



ARCO
VARA

Interim report for Q4 2025
(unaudited)

INTERIM REPORT FOR THE FOURTH QUARTER OF 2025 (UNAUDITED)

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Financial year	1 January 2025 – 31 December 2025
Reporting period	1 January 2025 – 31 December 2025
Supervisory board	Kert Keskpaik, Tarmo Sild, Steven Yaroslav Gorelik, Hillar-Peeter Luitsalu, Allar Niinepuu
Chief executive officer	Kristina Mustonen
Auditor	KPMG Baltics OÜ

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Management Report

Group CEO's Review

The fourth quarter of 2025 in the Estonian real estate market was overall stable, but fell short of the expectations set at the beginning of the year. The market was no longer in a downturn phase; however, a clear growth cycle had not yet begun either. Rather, it was a period of stabilization, during which both buyers and sellers were adapting to the new economic environment and waiting for clearer signals regarding interest rates and the overall improvement of economic conditions.

The fourth quarter did not bring the anticipated stronger seasonal recovery. Buyers remained cautious, and decision-making processes became longer, which was reflected in extended sales periods and more modest transaction volumes. Increased price sensitivity was noticeable in the market, and buyers compared offers more thoroughly than before.

The sales pace and the number of interested buyers were weaker than forecasted. Although prices did not decline significantly, the sales pace remained slow, and purchase decisions were often postponed. In order to remain competitive, more flexible payment terms, campaigns, or additional value-added benefits had to be offered to maintain buyer interest and conclude transactions.

For Arco Vara, the fourth quarter was an active and development-rich period, during which we focused both on launching new projects and on the consistent advancement of existing developments. We also invested considerable effort in preparing the pre-sales of the Luther project, developing its concept, and preparing it for the construction phase.

As the sales targets set for the fourth quarter were not achieved, the quarterly results were more modest than expected and remained below the same period last year.

Rannakalda development: Four homes were sold in the fourth quarter. By the end of 2025, 105 out of 113 apartments and commercial units in the project had been sold. The goal was to sell all remaining units by the end of 2025; however, some apartments remained unsold, and their sales will continue in 2026.

Soodi 6 development: Construction began on 30 June 2025. In the fourth quarter, five preliminary purchase agreements were signed. By the end of 2025, a total of 22 out of 66 apartments and commercial units had been sold under preliminary agreements. The project is attractive to young families, investors, and more demanding clients, primarily due to its good location and well-designed, functional layouts.

Spordi development: Construction also commenced in June. In the fourth quarter, four preliminary purchase agreements were signed. By the end of 2025, 16 out of 56 homes had been sold under preliminary agreements. The Spordi development enhances Arco Vara's portfolio with an excellent location in the Kristiine residential district, an area with limited new developments but strong demand for housing. The project incorporates modern and smart solutions.

Arcojärve development: The detailed spatial plan was adopted on 15 October. This is a strategically important project that creates a foundation for further investments in new inner-city developments.

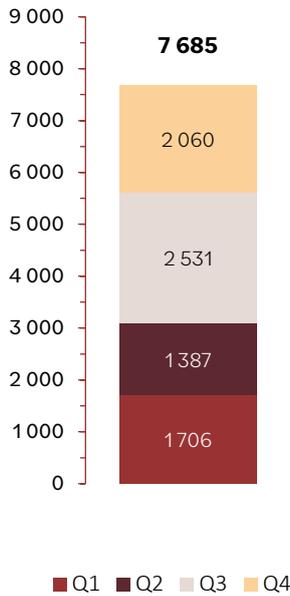
Bulgaria development: Negotiations regarding the Bulgarian subsidiary are ongoing, and relevant decisions are planned in the near future.

Kuldlehe development: In December, the fourth apartment in the building was sold. Only the last apartment remains available in the project, whose exclusive character and limited availability maintain the development's strong position in Tallinn's premium segment.

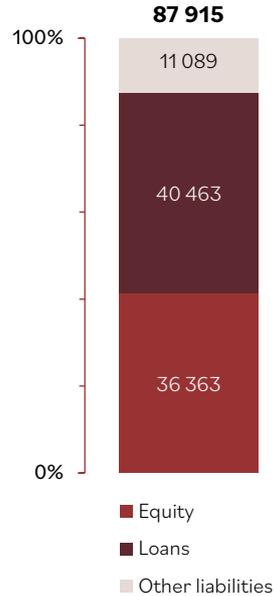
Luther development: Pre-sales of the first phase commenced in December. Design works and preparations for the start of construction are ongoing.

Arco Vara remains focused on developing high-quality and sustainable living environments and on providing the best home-buying experience. Our mission is to create modern, sustainable, and desirable living environments where clients can shape their dream homes, and our vision is to be the first choice for homebuyers.

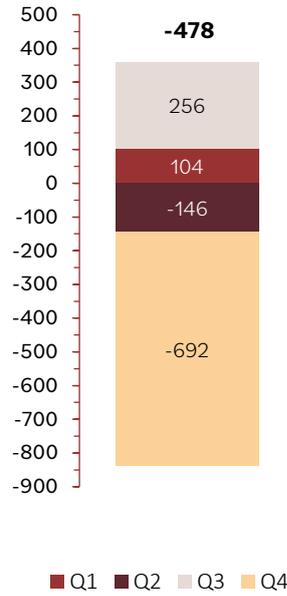
Revenue 2025



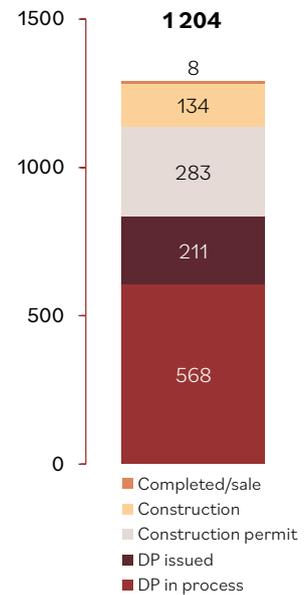
Balance 31.12.2025



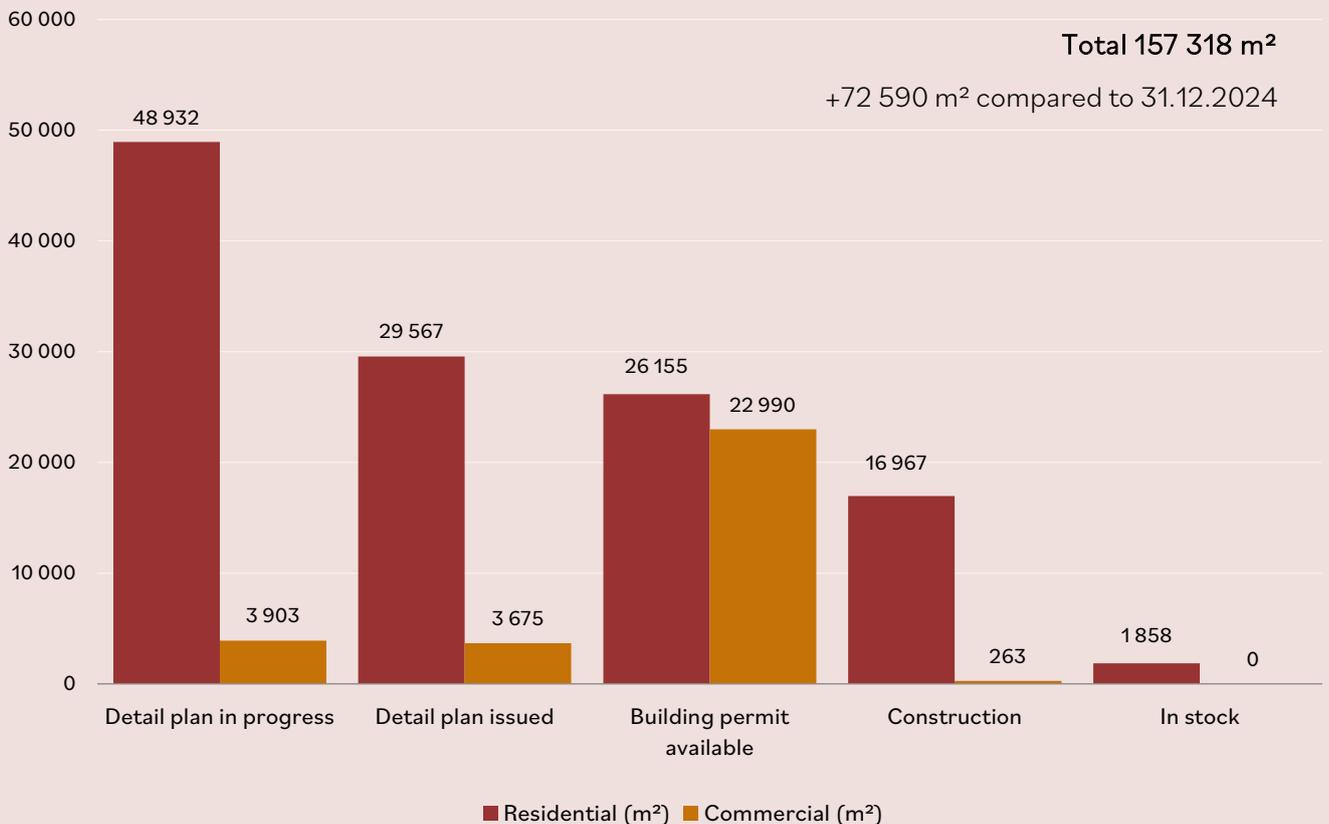
Net profit 2025



Residential units in development



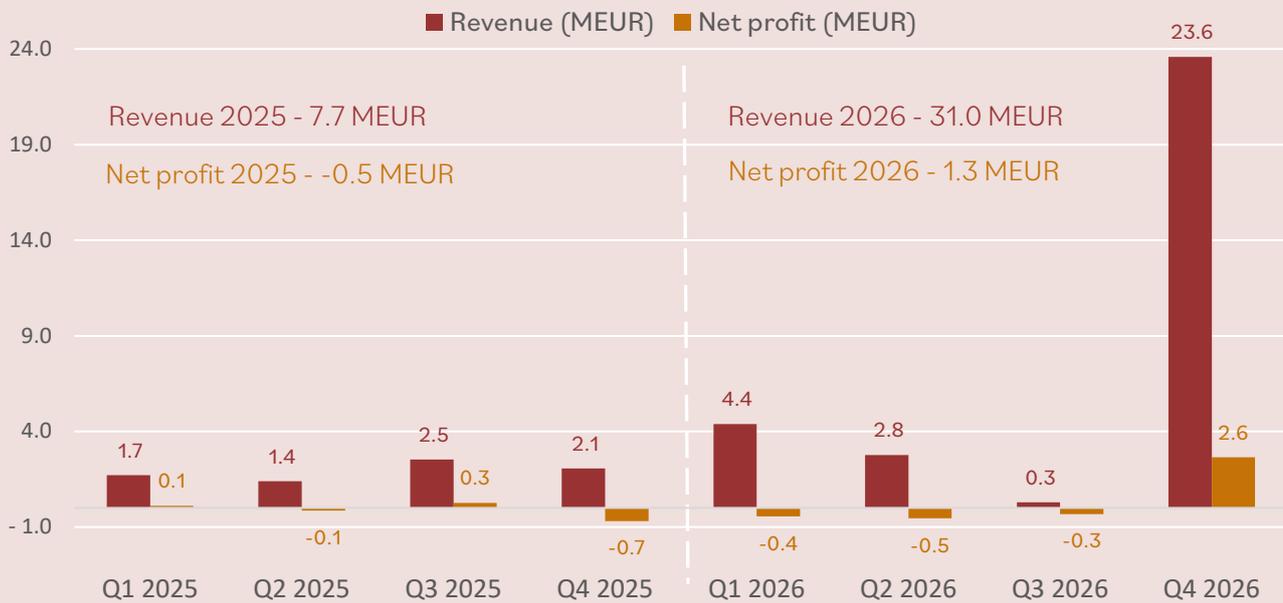
Development volumes (gross m²)



Development schedule 2025 - 2028



Arco Vara Group revenue and profit forecast 2025-2026



Arco Vara's Active Projects as of 31.12.2025



Project name

Kodulahe Rannakalda

Address

Lammi 8, Tallinn

Product main type

Apartments, commercial spaces

Project stage

Sale

Area of plot m²

9,525

GSA/GLA (above ground)

1,960

No of units (above ground)/ available

113/8



Project name

Botanica Lozen Stage I

Address

Lozen, near Sofia

Product main type

Houses

Project stage

Construction

Area of plot m²

20,190

GSA/GLA (above ground)

5,485

No of units (above ground)/ available

16/0



Project name

Kuldlehe

Address

Lehiku road 11, Tallinn

Product main type

Apartments

Project stage

Sale

Area of plot m²

5,219

GSA/GLA (above ground)

558

No of units (above ground)/ available

5/1



Project name

Stage VI Kodulahe

Address

Soodi 6, Tallinn

Product main type

Apartments, commercial spaces

Project stage

Construction

Area of plot m²

5,444

GSA/GLA (above ground)

4,543

No of units (above ground)/available

66/44



Project name

Spordi 3a, 3b

Address

Spordi 3a, 3b, Tallinn

Product main type

Apartments

Project stage

Construction

Area of plot m²

5,566

GSA/GLA (above ground)

4,312

No of units (above ground)/available

56/40



Project name

Arcojärve

Address

Paldiski road 124b, Tallinn

Product main type

Apartments, commercial spaces

Project stage

Detail plan in process

Area of plot m²

69,506

GSA/GLA (above ground)

<28,132>

No of units (above ground)

<430>

Arco Vara's Active Projects as of 31.12.2025



Project name

Stage VII Kodulahe

Address

Lammi 6, Tallinn

Product main type

Apartments, commercial spaces

Project stage

Detail plan in process

Area of plot m²

14,553

GSA/GLA (above ground)

<12,327>

No of units (above ground)

<182>



Project name

Stage II and Stage III Botanica Lozen

Address

Lozen, near Sofia

Product main type

Houses

Project stage

Detail plan issued

Area of plot m²

27,260

GSA/GLA (above ground)

<11,309>

No of units (above ground)

<40>



Project name

Padel venue

Address

Helme 18, Tallinn

Product main type

Sports hall

Project stage

On rent

Area of plot m²

5,712

GSA/GLA (above ground)

1,983

No of units (above ground)/ available

1/0



Project name

Stage I-IV Luther Quarter

Address

Luther Quarter, Tallinn

Product main type

Apartments, commercial spaces

Project stage

I-III Building permit issued,
IV Detail plan in process

Area of plot m²

35,660

GSA/GLA (above ground)

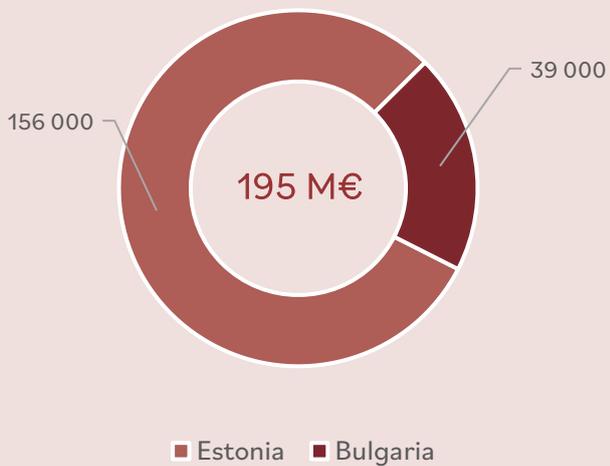
<51,388>

No of units (above ground)

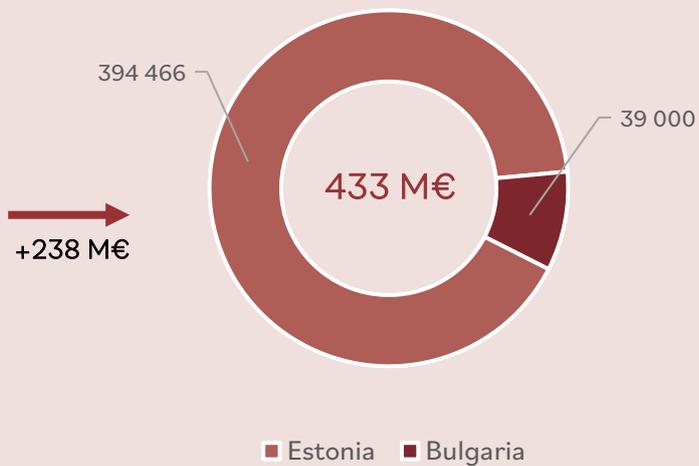
<513>

Note: Values presented between < > sign represent future target values for projects which do not have a construction permit yet. The table does not reflect sellable or lettable volumes below grade including parking spaces and storages. The table does not give complete overview of the group's land reserves.

Development revenue of development projects upon completion as of 31.12.2024 (kEUR)



Development revenue of development projects upon completion as of 31.12.2025 (kEUR)



General Information

Activities of the group

Arco Vara AS and its group companies (hereinafter referred to as the "Group") are engaged in real estate development (EMTAK code 41201). The Group operates in Estonia and Bulgaria.

The Group's core activity is the development of comprehensive living environments along with associated commercial real estate. In residential developments, completed homes are sold directly to end consumers. The Group's main focus is on residential real estate; new commercial properties are developed only when required by law as a prerequisite for residential construction.

The Group does not directly provide real estate brokerage or valuation services. However, such services continue to be offered under the Arco Vara brand in Estonia, Latvia, and Bulgaria through licensing agreements, from which the Group earns license fees.

Arco Vara vision and mission

Arco Vara promise:

We build the future and create value.

Arco Vara vision:

- Arco Vara is the first choice for homebuyers.
- Our 360-degree real estate journey, combining development, construction, sales, and customer service, delivers the best homebuying experience to the customer.
- We offer homes with the highest level of comfort and usability.

Arco Vara's mission is to create modern, sustainable and desirable living environments where the customer can design the home of their dreams.

Group structure

Arco Vara AS is part of the OÜ Alarmo Kapital group. As of 31 December 2025, the Group consisted of 18 companies, which is 5 more than as of 31 December 2024.

Significant subsidiaries as of 31 December 2025

Company name	Location	Share capital (nominal value)	Equity on 31.12.2025	Group's shareholding
		<i>in € thousands</i>	<i>in € thousands</i>	
Kodulahe Kvartal OÜ	Estonia	140	5 021	100%
Kerberon OÜ	Estonia	5	1 699	100%
Arcojärve OÜ	Estonia	28	641	100%
Kodukalda OÜ	Estonia	3	-354	100%
Arco Tarc OÜ	Estonia	3	866	100%
Arco L Torn OÜ	Estonia	3	-62	100%
Arco Spordi OÜ	Estonia	3	473	100%

2
countries

30+
years of experience

2800+
new homes

380 000+
developed m²

Arco Vara AS subsidiaries

Kodulahe Kvartal OÜ	100%
Arco Spordi OÜ	100%
Kodukalda OÜ	100%
Arcojärve OÜ	100%
Kerberon OÜ	100%
Arco Tarc OÜ	100%
Arco L Torn OÜ	100%
Arco L Torn II OÜ	100%
Arco L Factory OÜ	100%
Grupi Teenuste OÜ	100%
Grupi Halduse OÜ	100%
Arco Vara Bulgaria EOOD	100%
Arco Invest EOOD	100%
Iztok Parkside EOOD	100%
Botanica Lozen EOOD	100%
Arco Manastirski EOOD	100%
Arco Riverside EOOD	100%

Arco L Torn II OÜ	Estonia	3	-16	100%
Arco Lozen EOOD	Bulgaria	2 931	693	100%
Arco Vara Bulgaria EOOD	Bulgaria	3	2	100%

Key Performance Indicators

- The Group's revenue for the 12 months of 2025 amounted to EUR 7,685 thousand, which is EUR 208 thousand higher than the revenue for the 12 months of 2024.
- For the 12 months of 2025, the Group recorded an operating profit (EBIT) of EUR 195 thousand and a net loss of EUR 479 thousand. For the 12 months of 2024, the Group recorded an operating profit of EUR 69 thousand and a net loss of EUR 624 thousand.
- In Q4 2025, a total of 14 apartments were sold in the Group's development projects, including 9 under preliminary purchase agreements and 5 under real right contracts. During the full year of 2025, 48 apartments were sold, 28 under preliminary purchase agreements and 20 under real right contracts. For comparison, in Q4 2024, 14 apartments were sold in the Group's development projects (9 apartments under real right contracts and 5 under preliminary purchase agreements). During the full year of 2024, a total of 30 apartments and 3 commercial units were sold (22 apartments and 1 commercial unit under real right contracts and 8 apartments and 2 commercial units under preliminary purchase agreements).
- As of 31 December 2025, 8 apartments and 1 commercial premises were completed and held in inventory. As of 31 December 2024, 28 apartments and 1 commercial premise were completed and held in inventory.
- As of 31 December 2025, the total assets of the Group more than doubled compared to 31 December 2024. The main reason for the increase in total assets was the acquisition of new development projects, including the Luhter Quarter and the Spordi 3a/3b development project.
- The Group's net loan position (net debt) as of the end of 2025 amounted to EUR 37,649 thousand, which is EUR 23,012 thousand higher compared to the end of the same period last year. The main reason for the increase in indebtedness was the acquisition of the Luhter Quarter, which was partially financed with a bank loan. In addition, in the third quarter of 2025, bonds in the amount of EUR 15,000 thousand were issued. As of 31 December 2025, the weighted average interest rate of the Group's interest-bearing liabilities was 8.90%.

Main financial figures	12 months 2025	12 months 2024
<i>In thousands of euros</i>		
Revenue	7 685	7 477
Operating profit/loss	195	69
Finance income and costs	-563	-640
Income tax	-111	-52
Net profit/loss	-479	-624
Cash flow from operations	-43 055	-6 588
Cash flow from financing	44 127	9 120
Net cash flow	1 064	248
Cash and cash equivalents at the beginning of period	1 720	1 472
Cash and cash equivalents at end of period	2 784	1 720
Total assets at end of period	87 915	38 970
Invested capital at end of period	76 825	35 341
Net debt at end of period	37 679	14 666
Equity at end of period	36 363	19 518

Key Ratios

	31 December 2025	31 December 2024
Net profit ratio (rolling, four quarters)	-3.15%	-8.42%
EPS (in euros)	-0.04	0.02
Diluted EPS (in euros)	-0.04	0.02
EBITDA per share (in euros) (rolling, four quarters)	0.05	0.01
ROIC (rolling, four quarters)	-0.44%	-1.85%
ROE (rolling, four quarters)	-1.46%	-3.10%
ROA (rolling, four quarters)	-0.65%	-1.66%
Equity ratio	0.41	0.50
Current ratio	7.54	7.55
Quick ratio	0.97	1.53
Financial leverage	2.42	2.00
Average loan term (in years)	2.23	2.12
Average annual interest rate of loans	8.90%	8.70%
Number of staff, at period end	15	13

Formulas used:

Net profit ratio = net profit attributable to owners of the parent / revenue for the period

Earnings per share (EPS) = net profit attributable to owners of the parent / weighted average number of ordinary shares outstanding during the period

Diluted earnings per share (Diluted EPS) = net profit attributable to owners of the parent / (weighted average number of ordinary shares outstanding during the period + number of all potentially issued shares)

EBITDA per share = operating profit + depreciation and amortization / weighted average number of ordinary shares outstanding during the period

Invested capital = current + non-current interest-bearing loans and borrowings + equity (at the end of period)

Net loans = current + non-current interest-bearing loans and borrowings - cash and cash equivalents

Return on invested capital (ROIC) = profit before tax of last four quarters / average invested capital

Return on equity (ROE) = net profit of last four quarters / average equity

Return on assets (ROA) = net profit of last four quarters / average total assets

Equity ratio = equity / total assets

Current ratio = current assets / current liabilities

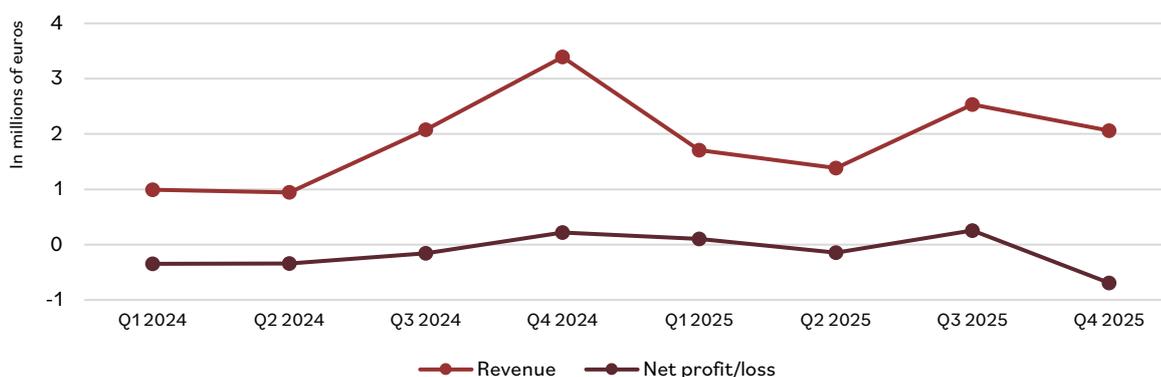
Quick ratio = (current assets - inventory) / current liabilities

Financial leverage = total assets / equity

Number of staff = number of people working for the group under employment or service contracts

Revenue and net profit/loss during last years

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Total 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Total 2025
<i>In millions of euros</i>										
Revenue	1.0	0.9	2.1	3.4	7.4	1.7	1.4	2.5	2.1	7.7
Net profit/loss	-0.3	-0.3	-0.2	0.2	-0.6	0.1	-0.1	0.3	-0.7	-0.5



Operating report

In Q4 2025, the Group's revenue amounted to EUR 2,060 thousand (Q4 2024: EUR 3,390 thousand), of which revenue from real estate sales in the Group's own development projects totaled EUR 1,935 thousand (Q4 2024: EUR 3,273 thousand).

Other revenue mainly includes income from real estate agency franchise fees in Estonia, Latvia, and Bulgaria. Franchise fees in Q4 2025 amounted to EUR 79 thousand (EUR 298 thousand for the 12 months). In Q4 2024, franchise fee income amounted to EUR 74 thousand (EUR 275 thousand for the 12 months of 2024).

Estonian Development Projects

The seventh phase of the Kodulahe quarter, the Soodi 6 development project, received its building permit in the second quarter of 2025, and construction works commenced at the end of June. A total of 62 apartments and 4 commercial units will be developed at Soodi 6 in three separate residential buildings. The completion of the buildings is scheduled for the fourth quarter of 2026. As of the date of publication of this report, 21 apartments and 4 commercial units have been pre-sold.

Kodulahe quarter's Rannakalda stage was completed in 2024 and comprises a total of 108 apartments and 5 commercial units across three separate residential

buildings. As of the date of publication of the quarterly report, 8 out of 113 units remain available.

The Kuldlehe project in Pirita comprises an exclusive cluster house with 5 spacious homes, of which 1 unit remains available as of the report date.

Arco Vara's subsidiary Arco Spordi OÜ acquired properties at Spordi 3a and 3b, Tallinn, in Q1 2025. The project reached the construction phase during Q2 2025. The development consists of two apartment buildings with underground parking, totaling 56 apartments (2-5 rooms), many featuring balconies or terraces. Apartment pre-sales began in Q2 2025, with completion expected by the end of 2026. As of the publication date, 39 of the 56 apartments remain available

Arco Vara's subsidiary, Arcojärve OÜ, entered into a preliminary purchase agreement in 2021 for the acquisition of a plot of land on the shore of Lake Harku, at Paldiski mnt 124b, Tallinn. The development will comprise more than 35,000 m² of residential and commercial real estate (gross building volume), with an expected development period of six years from the adoption of the detailed spatial plan. The project is named Arcojärve.

Arcojärve OÜ is obligated to pay an additional EUR 1,627 thousand for the land within three months following the approval of the detailed plan by the Tallinn City

Government, with the final payment deadline expected in 2026. The commencement of construction for the first phase is planned for early 2027.

Acquisition of Luther Quarter and Share Issue

In Q2 2025, Arco Vara's subsidiaries Arco L Factory OÜ, Arco L Torn OÜ, Arco L Torn II OÜ, and Grupi Halduse OÜ collectively acquired the Luther Quarter, which comprises 15 properties located in central Tallinn, between Pärnu Road, Tatari Street, Vana-Lõuna Street, and Vineeri Street. A valid detailed plan allows for a gross buildable volume of 95,000 m², including 18,500 m² of commercial space and 33,000 m² of residential net area. Most of this volume is already covered by existing building permits.

The acquisition price of the Luther Quarter was EUR 35 million. The transaction was financed through a combination of Arco Vara shares, cash payments, and the assumption (in modified form) of a loan obligation from AS LHV Pank.

On 5 June 2025, Arco Vara's annual general meeting of shareholders approved a directed share issue to raise the necessary capital for the development of the Luther Quarter. The issue was directed to Alarmo Kapital OÜ, as well as to the former owners of the Luther properties - Luther Factory OÜ and Luther Factory Holding OÜ.

Under the terms of the share issue, 6,980,000 new shares were issued at a price of EUR 2.50 per share, consisting of a nominal value of EUR 0.70 and a share premium of EUR 1.80. The issue was successful, and all new shares are now listed and traded. Following the issue, the Group maintained the same pre-transaction ratio of equity to interest-bearing liabilities.

In Q3 2025, Arco Vara AS also issued bonds totaling EUR 15 million, consisting of 150,000 bonds with a nominal value of EUR 100, an interest rate of 8.8%, and a maturity date of 24 September 2028.

In the fourth quarter of 2025, we commenced cooperation with two marketing agencies to develop a comprehensive and effective sales strategy for the Luther Quarter. During the same period, pre-sales were launched for clients who had previously registered their interest. Public sales are scheduled to begin in spring 2026, and construction works are planned to commence in summer 2026.

Bulgarian Development Projects

In July of this year, Arco Vara AS announced its intention to concentrate its focus on the core market, namely development projects located in Estonia. The company keeps investors and the public informed about the progress of related negotiations and will provide further updates once transactions or other significant developments reach the next stage.

At the same time, development activities in Bulgaria are progressing according to plan, and the projects are moving forward in line with the established schedule. All 16 houses in the first phase have been sold. The final construction works will be completed in early spring, after which the houses will be handed over to the clients.

Other

Arco Vara subsidiary Kerberon OÜ developed a fully automated padel centre with six indoor courts at Helme 18 in 2024, in cooperation with Arco Tarc OÜ. The building has been leased out under a long-term agreement and has generated rental income for the Group since 2024; in 2025, rental income amounted to EUR 175 thousand.

People

Remuneration

As of 31 December 2025, the Group employed 15 people (compared to 13 as of 31 December 2024).

The Group's personnel expenses for the twelve months of 2025 amounted to EUR 1 431 thousand, of which EUR 411 thousand were incurred in Q4 (compared to EUR 1,465 thousand and EUR 323 thousand in twelve months and Q4 of 2024, respectively). These personnel expenses include salaries of the construction team, which are capitalized into the cost of ongoing development projects and recognized in cost of goods sold upon the sale of apartments.

Included in personnel expenses is the remuneration (including social tax) paid to the CEO of the parent company, totaling EUR 235 thousand for 2025, of which EUR 59 thousand was paid in Q4 (2024: EUR 244 thousand, of which EUR 56 thousand in Q4).

Remuneration paid to members of the Supervisory Board (including social tax) totaled EUR 75 thousand for 2025, of which EUR 28.7 thousand was paid in Q4 (2024: EUR 36 thousand, of which EUR 12 thousand in Q4).

Management board and supervisory board

The Management Board of Arco Vara AS is typically composed of one member. Since 15 July 2024, the CEO and the Management Board member of Arco Vara has been Kristina Mustonen, whose mandate is valid for four years.

After the end of the reporting period, Kristina Mustonen has submitted her resignation from the positions of Management Board Member and Chief Executive Officer at her own request. The resignation will take effect in accordance with the terms of her Management Board Member agreement, and her authority as a member of the Management Board will expire upon completion of the notice period.

The Supervisory Board of Arco Vara has initiated the necessary measures to ensure a smooth transition of the Chief Executive Officer's responsibilities. The Company will promptly inform the market once the new Chief Executive Officer has been appointed.

The Supervisory Board of Arco Vara AS consists of five members. As of 12 January 2021, the members of the Supervisory Board are: Kert Keskaik (Chairman), Tarmo Sild, Hillar-Peeter Luitsalu, Allar Niinepuu, and Steven Yaroslav Gorelik.

In Q2 2025, the Annual General Meeting of Shareholders extended the terms of the Supervisory Board members for another five years.

The remuneration was also approved: the Chairman of the Supervisory Board will receive a net monthly fee of 5,000 euros, and ordinary members will receive a net fee of 500 euros for each Supervisory Board meeting attended.

More information about the key personnel of Arco Vara is available on the company's website at www.arcovara.com.

Description of Main Risks

Strategic risk

Most of the Group's equity is allocated to development activities, with a primary focus on residential real estate development. The residential development cycle, from land acquisition to the final sale of completed units to end customers, spans several years and includes planning, design, construction, and sales. Equity is primarily invested at the beginning of the cycle (land acquisition), based on the assumption that there will be future demand for a certain type of development product. Since this demand is largely based on forecasts, the Group's main risk lies in allocating equity to a development project for which future demand may not materialize or may differ from expectations.

To mitigate this risk, the Group: (i) allocates equity across various development projects and markets (2025: Tallinn and Sofia), (ii) continuously monitors supply and demand in its core markets, and (iii) seeks to minimize the time gap between investment and demand by entering into pre-agreements with buyers, acquiring land without immediate equity investment or by deferring such investment, and utilizing alternative project financing solutions to reduce reliance on equity.

Credit risk

The Group considers its credit risks to be largely mitigated. Since the final sale of development products almost always coincides with customer payment, customer-related receivables rarely arise in practice. Additionally, the Group does not keep its cash and cash equivalents in a single bank.

Currency risk

Real estate purchase and sale transactions are predominantly concluded in euros, which means the Group's asset and liability structure carries no significant foreign exchange risk. However, the Group is not protected against currency devaluation. Most liquid

assets are held in demand deposits or short-term euro-denominated deposits and current accounts.

Liquidity and interest rate risks

All the Group's loan agreements are denominated in euros, and most of the loan liabilities are linked to the 6-month EURIBOR. As a result, the Group is exposed to developments in international capital markets. Long-term interest rate risk is not hedged using derivative instruments.

As of 31 December 2025, the Group had interest-bearing liabilities totaling EUR 40,463 thousand, of which EUR 180 thousand are due within the next 12 months. The Group's interest-bearing liabilities increased by EUR 25,428 thousand during 2025 compared to the end of 2024, primarily due to the assumption of loans related to the acquisition of the Luther Quarter.

The Group's cash balance as of 31 December 2025 was EUR 2,784 thousand (31 December 2024: EUR 1,720 thousand).

In Q4 2025, the Group paid EUR 1,043 thousand in interest on its interest-bearing liabilities (Q4 2024: EUR 368 thousand). Part of the interest paid was capitalized on the cost of development projects, and part was recognized as an expense.

The Group's weighted average interest rate on loans was 8.90% as of 31 December 2025, representing an increase of 0.2 percentage points compared to the end of 2024. The increase in the average loan interest rate was mainly due to higher-cost loans assumed in connection with the Luther Quarter acquisition.

In Q3 2025, Arco Vara AS issued bonds totaling EUR 15 million, consisting of 150,000 bonds with a nominal value of EUR 100, an interest rate of 8.8%, and a maturity date of 24 September 2028. As of 25 September 2025, Arco Vara bonds are traded on the Nasdaq Tallinn Stock Exchange Baltic Bond List.

Shares and shareholders

Share price

Arco Vara AS has issued a total of 17,368,367 ordinary shares, each with a nominal value of EUR 0.70. Arco Vara shares (ticker: ARC1T, ISIN: EE3100034653) are publicly traded on the NASDAQ Tallinn Stock Exchange.

As of 31 December 2025, the share price closed at EUR 1.660, representing a 14% increase compared to the closing price of EUR 1.435 at the end of 2024. During Q4 2025, the highest recorded share price was EUR 1.720, and the lowest was EUR 1.600.

On 5 June 2025, the Annual General Meeting of Shareholders approved a directed share issue to raise the necessary capital for the development of the Luther Quarter. The issue was directed to OÜ Alarmo Kapital, as well as to the former owners of the Luther Quarter properties – Luther Factory OÜ and Luther Factory Holding OÜ.

Under the terms of the share issue, 6,980,000 new shares were issued at an issue price of EUR 2.50 per share, consisting of a nominal value of EUR 0.70 and a share premium of EUR 1.80. The issue was successfully completed, and all new shares are now listed and freely tradable.

As of 31 December 2025, equity per share was EUR 2.09 (31 December 2024: EUR 1.90).

The market capitalization of Arco Vara AS as of 31 December 2025 was EUR 28,831 thousand, and the P/B (price-to-book) ratio was 0.79 (31 December 2024: EUR 14,907 thousand and 0.84, respectively).

The dynamics of Arco Vara AS's share price and trading volumes over the first nine months of 2025 and the past three years are illustrated in the following charts.



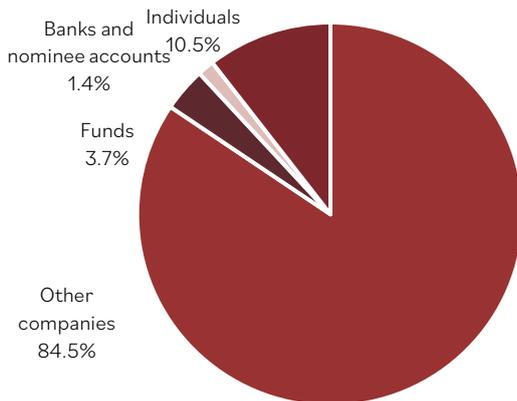
<https://www.nasdaqbaltic.com/statistics/en/instrument/EE3100034653/trading> 01.01.2026

Shareholder structure

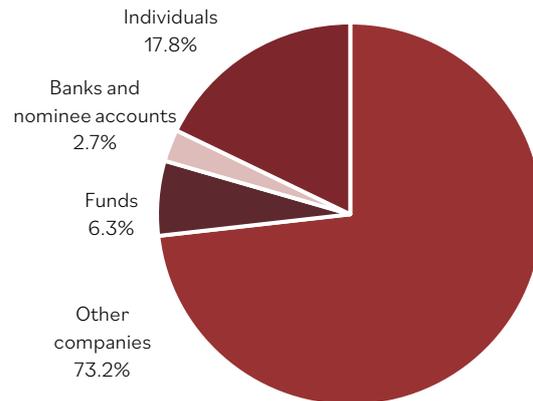
As of 31 December 2025, Arco Vara had a total of 7,239 shareholders (compared to 7,891 as of 31 December 2024), including 6,660 individual shareholders (31 December 2024: 7,255), who collectively held a 10.5%

stake in the company (31 December 2024: 17.8%). The full breakdown of ownership by shareholder category is presented in the following charts.

Ownership structure as of 31.12.2025



Ownership structure as of 31.12.2024



Major shareholders on 31 December 2025

Nimi	No of shares	Share, %
OÜ ALARMO KAPITAL	8 685 031	50.00%
LUTHER FACTORY OÜ	2 961 999	17.05%
LUTHER FACTORY HOLDING OÜ	1 570 001	9.04%
TEMM CAPITAL OÜ	348 000	2.00%
FIREBIRD REPUBLICS FUND LTD 1	329 357	1.90%
AIA TÄNAV OÜ	229 000	1.32%
MARKO TEIMANN	200 029	1.15%
FIREBIRD AVRORA FUND, LTD. / 1	176 703	1.02%
Total	14 500 120	83.49%

Holdings of management and supervisory board members on 31 December 2025

Nimi		Aktsiate arv	Osaluse %
Tarmo Sild ja Allar Niinepuu (Alarmo Kapital OÜ)	Members of the Supervisory board	8 685 031	50.00%
Tarmo Sild (Individual and via Aia Tänav OÜ)	Member of the Supervisory board	229 000	1.32%
Kert Keskaik (Individual, via K Vara OÜ, Kolde Invest OÜ and K24 Invest OÜ)	Chairman of the Supervisory board	208 088	1.20%
Hillar-Peeter Luutsalu (HM Investeeringud OÜ, Close family member)	Member of the Supervisory board	134 259	0.77%
Allar Niinepuu (OÜ Kavass)	Member of the Supervisory board	29 308	0.17%
Steven Yaroslav Gorelik ¹	Member of the Supervisory board	0	0.00%
Kristina Mustonen	Member of the Management board	7 885	0.05%
Total:		9 293 571	53.51%

¹ Steven Yaroslav Gorelik is active as fund manager in three investment funds holding interest in Arco Vara: Firebird Republics Fund Ltd, Firebird Avrora Fund Ltd and Firebird Fund L.P.

CEO's Confirmation on Directors' Report

The CEO and member of the management board of Arco Vara AS confirms that the directors' report of Arco Vara for the fourth quarter ended on 31 December 2025 provides a true and fair view of business developments, financial performance and financial position of the group as well as a description of the main risks and uncertainties.

A handwritten signature in black ink, appearing to read "Mustonen", written in a cursive style.

Kristina Mustonen
Chief Executive and Member of the Management Board of Arco Vara AS

On 26 February 2026

Condensed Consolidated Interim Financial Statements

Consolidated Statement of Comprehensive Income

	Note	12 months 2025	12 months 2024	Q4 2025	Q4 2024
<i>In thousands of euros</i>					
Revenue from sale of own real estate		7 195	7 145	1 935	3 273
Revenue from rendering of services		489	332	125	118
Total revenue	2.3	7 685	7 477	2 060	3 390
Cost of sales	4	-5 727	-5 707	-1 776	-2 857
Gross profit		1 957	1 770	284	534
Other income		5	7	2	7
Marketing and distribution expenses	5	-447	-551	-119	-146
Administrative expenses	6	-1 122	-1 127	-402	-156
Other expenses		-197	-31	-192	-13
Operating profit/loss		195	69	-427	226
Finance income and costs	7	-563	-640	-168	46
Profit/loss before tax		-368	-572	-594	273
Income tax		-111	-52	-98	-52
Net profit/loss for the period		-479	-624	-692	221
Total comprehensive income/expense for the period		-479	-624	-692	221
Earnings per share (in euros)	8				
- basic		-0.03	-0.06	-0.04	0.02
- diluted		-0.03	-0.06	-0.04	0.02

Consolidated Statement of Financial Position

	Note	31 December 2025	31 December 2024
<i>In thousands of euros</i>			
Cash and cash equivalents		2 784	1 720
Receivables and prepayments	9	6 420	5 685
Inventories	10	74 127	29 170
Total current assets		83 331	36 576
Receivables and prepayments	9	18	18
Investment property	11	2 296	2 296
Property, plant and equipment	2	551	622
Intangible assets	2	41	52
Total non-current assets		2 905	2 988
TOTAL ASSETS		86 236	39 563
Loans and borrowings	12	180	234
Payables and deferred income	13	9 063	4 297
Provisions		347	317
Total current liabilities		9 590	4 848
Loans and borrowings	12	40 283	14 981
Total non-current liabilities		40 283	14 981
TOTAL LIABILITIES		49 873	19 829
Share capital		12 158	7 272
Additional paid-in capital		16 399	3 835
Statutory capital reserve		2 011	2 011
Other reserves	8	28	28
Retained earnings		5 767	6 593
Total equity attributable to owners of the parent		36 363	19 739
TOTAL EQUITY		36 363	19 739
TOTAL LIABILITIES AND EQUITY		86 236	39 568

Consolidated Statement of Cash Flows

	Note	12 months 2025	12 months 2024	Q4 2025	Q4 2024
<i>In thousands of euros</i>					
Cash receipts from customers		8 087	5 155	1 188	1 929
Cash paid to suppliers		-49 457	-8 425	-4 577	-2 031
Income tax paid from profits		0	0	0	0
Taxes paid		-1 376	-3 155	-237	-828
Taxes recovered		234	1 020	81	274
Cash paid to employees		-774	-1 205	-229	-163
Other payments and receipts related to operating activities (net)		231	22	19	8
NET CASH FROM/USED IN OPERATING ACTIVITIES		-43 055	-6 588	-3 754	-811
Payments made on purchase of tangible and intangible assets		-2	-7	0	-7
Payments made on purchase and development of investment property	11	0	-2 276	0	-139
Proceeds from sale of subsidiaries		-10	0	0	0
Interest received		4	0	1	0
NET CASH USED IN INVESTING ACTIVITIES		-8	-2 283	1	-146
Proceeds from loans received	12	55 516	13 246	2 503	3 804
Settlement of loans and borrowings	12	-25 576	-2 193	-7 651	-1 707
Interest paid		-2 701	-1 311	-1 043	-368
Dividends paid		-451	-623	-347	-208
Income tax on dividends		-12	0	0	0
Proceeds from share capital increase		17 460	0	0	0
Other payments related to financing activities		-110	0	-31	0
NET CASH FROM/USED IN FINANCING ACTIVITIES		44 127	9 120	-6 569	1 521
NET CASH FLOW		1 064	248	-10 322	564
Cash and cash equivalents at the beginning of period		1 720	1 472	13 106	1 157
Change in cash and cash equivalents		1 064	248	-10 322	564
Cash and cash equivalents at end of period		2 784	1 720	2 784	1 720

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Statutory capital reserve	Other reserves	Retained earnings	Total equity
<i>In thousands of euros</i>						
Balance as at 31 December 2023	7 272	3 835	2 011	57	7 843	21 018
Dividends paid	0	0	0	0	-626	-626
Formation of equity reserve	0	0	0	-29	0	-29
Total comprehensive income for the period	0	0	0	0	-624	-624
Balance as at 31 December 2024	7 272	3 835	2 011	28	6 593	19 739
Balance as at 31 December 2024	7 272	3 835	2 011	28	6 593	19 739
Increase of share capital	4 886	12 564	0	0	0	17 450
Dividends paid	0	0	0	0	-347	-347
Total comprehensive income for the period	0	0	0	0	-479	-479
Balance as at 31 December 2025	12 158	16 399	2 011	28	5 767	36 363

Notes to the Condensed Interim Financial Statements

1. Significant accounting policies

The unaudited consolidated interim financial report of Arco Vara AS for Q4 2025 has been prepared in accordance with the International Financial Reporting Standard IAS 34 "Interim Financial Reporting". The condensed consolidated interim report is intended to be read in conjunction with the audited consolidated financial

statements for the year ended 31 December 2024, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Group's interim financial report is presented in thousands of euros, unless otherwise stated.

2. Segment information

The Group analyses its segments based on a combination of two characteristics: business activity and geographical location.

The three main reportable segments are Bulgarian Development, Estonian Development, and Estonian Construction.

Revenue by operating segment

Segment	Bulgarian development		Estonian development		Estonian construction		Other		Eliminations		Consolidated	
	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<i>In thousands of euros</i>												
External revenue	0	0	7 192	7 152	-1	0	493	324	-	-	7 685	7 477
Revenue from other segments	0	0	-8	0	6 105	2 255	1 141	890	-7 238	-3 146	0	0
Total revenue	0	0	7 185	7 152	6 104	2 255	1 634	1 215	-7 238	-3 146	7 685	7 477

Segment	Bulgarian development		Estonian development		Estonian construction		Other		Eliminations		Consolidated	
	Q4 2025	Q4 2024	Q4 2025	Q4 2024	Q4 2025	Q4 2024	Q4 2025	Q4 2024	Q4 2025	Q4 2024	Q4 2025	Q4 2024
<i>In thousands of euros</i>												
External revenue	0	0	1 937	3 273	0	0	123	118	-	-	2 060	3 390
Revenue from other segments	0	0	-2	0	3 364	131	341	214	-3 703	-346	0	0
Total revenue	0	0	1 936	3 273	3 364	131	464	332	-3 703	-346	2 060	3 390

External revenue and profit/loss by segment

Segment	Bulgarian development		Estonian development		Estonian construction		Other		Consolidated	
	12 months 2025	12 months 2024	12 months 2025	12 months 2024	12 months 2025	12 months 2024	12 months 2025	12 months 2024	12 months 2025	12 months 2024
<i>In thousands of euros</i>										
Revenue	0	0	7 192	7 152	-1	0	493	324	7 685	7 477
Operating profit/loss	-471	131	430	284	735	-394	-498	47	195	69
Net profit/loss	-624	129	72	-376	737	-391	-664	14	-479	-623

Segment	Bulgarian development		Estonian development		Estonian construction		Other		Consolidated	
	Q4 2025	Q4 2024	Q4 2025	Q4 2024	Q4 2025	Q4 2024	Q4 2025	Q4 2024	Q4 2025	Q4 2024
<i>In thousands of euros</i>										
Revenue	0	0	1 937	3 316	0	0	123	74	2 060	3 390
Operating profit/loss	-320	144	348	137	-102	-8	-353	-48	-427	226
Net profit/loss	-366	145	244	-69	-56	-7	-514	151	-692	220

External assets and liabilities by segment

Segment	Bulgarian development		Estonian development		Estonian construction		Other		Consolidated	
	31.12.25	31.12.24	31.12.25	31.12.24	31.12.25	31.12.24	31.12.25	31.12.24	31.12.25	31.12.24
<i>In thousands of euros</i>										
Assets	13 627	12 154	64 839	25 869	3 226	252	4 544	1 293	86 236	39 568
Incl. PPE and intangible assets	9	16	464	475	0	1	119	182	591	674
Liabilities	7 114	3 551	38 638	10 177	1 953	279	2 169	5 822	49 873	19 829

3. Revenue

External revenue by the type of goods and services and by client location

	Estonia		Bulgaria		Latvia		Consolidated	
	12 months 2025	12 months 2024						
<i>In thousands of euros</i>								
Sale of own real estate	7 195	7 145	0	0	0	0	7 195	7 145
Rental of real estate	182	52	0	0	0	0	182	52
Property management services	0	0	0	0	0	0	0	0
Franchise	184	182	85	63	30	28	298	273
Other revenue	9	7	0	0	0	0	9	7
Total revenue	7 570	7 386	85	63	30	28	7 685	7 477

4. Cost of sales

	12 months 2025		12 months 2024	
	12 months 2025	12 months 2024	Q4 2025	Q4 2024
<i>In thousands of euros</i>				
Cost of real estate sold (notes 10, 11)	-5 401	-5 500	-1 728	-3 112
Brokerage fees	-79	-96	-26	-73
VAT cost	0	0	-26	-73
Property management costs	-135	-166	-6	-29
Personnel expenses	-45	-131	0	7
Other costs	-66	195	-14	353
Total cost of sales	-5 727	-5 707	-1 776	-2 857

5. Marketing and distribution expenses

	12 months 2025		12 months 2024	
	12 months 2025	12 months 2024	Q4 2025	Q4 2024
<i>In thousands of euros</i>				
Advertising expenses	-163	-255	-45	-69
Personnel expenses	-128	-99	-35	-27
Depreciation, amortisation and impairment losses	-10	-3	-3	-2
Other marketing and distribution expenses	-146	-194	-36	-48
Total marketing and distribution expenses	-447	-551	-119	-146

6. Administrative expenses

	12 months 2025	12 months 2024	Q4 2025	Q4 2024
<i>In thousands of euros</i>				
Personnel expenses	-622	-678	-241	-75
Office expenses	-74	-88	-16	-16
IT expenses	-51	-36	-22	-9
Services purchased	-219	-201	-77	-23
Depreciation, amortisation and impairment losses	-93	-81	-24	-20
Legal service fees	-44	-17	-18	-2
Other expenses	-19	-27	-4	-10
Total administrative expenses	-1 122	-1 127	-402	-156

7. Financial income and expenses

	12 months 2025	12 months 2024	Q4 2025	Q4 2024
<i>In thousands of euros</i>				
Interest expenses	-565	-652	-184	40
Interest income	31	18	18	7
Other finance income and costs	-29	-6	-1	0
Total finance income and costs	-563	-640	-168	46

8. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the reporting period by the weighted average number of ordinary shares outstanding during

the period. Diluted earnings per share are calculated by taking into account all potentially issuable shares.

	12 months 2025	12 months 2024	Q4 2025	Q4 2024
Weighted average number of ordinary shares outstanding during the period	17 368 367	10 388 367	17 368 367	10 388 367
Number of ordinary shares potentially to be issued (at period end)	0	63 000	0	63 000
Net profit/loss attributable to owners of the parent (in thousands of euros)	-479	-624	-692	221
Earnings per share (in euros)	-0.03	-0.06	-0.04	0.02
Diluted earnings per share (in euros)	-0.03	-0.06	-0.04	0.02

Under the 2023 bonus program, the former CEO who departed in 2024 is entitled to 15,000 shares based on tenure. A reserve of 27 thousand euros has been recognized in equity for these options, based on the grant date share price as of 17 May 2023.

A new option program for up to 240,000 shares for the current CEO was approved at the 2025 Annual General Meeting.

9. Receivables and prepayments

Short-term receivables and prepayments

	31 December 2025	31 December 2024
<i>In thousands of euros</i>		
Receivables from customers	163	352
Miscellaneous receivables	6	6
Prepaid and recoverable taxes	637	148
Other accrued income	-2	6
Prepayments	5 617	5 173
Total short-term receivables and prepayments	6 420	5 685

Long-term receivables

	31 December 2025	31 December 2024
<i>In thousands of euros</i>		
Prepayments	18	18
Total long-term receivables and prepayments	18	18

As of both 31 December 2025 and 31 December 2024, a prepayment of 4,978 thousand euros has been made for the Arcojärve property.

10. Inventories

Properties purchased and being developed for resale	31 December 2025	31 December 2024
<i>In thousands of euros</i>		
Properties in stock	2 520	8 060
Properties under construction	22 396	7 973
Properties with a building permit	37 087	45
Properties in the construction permit process	2 971	5 631
Properties in the detailed planning process	9 152	7 461
Total inventories	74 127	29 170

	2025	2024
<i>In thousands of euros</i>		
Balance at the beginning of period, 1 January	29 170	27 637
Properties purchased for development	39 272	0
Construction costs of apartment buildings	7 454	4 763
Capitalized borrowing costs	3 200	669
Inventory write-down	-100	487
Other capitalized costs	594	1 676
Reclassification to/from investment property (note 11)	0	-88
Reclassification to/from PPE	0	-474
Cost of sold properties (note 4)	-5 463	-5 500
Balance at the end of period, 31 December	74 127	29 170

11. Investment property

	2025	2024
<i>In thousands of euros</i>		
Balance at the beginning of period, 1 January	2 296	20
Capitalised development costs	0	2 188
Reclassification to/from inventories (note 10)	0	88
Balance at the end of period, 31 December	2 296	2 296

12. Interest bearing liabilities

	As of 31 December 2025			As of 31 December 2024		
	Total	of which current portion	of which non-current portion	Total	of which current portion	of which non-current portion
<i>In thousands of euros</i>						
Bank loans	21 529	122	21 407	11 034	121	10 913
Bonds	18 866	0	18 866	4 000	0	4 000
Finance lease liabilities	68	58	10	126	58	68
Other loans	0	0	0	55	55	0
Total	40 463	180	40 283	15 215	234	14 981

In 2025, the Group repaid loan liabilities through cash transactions totaling EUR 25,576 thousand (2024: EUR 2,193 thousand), while new loans received amounted to EUR 55,516 thousand (2024: EUR 13,246 thousand). Additionally, during 2025, buyers made direct payments to the bank totaling EUR 6,449 thousand (2024: EUR 5,927 thousand). These amounts are not reflected in the Group's cash flow statement.

In 12 months of 2025, the following loan liabilities were reduced:

- Bank loan for financing the construction of the Kodulahe Rannakalda apartment buildings in the amount of EUR 5,412 thousand, which was paid directly by clients;
- Bank loan for financing the construction of the Kuldlehe apartment building in full amount, which was paid directly by clients;
- Bank loan for financing the Kodulahe Phase VII (Lammi 6 land) in the amount of EUR 39 thousand;
- Short-term bank loan for financing the Luther Quarter transaction in the amount of EUR 2,000 thousand;
- Short-term loan for financing the Luther Quarter transaction in the amount of EUR 12,000 thousand;
- Capitalized office lease liability in the amount of EUR 58 thousand.
- Repayment of the loan related to the Arco L Torn development project in the amount of EUR 6,774 thousand;
- Short-term loan from investors in the amount of EUR 55 thousand.

In 12 months of 2025, the Group assumed the following new loan obligations:

- Bank loan of EUR 900 thousand for financing the construction of the Kodulahe Rannakalda apartment building;
- Land loan of EUR 2,690 thousand for the properties at Spordi 3a and 3b;
- Soodi 6 development loan in amount of EUR 1,202 thousand;
- Short-term bank loan of EUR 2,000 thousand for financing the Luther Quarter transaction;
- Short-term loan of EUR 12,000 thousand for financing the Luther Quarter transaction;
- Bank loan of EUR 17,700 thousand for financing the Luther development project;
- Bank loan of EUR 1,582 thousand for financing the construction of the Botanica Lozen development project in Bulgaria.
- Issued bonds in the amount of EUR 15,000 thousand to finance the Luther Quarter development project.

In 12 months of 2024, the following loan obligations were reduced:

- EUR 5,268 thousand of bank loan for financing construction of apartment building in Kodulahe Rannakalda, out of which EUR 4,871 thousand directly by customers;
- EUR 1,056 thousand of bank loan for financing land of Kuldlehe project, all directly by customers;
- EUR 63 thousand of bank loan for financing land of Kodulahe project's Stage VIII at Lammi 6;
- EUR 2,120 thousand Arco Vara bonds, out of which 1,490 thousand euros returned in cash and 630 thousand converted into new bonds;
- EUR 1,152 thousand, out of which EUR 181 thousand returned in cash and EUR 971 thousand converted into bonds;
- EUR 4 thousand of bank loan for financing Helme padel venue;

- EUR 58 thousand capitalized office rent.

In 12 months of 2024, the Group assumed the following new loan obligation:

- EUR 7,452 thousand of bank loan for financing construction of apartment buildings in Kodulahe Rannakalda;
- EUR 2,000 thousand of bank loan for financing construction of apartment buildings in Kuldlehe, including bank receipts of EUR 1,990 thousand, EUR 10 thousand was the contract fee;
- EUR 4,000 thousand Arco Vara bonds, out of which EUR 2,432 thousand received in cash and EUR 1,568 thousand converted from old loan products;
- EUR 55 thousand loan from private investors, out of which EUR 22 thousand received in cash and EUR 33 thousand converted from previous loan products.
- EUR 1,350 thousand bank loan for financing Helme padel venue.

13. Payables and deferred income

Short-term payables and deferred income

	31 December 2025	31 December 2024
In thousands of euros		
Trade payables	3 720	1 435
Taxes payable		
Value added tax	0	4
Social security tax	55	14
Personal income tax	59	7
Other taxes	6	1
Total taxes payable	120	26
Accrued expenses		
Payables to employees	206	136
Dividend payable	0	104
Other accrued expenses	192	188
Total accrued expenses	397	428
Deferred income		
Prepayments received on sale of real estate	4 016	2 110
Security deposits	0	53
Total deferred income	4 016	2 163
Total short-term payables and deferred income	9 063	4 297

As of 31 December 2024, the amount payable to the supplier for the planned construction of Botanica Lozen was higher than usual. Customer prepayments for the Botanica Lozen project amounted to EUR 3,376 thousand as of 31 December 2025, compared to EUR 1,889 thousand as of 31 December 2024.

Additionally, prepayments received from customers for the Soodi 6 project totaled EUR 522

thousand as of 31 December 2025, compared to EUR 219 thousand as of 31 December 2024.

As of 31 December 2025, prepayments from customers for the Spordi 3a/3b project amounted to EUR 241 thousand (31 December 2024: EUR 0 thousand) As of 31 December 2025 and 31 December 2024, no prepayments had been received from customers for the Kuldlehe development.

14. Transactions and Balances with Related Parties

The Group has conducted transactions with or holds balances involving the following related parties:

- 1) The parent company OÜ Alarmo Kapital and companies controlled by the Management Board and Supervisory Board members of Arco Vara AS that have controlling influence over the Group's parent company;
- 2) Other related parties, including members of the Management Board and Supervisory Board of Arco Vara AS, as well as companies under their control (excluding those with controlling influence over the Group's parent company).

Transactions with related parties

	12 months 2025	12 months 2024
<i>In thousands of euros</i>		
Other related parties		
Services purchased	105	13
Paid interest	8	0

Balances with related parties

	31 December 2025	31 December 2024
<i>In thousands of euros</i>		
Other related parties		
Bonds issued	540	310

The remuneration of the Chief Executive Officer of the parent company totaled EUR 235 thousand, including social tax, for 2025 (2024: EUR 244 thousand).

Remuneration of the members of the Supervisory Board amounted to EUR 75 thousand, including social tax, for 2025 (2024: EUR 36 thousand).

The CEO's remuneration is based on a Management Board member agreement. According to the agreement with Kristina Mustonen, who leads Arco Vara AS, and the decision of the Supervisory Board, her fixed monthly net salary is 11,000 euros. Upon termination, the CEO is entitled to a severance payment equal to four months' salary.

Supervisory Board members receive a net fee of 500 euros per attended meeting, but no more than 1,000 euros (net) per calendar month. Payment is conditional upon the member signing the meeting minutes. Reasonable travel expenses related to attending Supervisory Board meetings are reimbursed. In addition, the Chairman of the Supervisory Board receives a fixed net monthly fee of 500 euros.

In Q2 2025, the Annual General Meeting approved an updated remuneration for the Chairman of the Supervisory Board — a fixed monthly net fee of 5,000 euros. The Chairman no longer receives separate meeting fees.

Statement by the CEO/ Member of the Management Board

The CEO / member of the management board of Arco Vara AS has prepared Arco Vara AS's condensed consolidated interim financial statements for the fourth quarter ended on 31 December 2025.

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and they give a true and fair view of the financial position, financial performance and cash flows of Arco Vara AS. Arco Vara AS is a going concern.

A handwritten signature in black ink, appearing to read "Mustonen", written in a cursive style.

Kristina Mustonen
Chief Executive and Member of the Management Board of Arco Vara AS

On 26 February 2026