate the risk by pursuing a policy of entering, where possible, into fixed-rate contracts when the market interest rates are low. As regards loan products offered by banks, observance of the policy has proved difficult and most contracts have floating interest rates.

## **Currency risk**

As a rule, the prices of construction contracts and subcontracts are fixed in the currency of the host country, i.e. in the euro (€), the Ukrainian hryvnia (UAH) and the Swedish krona (SEK).

Due to Russia's military invasion of Ukraine in February 2022 and Ukraine's previous political and economic instability, the exchange rate of the hryvnia has been volatile. In 2025, the hryvnia weakened against the euro by around 12%. As a result, the translation of the loans given to the group's Ukrainian subsidiaries in euros into the local currency gave rise to an exchange loss of €750 thousand (2024: an exchange loss of €247 thousand). Exchange gains and losses on financial instruments are recognised in the statement of comprehensive income within finance income and finance costs, respectively. The translation of receivables and liabilities from operating activities did not give rise to any exchange gains or losses.

Our Ukrainian and non-Ukrainian subsidiaries' reciprocal receivables and liabilities that are related to the construction business and denominated in hryvnias do not give rise to exchange gains or losses. The loans provided to the Ukrainian associate in euros do not give rise to exchange differences to be reported in the group's accounts either.

In 2025, the Swedish krona strengthened against the euro by around 6%. The translation of a loan provided to the Swedish subsidiary in euros into the local currency did not give rise to any exchange gain or loss (2024: an exchange loss of €11 thousand). Exchange gains and losses on financial instruments are recognised in the statement of comprehensive income within finance income and finance costs, respectively. The translation of receivables and liabilities from operating activities gave rise to an exchange loss of €10 thousand (2024: no exchange gain or loss). The exchange loss was recognised in the statement of comprehensive income within other operating expenses.



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The group has not acquired derivatives to hedge currency risk. A significant portion of the group's currency risk arises from fluctuations in the exchange rate of the Ukrainian hryvnia (UAH), for which hedging with financial derivatives is neither feasible nor economically practical in current market conditions. The group has considered possible alternative hedging methods, but given the limitations of the local financial market, hedging is currently not possible. The group monitors exchange rate movements on an ongoing basis and regularly assesses the potential impact of the exposure on its financial performance.

#### **Employee and work environment risks**

Finding a permanent, skilled and qualified workforce is a challenge for the entire construction industry and one of the most important factors influencing business performance. To strengthen Nordecon's reputation as an employer and to ensure that we will have employees in the future, we work with educational institutions. Continuous employee development is essential and one of our acknowledged priorities. We also rely on our subcontractors' ability to find employees with the necessary skills and qualifications.

We seek to minimise the risks to the health and safety of everyone working on our construction sites, including our own teams and those of our subcontractors, by applying the measures required by law and set out in our management systems. While subcontractors are responsible for ensuring the safety of their operations and employees, our role is to foster collaboration and create conditions that encourage compliance with safety regulations.

#### **Environmental risks**

Construction activities have a direct impact on wildlife, soil and the physical environment. We therefore strive to minimise the impact of our operations on the surrounding environment and nature. The group's assets and operations with the greatest environmental impact, and thus the greatest environmental risk, are asphalt plants, quarries used for the extraction of construction materials and road construction operations. The main environmental protection measures at construction sites include efficient use of materials and proper waste management. Waste, leaks, spills, pollution, destruction of wildlife and other environmental damage are prevented by complying with legal and regulatory requirements.

#### **Corruption and ethical risks**

Nordecon is one of the leading construction companies in the Estonian market. It is therefore important for us to be aware of the risks associated with breaching honest and ethical business practices. We have established internal procedures and policies, comply with the rules of the Tallinn Stock Exchange and cooperate with external and internal auditors, regulators and supervisory authorities. We strive to ensure that our companies' management quality, organisational culture and internal communication emphasise zero tolerance for dishonest, unethical and corrupt behaviour. Transparent decision-making and open communication are underpinned by effective internal collaboration and external communication. Openness is supported by the increasing use of IT solutions.



## Performance by geographical market

For the second consecutive year, Ukraine was our only foreign market, accounting for around 2% of the group's revenue. During the period, a significant proportion of our Ukrainian revenue came from the reconstruction of a building in Ovruch, Zhytomyr Oblast, into an apartment building for internally displaced persons, and the restoration of the administrative building of the Kiev TV tower. In addition, we continued to provide services under the contracts signed in 2023 for the reconstruction of substations and the installation of associated physical protection systems in the Poltava, Zhytomyr, Volyn and Ivano-Frankivsk oblasts. Work in these areas is taking longer than originally planned and depends on the consumption needs of the national grid. No revenue was generated in Sweden during the period under review as Nordecon had no construction contracts in progress in the Swedish market.

	2025	2024	2023
Estonia	98%	98%	97%
Ukraine	2%	2%	2%
Finland	-	-	1%

## Performance by business line

### Segment revenues

The group's goals include maintaining a balance between the revenues of the two main operating segments (Buildings and Infrastructure), where market conditions permit. This helps us diversify risk and provides better opportunities to continue construction activities in challenging market conditions where, for example, volumes in one subsegment decline sharply while volumes in another start to grow more rapidly.

The group's revenue for 2025 was €208,281 thousand, approximately 7% lower than in 2024, when revenue amounted to €223,925 thousand. The Buildings segment generated revenue of €168,302 thousand and the Infrastructure segment revenue of €39,902 thousand. The corresponding figures for 2024 were €187,573 thousand and €36,299 thousand (see note 8). Revenue generated by the Buildings segment decreased by around 10%, while revenue generated by the Infrastructure segment increased by 10% compared to 2024.

Revenue by operating segment*	2025	2024	2023
Buildings	81%	84%	74%
Infrastructure	19%	16%	26%

\* In the directors' report, projects have been allocated to operating segments based on their nature (i.e. building or infrastructure construction). In the segment reporting presented in the consolidated financial statements, allocation is based on the subsidiaries' main field of activity (as required by IFRS 8 Operating Segments). In the consolidated financial statements, the results of a subsidiary that primarily operates in the Buildings or the Infrastructure segment are presented in the respective segment. In the directors' report, the revenues of such a subsidiary are presented based on their nature. The differences between the two reports are not significant because group companies mostly specialise in specific areas. The figures for the parent company are allocated in both parts of the report based on the nature of the work



### Subsegment revenues

In 2025, most of the revenue generated by the Buildings segment came from the public and commercial buildings subsegments, with the latter contributing at its highest level in recent years. Revenue from commercial buildings increased by around 71% year on year, while revenue from public buildings decreased by around 32%. Revenue generated by the apartment buildings subsegment mainly consisted of revenue from own development operations.

The largest projects in the public buildings subsegment were the design and construction of a new study and sports building for the Saku Upper Secondary School near Tallinn, the construction of the Tiskre School in the Harku rural municipality, the design and construction of a study building for the Estonian Centre for Defence Investment on the Raadi campus in Tartu, and the design and construction of Loodusmaja (Nature Hub) and the new television building of Estonian Public Broadcasting in Tallinn.

The largest projects in the commercial buildings subsegment were the construction of the LEED Platinum compliant Golden Gate office building at Ahtri 6 in Tallinn, a commercial building at Väike-Turu 7 in Tartu, the LEED Gold compliant Uusküla spa hotel on the northern shore of Lake Peipus in the Alutaguse rural municipality, a spa hotel and a swimming complex in Viljandi, and Lidl stores in Viljandi and Võru.

Revenue from our own property development operations, which is reported in the apartment buildings subsegment, increased compared to the same period last year, reaching €9,750 thousand (2024: €7,685 thousand). The figure primarily reflects the sale of apartments in phase 1 of the Seileri Kvartal housing estate in Pärnu (<https://seileri.ee>) and the Tammeperja Kodu housing estate in the Tammelinn district in Tartu (<https://tammelinn.ee>). Preparations for, and the construction of, the next phases are underway in both developments. When carrying out our own development activities, we carefully monitor potential risks in the housing development market.

Revenue breakdown in the Buildings segment	2025	2024	2023
Public buildings	52%	70%	37%
Commercial buildings	39%	21%	23%
Apartment buildings	8%	6%	27%
Industrial and warehouse facilities	1%	3%	13%

The largest revenue contributor in the Infrastructure segment is still the road construction and maintenance subsegment, whose revenue remained stable compared to the previous year. A major share of its revenue came from the construction of the Rail Baltica main line railway infrastructure: the Hagudi–Alu section of stage III in Rapla County and the Selja–Tootsi section of stage I in Pärnu County. A significant share of revenue also came from the sale of asphalt concrete and the provision of road maintenance services in Järva County. Most of the other engineering revenue resulted from the construction of a platform area for Class E aircraft at Tallinn Airport.

Revenue breakdown in the Infrastructure segment	2025	2024	2023
Road construction and maintenance	87%	90%	63%
Other engineering	13%	10%	30%
Environmental engineering	0%	0%	7%



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## Financial review

### Financial performance

Nordecon's gross profit for 2025 was €13,535 thousand (2024: €16,770 thousand). Compared to 2024, the group's gross margin decreased by 1 percentage point to 6.5% (2024: 7.5%). The gross margin for the fourth quarter was 5.9% (Q4 2024: 9.0%). The group's gross margin continues to be strongly influenced by that of the Buildings segment, which was 7.7% for both the full year and the fourth quarter of 2025 (2024: 8.9% and Q4 2024: 10.7%). The gross margin of the Infrastructure segment was lower, reaching 4.8% for the full year and 2.9% for the fourth quarter of 2025, but higher than in the previous year (2024: 4.0% and Q4 2024: (0.3)%).

The group's administrative expenses for 2025 totalled €6,814 thousand, reflecting a decline of around 14% compared to the previous year (2024: €7,878 thousand). The decrease is due to lower staff costs, resulting from weaker financial performance and therefore the recognition of a smaller liability for performance-based pay (see note 11). The ratio of administrative expenses to revenue was 3.3% (2024: 3.5%).

The group's operating profit for 2025 amounted to €5,651 thousand (2024: 8,061 thousand). EBITDA was €8,250 thousand and EBITDA margin was 4.0% (2024: €11,025 thousand and 4.9%).

The group's finance income and costs are affected by exchange rate fluctuations in the group's foreign markets, particularly movements in the exchange rate of the Ukrainian hryvnia (see the Financial risks section). In 2025, the exchange rate of the Ukrainian hryvnia weakened against the euro by around 12% and the translation of the loans provided to the group's Ukrainian subsidiaries in euros into the local currency gave rise to a foreign exchange loss of €750 thousand (2024: exchange losses of €258 thousand).

The group ended the period with a net profit of €2,545 thousand (2024: €5,165 thousand). Net profit attributable to owners of the parent, Nordecon AS, amounted to €1,439 thousand (2024: €3,827 thousand).

### Cash flows

The group's operating activities produced a net cash inflow of €1,204 thousand in 2025 (2024: an inflow of €1,075 thousand). The items with the strongest impact on operating cash flow were receipts from customers and cash paid to suppliers, which decreased due to the decline in revenue. Payments to and for employees (including payroll taxes) increased year on year due to the payment of the performance-based pay for 2024.

Investing activities resulted in a net cash outflow of €2,767 thousand (2024: an outflow of €567 thousand). Investments in property, plant and equipment totalled €409 thousand (2024: €328 thousand) and proceeds from the sale of property, plant and equipment amounted to €478 thousand (2024: €319 thousand). Loans provided amounted to €60 thousand (2024: €876 thousand) and interest received to €112 thousand (2024: €307 thousand). In 2025, cash flows from investing activities were also influenced by the placement of cash of €2,898 thousand in long-term deposits to secure guarantee limits.

Financing activities generated a net cash outflow of €1,194 thousand (2024: an outflow of €4,178 thousand). The largest items were related to loans and leases. Proceeds from loans received amounted to €3,802 thousand, consisting mainly of the use of development loans (2024: €1,896 thousand). Repayments of loans received totalled €1,571 thousand (2024: €1,633 thousand), consisting of regular repayments of long-term investment and development loans and the change in the overdraft balance. Lease payments amounted to €2,458 thousand (2024: €2,220 thousand). Dividends paid in 2024 amounted to €1,347 thousand. No dividends were paid in 2025.

At 31 December 2025, the group's cash and cash equivalents amounted to €5,266 thousand (31 December 2024: €8,195 thousand). Management's commentary on liquidity risks is presented in the Description of the main risks section.



## Key financial figures and ratios

Figure/ratio	2025	2024	2023
Revenue (€'000)	208,281	223,925	186,464
Revenue change	(7)%	20.1%	(15.4)%
Net profit (loss) (€'000)	2,545	5,165	(6,418)
Net profit (loss) attributable to owners of the parent (€'000)	1,439	3,827	(942)
Average number of shares	31,528,585	31,528,585	31,528,585
Earnings per share (€)	0.05	0.12	(0.03)
Administrative expenses to revenue	3.3%	3.5%	3.5%
EBITDA (€'000)	8,250	11,025	(412)
EBITDA margin	4.0%	4.9%	(0.2)%
Gross margin	6.5%	7.5%	2.0%
Operating margin	2.7%	3.6%	(1.8)%
Operating margin excluding gain on asset sales	2.7%	3.5%	(2.0)%
Net margin	1.2%	2.3%	(3.4)%
Return on invested capital	8.0%	15.6%	8.0%
Return on equity	9.2%	21.0%	8.3%
Equity ratio	22.9%	23.4%	18.7%
Return on assets	2.1%	4.4%	1.6%
Gearing	26.7%	22.6%	16.6%
Current ratio	0.93	0.94	0.95
<b>At 31 December</b>			
Order book (€'000)	273,060	209,489	216,732

Revenue change = (revenue for the reporting period / revenue for the previous period) – 1 * 100	Net margin = (net profit or loss for the period / revenue) * 100
Earnings per share (EPS) = net profit or loss attributable to owners of the parent / weighted average number of shares outstanding	Return on invested capital = ((profit or loss before tax + interest expense) / the period's average (interest-bearing liabilities + equity)) * 100
Administrative expenses to revenue = (administrative expenses / revenue) * 100	Return on equity = (net profit or loss for the period / the period's average total equity) * 100
EBITDA = operating profit or loss + depreciation and amortisation + impairment losses on goodwill	Equity ratio = (total equity / total liabilities and equity) * 100
EBITDA margin = (EBITDA / revenue) * 100	Return on assets = (net profit or loss for the period / the period's average total assets) * 100
Gross margin = (gross profit or loss / revenue) * 100	Gearing = ((interest-bearing liabilities – cash and cash equivalents) / (interest-bearing liabilities + equity)) * 100
Operating margin = (operating profit or loss / revenue) * 100	Current ratio = total current assets / total current liabilities
Operating margin excluding gain on asset sales = ((operating profit or loss – gain on sales of non-current assets – gain on sales of real estate) / revenue) * 100	



## Order book

The group's order book (backlog of contracts signed but not yet performed) stood at €273,060 thousand at 31 December 2025, reflecting an increase of around 30% compared to the end of 2024. In 2025, we signed new contracts for €234,994 thousand, of which €43,137 thousand in the fourth quarter (2024: €181,437 thousand and Q4 2024: €49,636 thousand).

In terms of the breakdown of the order book between the two main operating segments, the share of the Infrastructure segment has increased compared to the end of 2024. The Buildings segment accounts for 58% and the Infrastructure segment for 42% of the group's total order book (31 December 2024: 82% and 18%, respectively). Compared to 31 December 2024, the order book of the Buildings segment has decreased by 7% and the order book of the Infrastructure segment has increased nearly threefold. The order book of the Buildings segment includes mainly contracts secured in the commercial and public buildings subsegments. The order book of the Infrastructure segment has grown primarily through a major Rail Baltica contract and a contract signed with the Estonian Transport Administration for the construction of the Päädeva–Orgita and Haimre sections of the Tallinn–Pärnu–Ikla road.

The contracts of the Rail Baltica project and the road construction projects financed by the European Cohesion Fund through the Estonian Transport Administration have revitalised the infrastructure segment. However, this does not fully offset the underfunding of road construction. The volume of public investment in the buildings sector has decreased. The market is supported by the defence sector, with some activity also coming from local governments and the private sector.

At 31 December	2025	2024	2023
Order book (€'000)	273,060	209,489	261,732

Major contracts secured in 2025 include:

- Construction of a spa hotel and a swimming complex in Viljandi with an approximate cost of €30,000 thousand.
- Construction of the Punamütsike Kindergarten in Võru with an approximate cost of €6,370 thousand.
- Construction of the Selja–Tootsi section of stage I of the Rail Baltica Pärnu County main line railway infrastructure with an approximate cost of €62,300 thousand.
- Design and construction of a barracks at the Tapa Army Base for the Estonian Centre for Defence Investment with an approximate cost of €5,300 thousand.
- Design and construction of a building for the Estonian Centre for Defence Investment in Harju County with an approximate cost of €3,700 thousand.
- Construction of the Tiskre School in the Harku rural municipality with an approximate cost of €14,500 thousand.
- Design and construction of a technological warehouse for Cristella in Võru with an approximate cost of €4,000 thousand.
- Design and construction of buildings for the Estonian Centre for Defence Investment with an approximate cost of €34,300 thousand.
- Reconstruction of a state building in Võru with an approximate cost of €4,700 thousand.
- Construction of a commercial building in Narva with an approximate cost of €5,005 thousand.
- Construction of the Päädeva–Orgita road section on km 62.2–64.8 and the Haimre traffic junction and road section on km 68.2–70.2 of national road no. 4 (E67), Tallinn–Pärnu–Ikla, into a 2+2 road with an approximate cost of €27,780 thousand.
- Design and construction of special training infrastructure in Võru under a contract following an alliance procurement model with an approximate cost of €8,050 thousand.

Based on the size of the group's order book and the general outlook for the economy and the construction market, the group's management team expects business volumes to increase in 2026. In a highly competitive environment, management has avoided taking unjustified risks that could materialise during contract execution and adversely affect the group's results. The main focus is on managing fixed costs, increasing productivity and executing pre-construction and design activities effectively to leverage our professional competitive advantages.



## People

### Employees and staff costs

In 2025, the group's average number of employees was 431, including 274 engineers and technical professionals (ETPs). The figure remained stable compared to 2024.

#### Average number of employees at group companies (the parent company and the subsidiaries):

	2025	2024	2023
ETPs	274	283	374
Workers	157	152	184
<b>Total average</b>	<b>431</b>	<b>435</b>	<b>558</b>

The group's staff costs for 2025, including all taxes, amounted to €21,355 thousand compared with €24,145 thousand in 2024. Staff costs decreased compared to the previous year due to a decline in performance-based pay.

### Remuneration of the council and the board

In 2025, the service fees of the members of the council of Nordecon AS totalled €241 thousand and the related social security charges amounted to €80 thousand (2024: €199 thousand and €66 thousand, respectively).

During the period, the group recognised a liability of €34 thousand (2024: €198 thousand) for the performance-based compensation of the members of the council and a liability for the related social security charges of €11 thousand (2024: €65 thousand). Of the liability for performance-based compensation recognised in 2024, €125 thousand was paid out in 2025 and the remainder will not be paid.

In 2025, the service fees of the members of the board of Nordecon AS totalled €568 thousand and the related social security charges amounted to €187 thousand (2024: €527 thousand and €174 thousand, respectively).

During the period, the group recognised a liability of €123 thousand (2024: €741 thousand) for the performance-based compensation of the members of the board and a liability for the related social security charges of €40 thousand (2024: €245 thousand). Of the liability for performance-based compensation recognised in 2024, €467 thousand was paid out in 2025 and the remainder will not be paid.

### Labour productivity and labour cost efficiency

We measure the efficiency of our operating activities using the following productivity and efficiency indicators, which are based on the number of employees and the staff costs incurred:

	2025	2024	2023
Nominal labour productivity (rolling), (€'000)	483.2	514.3	499.3
Change against the comparative period, %	(6.0)%	3.0%	1.8%
Nominal labour cost efficiency (rolling), (€)	9.8	9.3	10.3
Change against the comparative period, %	5.3%	(9.7)%	(13.4)%

Nominal labour productivity (rolling) = (past four quarters' revenue) / (past four quarters' average number of employees)

Nominal labour cost efficiency (rolling) = (past four quarters' revenue) / (past four quarters' staff costs)

While the group's nominal labour productivity decreased compared to the previous year due to a decline in revenue, its nominal labour cost efficiency increased, as the decrease in staff costs exceeded the decline in revenue.



## Share and shareholders

### Share information

<b>Name of security</b>	Nordecon AS ordinary share
<b>Issuer</b>	Nordecon AS
<b>ISIN code</b>	EE3100039496
<b>Ticker symbol</b>	NCN1T
<b>Nominal value</b>	No par value*
<b>Total number of securities issued</b>	32,375,483
<b>Number of listed securities</b>	32,375,483
<b>Listing date</b>	18 May 2006
<b>Market</b>	Nasdaq Tallinn, Baltic Main List
<b>Industry</b>	Construction and engineering
<b>Indexes</b>	OMX Baltic Industrials GI; OMX Baltic Industrials PI; OMX Baltic Construction & Materials GI; OMX Baltic Construction & Materials PI; OMX_Baltic_GI; OMX_Baltic_PI; OMX_Tallinn_GI

\* In connection with Estonia's accession to the euro area on 1 January 2011 and based on amendments to the Estonian Commercial Code which took effect on 1 July 2010 as well as a resolution adopted by the annual general meeting of Nordecon AS in May 2011, the company's share capital was converted from 307,567,280 Estonian kroons to €19,657,131.9. Concurrently with the conversion, the company adopted shares with no par value.

In July 2014, Nordecon AS issued 1,618,755 new shares with a total cost of €1,581,523.64, increasing share capital by €1,034,573.01 to €20,691,704.91, and acquired the same number of own (treasury) shares for the same price. The share capital of Nordecon AS consists of 32,375,483 ordinary registered shares with no par value.

Owners of ordinary shares are entitled to dividends as distributed from time to time. Each share carries one vote at the general meeting of Nordecon AS.

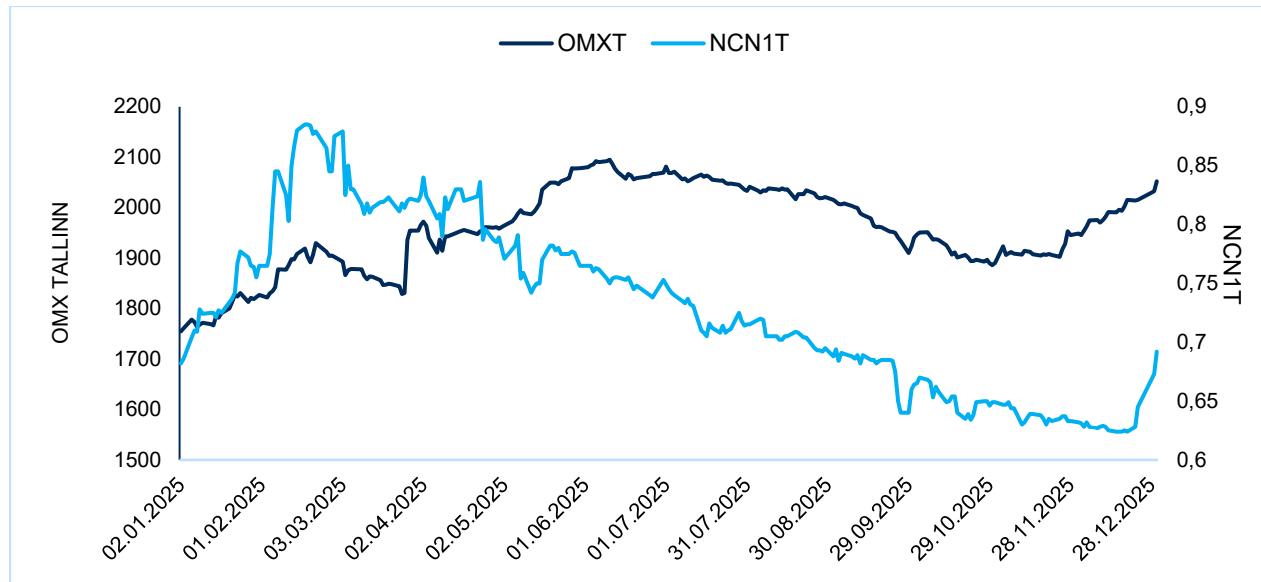
### Movements in the price and trading volume of the Nordecon AS share in 2025

Movements in the share price are in euros and daily turnover in the bar chart is in thousands of euros.





## Movement of the share price compared with the OMX Tallinn Index in 2025



Index/equity	1 January 2025*	31 December 2025	+/-
■ OMX Tallinn	1,733.00	2,052.28	18.42%
■ NCN1T	€0.67	€0.69	2.98%

\* Closing price on the Nasdaq Tallinn Stock Exchange at 31 December 2024

## Summarised trading results

### Share trading history

Price, €	2025	2024	2023
Open	0.67	0.62	0.69
High	0.90	0.74	0.93
Low	0.60	0.48	0.61
Last closing price	0.69	0.67	0.62
Traded volume (number of securities traded)	2,657,335	1,923,109	1,749,055
Turnover, € million	2.00	1.10	1.30
Listed volume (31 December), thousand	32,375	32,375	32,375
Market capitalisation (31 December), € million	22.40	21.76	20.14

## Shareholder structure

### Largest shareholders of Nordecon AS at 31 December 2025

Shareholder	Number of shares	Ownership interest (%)
AS Nordic Contractors	16,563,145	51.16
Luksusjaht AS	4,332,342	13.38
Toomas Luman	830,000	2.56
Signet Bank AS clients	574,200	1.77
Nõmme Erahariduse SA	370,370	1.14
Lembit Talpsepp	360,000	1.11
SEB Pank AS clients	300,000	0.93
OÜ Alar Invest	255,000	0.79
Genadi Bulatov	250,600	0.77
Swedbank AB clients	210,984	0.65



#### Shareholder structure of Nordecon AS at 31 December 2025

	Number of shareholders	Ownership interest (%)
Shareholders with interest exceeding 5%	2	64.54
Shareholders with interest from 1% to 5%	4	6.59
Shareholders with interest below 1%	6,214	26.25
Holder of own (treasury) shares	1	2.62
<b>Total</b>	<b>6,221</b>	<b>100</b>

#### Shares controlled by members of the council of Nordecon AS at 31 December 2025

Council member		Number of shares	Ownership interest (%)
Toomas Luman (AS Nordic Contractors, OÜ Luman ja Pojad)*	Chairman of the Council	17,558,145	54.23
Andri Höbemägi	Member of the Council	50,000	0.15
Vello Kahro	Member of the Council	10,000	0.03
Sandor Liive	Member of the Council	0	0.00
Andre Luman	Member of the Council	25,000	0.08
<b>Total</b>		<b>17,643,145</b>	<b>54.49</b>

\* Companies controlled by the individual

#### Shares controlled by members of the board of Nordecon AS at 31 December 2025

Board member		Number of shares	Ownership interest (%)
Maret Tambek	Chairman of the Board	0	0.00
Deniss Berman	Member of the Board	0	0.00
Tarmo Pohlak	Member of the Board	3,942	0.01
<b>Total</b>		<b>3,942</b>	<b>0.01</b>



## Condensed consolidated interim financial statements

### Consolidated statement of financial position

€'000	Note	31 December 2025	31 December 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		5,266	8,195
Other investments		1,088	0
Trade and other receivables	2	46,348	29,449
Prepayments		3,274	3,543
Inventories	3	26,022	28,091
<b>Total current assets</b>		<b>81,998</b>	<b>69,278</b>
<b>Non-current assets</b>			
Other investments		1,887	77
Trade and other receivables	2	10,142	10,681
Investment property		5,517	5,517
Property, plant and equipment		12,234	13,247
Intangible assets		14,922	14,951
<b>Total non-current assets</b>		<b>44,702</b>	<b>44,473</b>
<b>TOTAL ASSETS</b>		<b>126,700</b>	<b>113,751</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Borrowings	5, 6	12,049	12,626
Trade payables		49,547	36,819
Other payables		9,993	10,260
Deferred income		15,249	12,472
Provisions		1,125	1,333
<b>Total current liabilities</b>		<b>87,963</b>	<b>73,510</b>
<b>Non-current liabilities</b>			
Borrowings	5, 6	5,708	5,720
Trade payables		1,605	5,091
Provisions		2,424	2,826
<b>Total non-current liabilities</b>		<b>9,737</b>	<b>13,637</b>
<b>TOTAL LIABILITIES</b>		<b>97,700</b>	<b>87,147</b>
<b>EQUITY</b>			
Share capital		14,379	14,379
Own (treasury) shares		(660)	(660)
Share premium		635	635
Statutory capital reserve		2,554	2,554
Translation reserve		4,522	4,034
Retained earnings		6,185	4,746
<b>Total equity attributable to owners of the parent</b>		<b>27,615</b>	<b>25,688</b>
Non-controlling interests		1,385	916
<b>TOTAL EQUITY</b>		<b>29,000</b>	<b>26,604</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>126,700</b>	<b>113,751</b>



## Consolidated statement of comprehensive income

€'000	Note	Q4 2025	12M 2025	Q4 2024	12M 2024
Revenue	8, 9	60,615	208,281	45,203	223,925
Cost of sales	10	(56,999)	(194,746)	(41,200)	(207,155)
<b>Gross profit</b>		<b>3,616</b>	<b>13,535</b>	<b>4,003</b>	<b>16,770</b>
Marketing and distribution expenses		(154)	(433)	(121)	(422)
Administrative expenses	11	(2,056)	(6,814)	(2,867)	(7,878)
Other operating income	12	84	154	141	286
Other operating expenses	12	(595)	(791)	(67)	(695)
<b>Operating profit</b>		<b>895</b>	<b>5,651</b>	<b>1,089</b>	<b>8,061</b>
Finance income	13	150	499	241	678
Finance costs	13	(947)	(3,464)	(386)	(3,011)
<b>Net finance costs</b>		<b>(797)</b>	<b>(2,965)</b>	<b>(145)</b>	<b>(2,333)</b>
<b>Profit before tax</b>		<b>98</b>	<b>2,686</b>	<b>944</b>	<b>5,728</b>
Income tax expense		(141)	(141)	(326)	(563)
<b>Profit (loss) for the period</b>		<b>(43)</b>	<b>2,545</b>	<b>618</b>	<b>5,165</b>
<b>Other comprehensive income (expense)</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Exchange differences on translating foreign operations		93	488	(254)	248
<b>Total other comprehensive income (expense)</b>		<b>93</b>	<b>488</b>	<b>(254)</b>	<b>248</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>50</b>	<b>3,033</b>	<b>364</b>	<b>5,413</b>
<b>Profit (loss) attributable to:</b>					
- Owners of the parent		(299)	1,439	454	3,827
- Non-controlling interests		256	1,106	164	1,338
<b>Profit (loss) for the period</b>		<b>(43)</b>	<b>2,545</b>	<b>618</b>	<b>5,165</b>
<b>Comprehensive income (expense) attributable to:</b>					
- Owners of the parent		(206)	1,927	200	4,075
- Non-controlling interests		256	1,106	164	1,338
<b>Comprehensive income for the period</b>		<b>50</b>	<b>3,033</b>	<b>364</b>	<b>5,413</b>
<b>Earnings per share attributable to owners of the parent:</b>					
Basic earnings per share (€)	7	(0.01)	0.05	0.01	0.12
Diluted earnings per share (€)	7	(0.01)	0.05	0.01	0.12



## Consolidated statement of cash flows

€'000	Note	12M 2025	12M 2024
<b>Cash flows from operating activities</b>			
Cash receipts from customers <sup>1</sup>		243,613	273,153
Cash paid to suppliers <sup>2</sup>		(210,621)	(242,605)
VAT paid		(8,583)	(9,272)
Cash paid to and for employees		(22,855)	(19,964)
Income tax paid		(350)	(237)
<b>Net cash from operating activities</b>		<b>1,204</b>	<b>1,075</b>
<b>Cash flows from investing activities</b>			
Paid for acquisition of property, plant and equipment		(409)	(328)
Proceeds from sale of property, plant and equipment	4	478	319
Loans provided		(60)	(876)
Repayments of loans provided		10	5
Dividends received		0	6
Interest received		112	307
Cash placed in long-term deposits		(2,898)	0
<b>Net cash used in investing activities</b>		<b>(2,767)</b>	<b>(567)</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans received		3,802	1,896
Repayments of loans received		(1,571)	(1,633)
Lease payments made		(2,458)	(2,220)
Lease interest paid		(256)	(339)
Interest paid		(716)	(651)
Dividends paid		0	(1,347)
Other payments		5	116
<b>Net cash used in financing activities</b>		<b>(1,194)</b>	<b>(4,178)</b>
<b>Net cash flow</b>		<b>(2,757)</b>	<b>(3,670)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>8,195</b>	<b>11,892</b>
Effect of movements in foreign exchange rates		(172)	(27)
Change in cash and cash equivalents		(2,757)	(3,670)
<b>Cash and cash equivalents at end of period</b>		<b>5,266</b>	<b>8,195</b>

<sup>1</sup> Line item 'Cash receipts from customers' includes VAT paid by customers.

<sup>2</sup> Line item 'Cash paid to suppliers' includes VAT paid.



## Consolidated statement of changes in equity

€'000	Equity attributable to owners of the parent							Non-controlling interests	Total
	Share capital	Treasury shares	Capital reserve	Share premium	Translation reserve	Retained earnings	Total		
<b>Balance at 31 December 2023</b>									
Profit for the period	14,379	(660)	2,554	635	3,786	919	21,613	925	22,538
Other comprehensive income	0	0	0	0	0	3,827	3,827	1,338	5,165
<b>Transactions with owners</b>									
Dividends paid	0	0	0	0	0	0	0	(1,347)	(1,347)
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,347)</b>	<b>(1,347)</b>
<b>Balance at 31 December 2024</b>									
Profit for the period	14,379	(660)	2,554	635	4,034	4,746	25,688	916	26,604
Other comprehensive income	0	0	0	0	0	1,439	1,439	1,106	2,545
<b>Transactions with owners</b>									
Dividends declared	0	0	0	0	0	0	0	(637)	(637)
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(637)</b>	<b>(637)</b>
<b>Balance at 31 December 2025</b>									
	14,379	(660)	2,554	635	4,522	6,185	27,615	1,385	29,000



## Notes to the condensed consolidated interim financial statements

### NOTE 1. Accounting and reporting policies

Nordecon AS is a company incorporated and domiciled in Estonia. The address of the company's registered office is Toompuiestee 35, 10149 Tallinn, Estonia. Nordecon AS's majority shareholder and the party controlling the Nordecon group is AS Nordic Contractors that holds 51.16% of the shares in Nordecon AS. The Nordecon AS shares have been listed on the Nasdaq Tallinn Stock Exchange since 18 May 2006.

The condensed consolidated interim financial statements as at and for the period ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union. The condensed interim financial statements do not contain all the information presented in the annual financial statements and should be read in conjunction with the group's latest published annual financial statements as at and for the year ended 31 December 2024.

According to management's assessment, the condensed consolidated interim financial statements of Nordecon AS for the fourth quarter and twelve months of 2025 give a true and fair view of the group's financial performance and the parent and all its subsidiaries that are included in the financial statements are going concerns. The condensed consolidated interim financial statements have not been audited or otherwise checked by auditors and contain only the consolidated financial statements of the group.

### NOTE 2. Trade and other receivables

€'000	Note	31 December 2025	31 December 2024
<b>Current items</b>			
Trade receivables		38,780	24,581
Retentions receivable		1,031	479
Receivables from related parties	15	195	261
Other receivables		18	292
<b>Total receivables and loans provided</b>		<b>40,024</b>	<b>25,613</b>
Due from customers for contract work		6,324	3,836
<b>Total current trade and other receivables</b>		<b>46,348</b>	<b>29,449</b>

€'000	Note	31 December 2025	31 December 2024
<b>Non-current items</b>			
Loans provided to related parties	15	9,847	9,387
Receivables from related parties	15	0	89
Other non-current receivables		295	1,205
<b>Total non-current trade and other receivables</b>		<b>10,142</b>	<b>10,681</b>

### NOTE 3. Inventories

€'000	31 December 2025	31 December 2024
Raw materials and consumables	6,500	6,591
Work in progress	10,551	11,807
Apartments for sale	215	215
Properties purchased for development and pre-development costs	8,756	9,478
<b>Total inventories</b>	<b>26,022</b>	<b>28,091</b>



## NOTE 4. Property, plant and equipment and intangible assets

### Property, plant and equipment

Additions to property, plant and equipment in 2025 amounted to €3,045 thousand (2024: €2,401 thousand) and consisted of purchases of equipment and construction machinery required for the group's operating activities. Proceeds from the sale of property, plant and equipment amounted to €478 thousand (2024: €319 thousand) (see the statement of cash flows). The associated sales gain was €51 thousand (2024: €202 thousand) (note 12).

### Intangible assets

There were no material transactions with intangible assets in 2025.

## NOTE 5. Borrowings

### Current borrowings

€'000	Note	31 December 2025	31 December 2024
Short-term portion of long-term loans		1,070	5,332
Lease liabilities	6	2,018	2,009
Short-term bank loans		8,961	5,285
<b>Total current borrowings</b>		<b>12,049</b>	<b>12,626</b>

### Non-current borrowings

€'000	Note	31 December 2025	31 December 2024
Long-term bank loans		2,218	1,888
Lease liabilities	6	3,490	3,832
<b>Total non-current borrowings</b>		<b>5,708</b>	<b>5,720</b>

## NOTE 6. Lease liabilities

€'000	31 December 2025	31 December 2024
<b>Lease liabilities at end of period, of which</b>		
Not later than 1 year	5,508	5,841
Later than 1 year and not later than 5 years	2,018	2,009
Base currency €	3,490	3,832
Interest rate for contracts denominated in € <sup>1</sup>	5,508	5,841
Frequency of payments	2.5%-6.5% Monthly	2.5%-7.2% Monthly

<sup>1</sup> Includes leases with floating interest rates

### Lease payments

€'000	12M 2025	12M 2024
Principal payments made during the period	2,458	2,220
Amounts offset during the period	1,312	0
Interest payments made during the period	256	241



## NOTE 7. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to owners of the parent by the weighted average number of shares outstanding during the period. Diluted earnings per share are calculated by dividing the profit or loss attributable to owners of the parent by the weighted average number of shares outstanding during the period, both adjusted for the effects of all dilutive equity instruments.

€'000	12M 2025	12M 2024
Net profit for the period attributable to owners of the parent (€'000)	1,439	3,827
Weighted average number of shares (thousand)	31,528	31,528
Basic earnings per share (€)	0.05	0.12
Diluted earnings per share (€)	0.05	0.12

At the reporting date, Nordecon AS had no dilutive share options. Therefore, diluted earnings per share equal basic earnings per share.

## NOTE 8. Segment reporting – operating segments

The group's chief operating decision maker is the board of the parent company, Nordecon AS. This group of persons monitors the group's internally generated financial information on a regular basis to better allocate the resources and assess their utilisation. Reportable operating segments are identified by reference to monitored information.

The group's reportable operating segments are:

- Buildings
- Infrastructure

Reportable operating segments are engaged in the provision of construction services in the buildings and infrastructure segments.

### Preparation of segment reporting

The prices applied in intersegment transactions do not differ significantly from market prices. The chief operating decision maker reviews intersegment transactions separately and analyses their proportion in segment revenue. Respective figures are separately outlined in segment reporting.

The chief operating decision maker assesses the performance of an operating segment and the utilisation of the resources allocated to it based on the segment's profit. The profit of an operating segment is its gross profit, which does not include major exceptional expenses (such as non-recurring asset write-downs). Items after the gross profit of an operating segment (including marketing and distribution expenses, administrative expenses, interest expense and income tax expense) are not used by the chief operating decision maker to assess the performance of the segment.

According to management's assessment, intersegment transactions are conducted on regular market terms, which do not differ significantly from the terms applied in transactions with third parties.

## Fourth quarter

€'000	Buildings	Infrastructure	Total
Q4 2025			
General contracting services	49,062	9,452	58,514
Own development activities	671	0	671
Road maintenance services	0	517	517
Lease services	0	850	850
<b>Total revenue</b>	<b>49,733</b>	<b>10,819</b>	<b>60,552</b>
<b>Gross profit of the segment</b>	<b>3,833</b>	<b>319</b>	<b>4,152</b>



€'000 Q4 2024	Buildings	Infrastructure	Total
General contracting services	37,727	6,063	43,790
Own development activities	232	0	232
Road maintenance services	0	577	577
Lease services	0	591	591
<b>Total revenue</b>	<b>37,959</b>	<b>7,231</b>	<b>45,190</b>
<b>Gross profit (loss) of the segment</b>	<b>4,070</b>	<b>(19)</b>	<b>4,051</b>

## Twelve months

€'000 12M 2025	Buildings	Infrastructure	Total
General contracting services	158,552	34,673	193,225
Own development activities	9,750	0	9,750
Road maintenance services	0	2,834	2,834
Lease services	0	2,395	2,395
<b>Total revenue</b>	<b>168,302</b>	<b>39,902</b>	<b>208,204</b>
<b>Gross profit of the segment</b>	<b>12,943</b>	<b>1,922</b>	<b>14,865</b>

€'000 12M 2024	Buildings	Infrastructure	Total
General contracting services	179,888	31,363	211,251
Own development activities	7,685	0	7,685
Road maintenance services	0	2,973	2,973
Lease services	0	1,963	1,963
<b>Total revenue</b>	<b>187,573</b>	<b>36,299</b>	<b>223,872</b>
<b>Gross profit of the segment</b>	<b>16,775</b>	<b>1,451</b>	<b>18,226</b>

## Reconciliation of segment revenues

€'000	12M 2025	Q4 2025	12M 2024	Q4 2024
Total revenues for reportable segments	208,204	60,552	223,872	45,190
Other revenue	77	63	53	13
<b>Total revenue</b>	<b>208,281</b>	<b>60,615</b>	<b>223,925</b>	<b>45,203</b>

## Reconciliation of segment profit

€'000	12M 2025	Q4 2025	12M 2024	Q4 2024
Total profit for reportable segments	14,865	4,152	18,226	4,051
Unallocated loss for reportable segments	(1,330)	(536)	(1,456)	(48)
<b>Gross profit</b>	<b>13,535</b>	<b>3,616</b>	<b>16,770</b>	<b>4,003</b>
Unallocated expenses:				
Marketing and distribution expenses	(433)	(154)	(422)	(121)
Administrative expenses	(6,814)	(2,056)	(7,878)	(2,867)
Other operating income and expenses	(637)	(511)	(409)	74
<b>Operating profit</b>	<b>5,651</b>	<b>895</b>	<b>8,061</b>	<b>1,089</b>
Finance income	499	150	678	241
Finance costs	(3,464)	(947)	(3,011)	(386)
<b>Profit before tax</b>	<b>2,686</b>	<b>98</b>	<b>5,728</b>	<b>944</b>



## NOTE 9. Segment reporting – geographical information

€'000	12M 2025	Q4 2025	12M 2024	Q4 2024
Estonia	203,569	58,926	218,868	43,579
Ukraine	4,712	1,689	5,057	1,624
<b>Total revenue</b>	<b>208,281</b>	<b>60,615</b>	<b>223,925</b>	<b>45,203</b>

## NOTE 10. Cost of sales

€'000	12M 2025	12M 2024
Cost of materials, goods and services	174,666	185,051
Staff costs	18,005	19,247
Depreciation expense	1,941	2,187
Other expenses	134	670
<b>Total cost of sales</b>	<b>194,746</b>	<b>207,155</b>

## NOTE 11. Administrative expenses

€'000	12M 2025	12M 2024
Cost of materials, goods and services	2,645	1,872
Staff costs	3,256	4,831
Depreciation and amortisation expense	658	777
Other expenses	255	398
<b>Total administrative expenses</b>	<b>6,814</b>	<b>7,878</b>

## NOTE 12. Other operating income and expenses

€'000	12M 2025	12M 2024
<b>Other operating income</b>		
Gain on disposal of property, plant and equipment	84	215
Other income	70	71
<b>Total other operating income</b>	<b>154</b>	<b>286</b>
 <b>Other operating expenses</b>		
Foreign exchange loss	10	0
Net loss on recognition and reversal of impairment losses on receivables	354	20
Loss on write-off of property, plant and equipment	33	13
Other expenses	394	662
<b>Total other operating expenses</b>	<b>791</b>	<b>695</b>

## NOTE 13. Finance income and costs

€'000	12M 2025	12M 2024
<b>Finance income</b>		
Interest income on loans	411	371
Interest income on bank deposits	86	237
Other finance income	2	70
<b>Total finance income</b>	<b>499</b>	<b>678</b>

The interest income on loans includes interest income on loans to related parties of €411 thousand (2024: €371 thousand) (note 14).



€'000	12M 2025	12M 2024
<b>Finance costs</b>		
Interest expense	982	1,015
Foreign exchange loss	750	258
Other finance costs	1,732	1,738
<b>Total finance costs</b>	<b>3,464</b>	<b>3,011</b>

The foreign exchange loss for 2025 of €750 thousand comprises the loss on the translation of the loans provided to the Ukrainian subsidiary in euros into the local currency. In 2024, the group incurred an exchange loss of €258 thousand.

Other finance costs consist of the fees paid for the letters of guarantee issued to secure the group's financial liabilities.

## NOTE 14. Transactions with related parties

The group considers parties to be related if one controls the other or exerts significant influence on the other's operating decisions (assumes holding more than 20% of the voting power). Related parties include:

- Nordecon AS's parent company AS Nordic Contractors and its shareholders
- Other companies of the AS Nordic Contractors group
- Equity-accounted investees (associates and joint ventures) of the Nordecon group
- Members of the board and council of Nordecon AS, their close family members and companies related to them
- Individuals whose shareholding implies significant influence.

### The group's purchase and sales transactions with related parties

€'000	12M 2025		12M 2024	
Counterparty	Purchases	Sales	Purchases	Sales
AS Nordic Contractors	1,987	11	2,008	8
Companies of the AS Nordic Contractors group	0	11	0	11
Companies related to owners of AS Nordic Contractors	215	0	372	15
Companies related to members of the council and the board	9	0	0	0
Associates	0	2	0	0
<b>Total</b>	<b>2,211</b>	<b>24</b>	<b>2,380</b>	<b>34</b>

€'000	12M 2025		12M 2024	
Nature of transaction	Purchases	Sales	Purchases	Sales
Transactions with goods	5	0	170	8
Lease and other services	469	24	407	11
Guarantee fees	1,724	0	1,738	0
Other transactions	13	0	65	15
<b>Total</b>	<b>2,211</b>	<b>24</b>	<b>2,380</b>	<b>34</b>

During the period, the group recognised interest income on loans to an associate of €411 thousand (2024: €371 thousand).



### Receivables from and liabilities to related parties

€'000	31 December 2025		31 December 2024	
	Receivables	Liabilities	Receivables	Liabilities
AS Nordic Contractors	0	11	0	11
Companies of the AS Nordic Contractors group	1	0	0	0
Companies related to owners of AS Nordic Contractors	191	246	342	43
Associates – receivables and liabilities	3	0	8	0
Associates – loans and interest	9,847	0	9,387	0
<b>Total</b>	<b>10,042</b>	<b>257</b>	<b>9,737</b>	<b>54</b>

### Remuneration of the council and the board

In 2025, the service fees of the members of the council of Nordecon AS totalled €241 thousand and the related social security charges amounted to €80 thousand (2024: €199 thousand and €66 thousand, respectively).

During the period, the group recognised a liability of €34 thousand (2024: €198 thousand) for the performance-based compensation of the members of the council and a liability for the related social security charges of €11 thousand (2024: €65 thousand). Of the liability for performance-based compensation recognised in 2024, €125 thousand was paid out in 2025 and the remainder will not be paid.

In 2025, the service fees of the members of the board of Nordecon AS totalled €568 thousand and the related social security charges amounted to €187 thousand (2024: €527 thousand and €174 thousand, respectively).

During the period, the group recognised a liability of €123 thousand (2024: €741 thousand) for the performance-based compensation of the members of the board and a liability for the related social security charges of €40 thousand (2024: €245 thousand). Of the liability for performance-based compensation recognised in 2024, €467 thousand was paid out in 2025 and the remainder will not be paid.



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## Statements and signatures

The board of Nordecon AS acknowledges its responsibility for the preparation of the group's consolidated interim financial report for the fourth quarter and twelve months of 2025 and confirms that:

- the directors' report presents fairly all significant events that occurred during the reporting period as well as their impact on the condensed consolidated interim financial statements, contains a description of the main risks and uncertainties and provides an overview of significant transactions with related parties;
- the policies applied in the preparation of the condensed consolidated interim financial statements comply with International Financial Reporting Standards as adopted by the European Union (IFRS EU);
- the condensed consolidated interim financial statements, which have been prepared in accordance with financial reporting standards effective for the period, give a true and fair view of the assets, liabilities, financial position, financial performance and cash flows of the group consisting of the parent and other consolidated entities.

Maret Tambek

Chairman of the Board

5 February 2026

Deniss Berman

Member of the Board

5 February 2026

Tarmo Pohlak

Member of the Board

5 February 2026