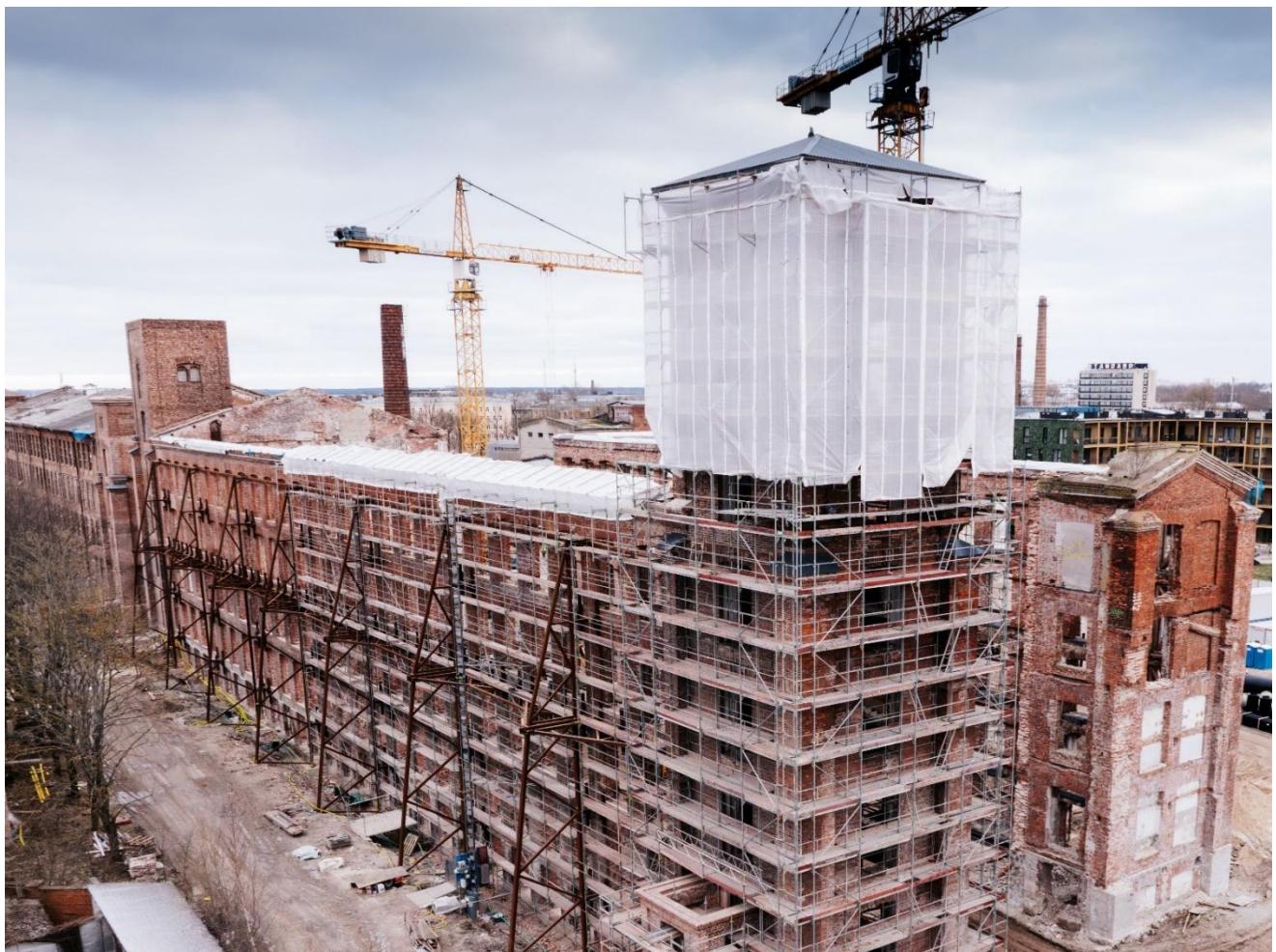


hepsor



Manufaktuuri Vabrik, Manufaktuuri 5, Tallinn

2025 IV quarter and twelve months
consolidated unaudited interim report

Corporate name:	Hepsor AS
Commercial Register No:	12099216
Address:	Järvevana tee 7b, 10112 Tallinn
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Website:	www.hepsor.ee
Reporting period:	01 January 2025 – 31 December 2025
Financial year:	01 January 2025 – 31 December 2025
Supervisory Board:	Henri Laks, Andres Pärloja, Kristjan Mitt
Management Board:	Martti Krass
Auditor:	Grant Thornton Baltic OÜ

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Hepsor Group

- ✓ Hepsor AS (hereinafter referred to as “the Group” or “Hepsor”) is an international real estate development company based on Estonian capital, with its headquarters in Tallinn. Since 2021, its shares have been listed on the Nasdaq Baltic Main List. In November 2025, the bonds issued by Hepsor were admitted to trading on the Baltic Bond List of Nasdaq Baltic.
- ✓ The company was founded in 2011 and currently operates in three markets – Estonia, Latvia, and Canada.
- ✓ Hepsor’s main activity is the development of sustainable and people-centred residential and business environments, combining innovative engineering solutions, environmental friendliness, and modern architecture. Hepsor was the first developer in the Baltics to implement several innovative engineering and technical solutions that make the buildings it develops more energy-efficient and, consequently, more environmentally friendly.
- ✓ Over its fourteen years of operation, Hepsor has developed a total of nearly 162,000 m² of real estate, including more than 2,000 homes and 44,000 m² of commercial space.
- ✓ Hepsor’s development portfolio in Estonia and Latvia includes 28 real estate projects with a total area of approximately 196,650 m². In addition, the Group is involved in five projects in Canada, where its main activity is preparing new detailed land plans to secure increased building rights.
- ✓ The Group’s revenue and profit are directly dependent on the project development cycle, which lasts approximately 24–48 months. Revenue is generated only at the end of the cycle. Depending on the length of the development cycle and the start date of each project, more projects may be completed in some quarters than in others, meaning that both profit and revenue can vary significantly between quarters. As a result, some years or quarters may be weaker while others may be considerably stronger, both on an annual and quarterly basis.
- ✓ The Group’s consolidated financial statements comprise the financial statements of the parent company and all its subsidiaries as at the reporting date. Consolidation of a subsidiary begins when the parent company obtains control over the subsidiary and ends when the parent company loses control. The Group’s ownership interest in its subsidiaries ranges from 50% to 100%. Subsidiaries in which the Group holds a 50% interest are consolidated because the Group has control through the management of real estate development projects and/or shareholders’ agreements. Associates and joint ventures are accounted for using the equity method.

Management Report

UNAUDITED SALES REVENUE AND NET PROFIT FOR THE FIRST 12 MONTHS OF 2025

35.4 M€	12-MONTH SALES REVENUE
0.4 M€	12- MONTH NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY

UNAUDITED SALES REVENUE AND NET PROFIT FOR THE 4Q OF 2025

4.5 M€	2025 IV Q SALES REVENUE
-0.5 M€	NET PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY IN IV QUARTER

FINANCIAL RATIOS AND INDICATORS

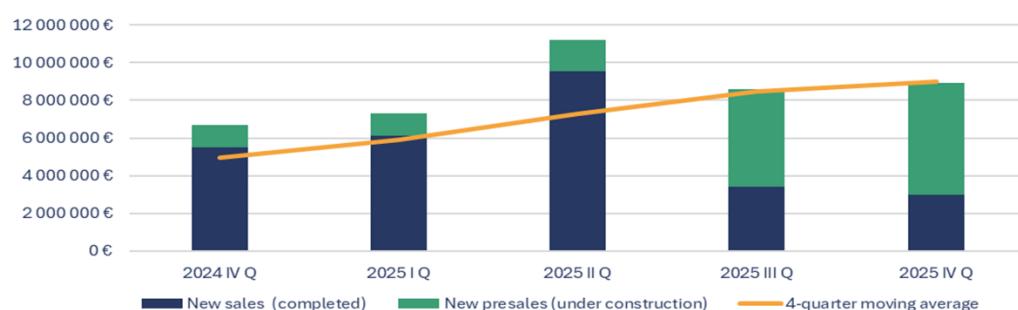
	2025	2024
Assets total	91,835	88,813
Loans total	50,644	66,803
Including subordinated loans from subsidiaries' owners, total	16,070	16,393
Total equity	27,078	22,010
Including equity attributable to owners of the parent company	20,858	20,912
Adjusted equity	43,148	38,403
Equity ratio (%)	29.5%	24.8%
Adjusted equity ratio (%)	47.0%	43.2%

OVERVIEW OF DEVELOPMENT PROJECTS

RESIDENNTIAL	Status	Developments	m ²	Apartments	Pre-agreements	Total potential sales revenue
	Completed	5 developments	1,545 m ²	27	0.2 M€	5.2 M€
	In construcion	5 developments	26,453 m ²	428	12.4 M€	185 M€

BUSINESS	Status	Developments	m ²	Vacancy as at 31.12.25	Total rental income for the IV quarter of 2025	2025 total rental income	12-month rental income forecast from signed lease agreements (01.01.2026-31.12.2026)
							2.4 M€
	Completed	4 developments	16,655 m ²	16%	0.4 M€	1.1 M€	2.4 M€

FIRST SALES



* First sales are recorded as contracts of obligation and property law concluded during the quarter. A property law contract that has not been preceded by an obligation contract is considered a first sale.

LONG TERM OUTLOOK (01.01.2025 VS 31.12.2025)

REVENUE POTENTIAL OF DEVELOPMENT PROJECTS			Total revenue of all projects managed by Hepsor, including unconsolidated revenues from associated companies.		
Start of period	During the period	At the end of period	Indicates the share of project revenues in future consolidated revenues.	Does not include Canadian projects, which are financial investments.	As of 31 December, €398 million (83%) of the sales potential is residential and €81 million (17%) is commercial.
399 M€ 97%	Change in projects +115.4 M€ Sale -35.4 M€	479 M€ 85%			

Start of period	CHANGE IN PIPELINE		Start of period	CHANGE IN PIPELINE	
	During the period	At the end of period		During the period	At the end of period
24 PROJECTS	+6 projects -2 projects	28 PROJECTS	172,500 M ²	+41,600 M ² - 17,450 M ²	196,650 M ²

Dear shareholders of Hepsor



Hepsor's consolidated revenue for 2025 amounted to 35.4 million euros (2024: 38.4 million euros) and the Group's net profit amounted to 1.0 million euros (2024: 2.1 million euros), including net profit attributable to the owners of the parent company of 0.4 million euros (2024: 0.4 million euros).

Consolidated revenue for the fourth quarter of 2025 was 4.5 million euros (Q4 2024: 10.5 million euros) and the Group recorded a net loss of 0.5 million euros (Q4 2024: net profit of 1.0 million euros), including a net loss attributable to the owners of the parent company of 0.5 million euros (Q4 2024: net profit of 0.6 million euros).

In 2025, the Group's revenue and profitability were affected by a decrease in the number of apartments handed over to customers compared to the previous year – 141 apartments (2024: 194). Profitability was negatively impacted by lower profit margins of the development projects sold and an increase in marketing expenses. Marketing expenses amounted to 1.3 million euros in 2025 (2024: 0.9 million euros). The increase in expenses was primarily driven by the growth in the number and scale of projects on sale, which led to more intensive sales and marketing activities. The Group's finance costs and personnel expenses remained at the same level as in the previous year.

On 21 November 2025, the public offering of the first series under the bond programme of Hepsor AS was successfully completed. The initial issue volume was 6 million euros; however, the offering was 1.4 times oversubscribed and due to strong investor demand, the volume was increased to 8 million euros. A total of 1,079 investors from Estonia, Latvia and Lithuania participated in the offering. The bonds carry a fixed annual interest rate of 9.50%, and the first interest payment will be made on 26 February 2026.

Residential development projects

In 2025, we expanded the Group's development portfolio by six residential development projects, comprising approximately 700 planned apartments and 2,500 m² of commercial space. In the fourth quarter of 2025, a property located at Manufaktuuri 3, Tallinn, was added to the development portfolio, where approximately 300 apartments are planned to be developed in three stages. Based on the detailed plan, it is possible to construct a high-rise building of up to 60 storeys on the property.

During the reporting year, the Group concluded primary sales agreements for 185 homes under the law of obligations contracts or real rights contracts, with a total value of 36.1 million euros, which is nearly twice as much as in 2024 (109 homes and 19.8 million euros). The growth was supported by a stable financial environment with stabilised interest rates and a positive economic growth outlook according to both the Estonian and Latvian central banks. In addition, several projects that had previously been in the preparation phase entered the construction stage, increasing supply volumes and expanding options for different customer segments.



As at 31 December 2025, the Group had a total of 10 residential development projects on sale, of which five had been completed and five were under construction. In completed projects, a total of 355 new homes and 453 m² of commercial space have been built. As at the reporting date, 92% of these, or 327 apartments, have been sold under real rights contracts. As at the end of the reporting year, the inventory of completed unsold apartments amounted to 28 units.

In 2025, we handed over 141 homes to customers (2024: 194 homes), including 22 homes in the fourth quarter (Q4 2024: 52 homes).

As at 31 December 2025, the Group had 428 new homes under construction (31 December 2024: 192) representing a 223% increase compared with the corresponding period. In Latvia 227 (31 December 2024: 40) homes were under construction and in Estonia, 201 (31 December 2024: 152).

In 2025, we commenced construction of four new development projects. In addition, the Manufaktuuri Vabriku development progressed from preparatory works to the conclusion of a construction contract, with a total value of 33.3 million euros.

In Riga, we began the construction of residential buildings across three separate development projects. At Dzelzavas iela 74C, we are developing an apartment building comprising 103 homes. At Braila iela 23, a total of 105 new homes will be constructed in two phases and at Eiženija iela 18, we commenced the construction of 54 new homes.

In Tallinn, we started the next phase of the Manufaktuuri quarter at Manufaktuuri 12, where two apartment buildings with a total of 49 new homes will be completed by the end of this year.

Commercial real estate

In 2024, we started the construction of StokOfiss U34, a multifunctional commercial building at Ulbrokas 34 in Riga. The leasable area of the building is 8,740 m². In July 2025, a partial occupancy permit for the building was issued. As at 31 December 2025, 74% of the total leasable area is covered by lease agreements.

In 2025, the Group entered into long-term lease agreements with Maxima Eesti OÜ and GYM Eesti OÜ. In 2026, the Group plans to commence the construction of a new commercial centre located at Vana-Tartu mnt 49, Rae municipality. The planned leasable area of the two-storey commercial building is 3,500 m².

As at 31 December 2025, 84% of the total leasable area in Hepsor's completed commercial real estate portfolio is covered by lease agreements.

Canada

Hepsor's Canadian operations focus on supporting detailed land-use planning for development projects, thereby securing increased building rights. As at 31 December 2025, the Group has invested in five development projects. In August 2025, a decision by the Toronto City Council came into effect, granting building rights for Hepsor's first Weston Road development project. The City Council's decision provides for the construction of two residential towers of 35 and 39 storeys. During the detailed planning process, the building volume was successfully increased from 27,000 m² to 62,000 m².

Future outlook

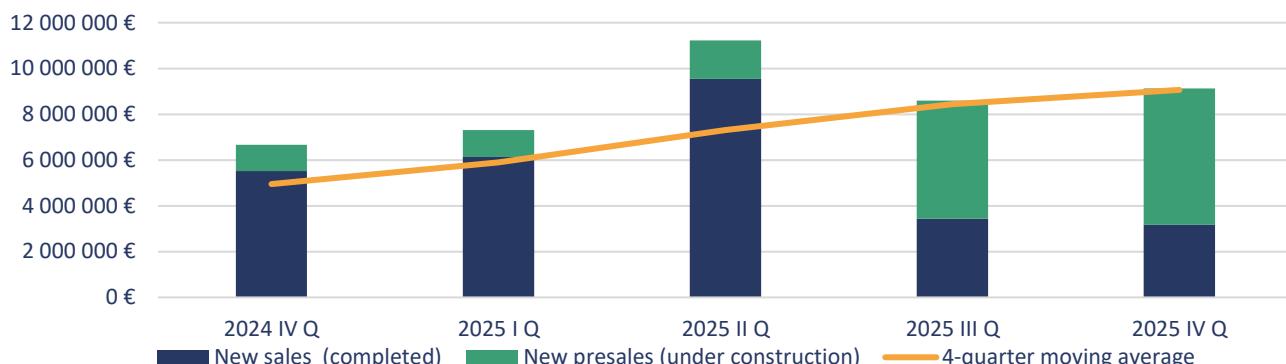
In 2026, the Group plans to launch construction of five new development projects – two residential and one commercial real estate project in Estonia, and one residential and one commercial real estate project in Latvia:

- ✓ V7 residential development project, located at Võistluse 7, Tallinn – Hepsor's first residential building with a timber frame structure, comprising eight apartments;
- ✓ Paevälja quarter, stage I – construction of 93 apartments and 918 m² of commercial space at Paevälja 5, 7 and 9 is scheduled to begin in the second quarter of 2026;
- ✓ Peetri business centre, located at Vana-Tartu mnt 49, Rae Parish – the building will include 3,551 m² of leasable area, 88% of which is already covered by lease agreements;
- ✓ Veidema quarter, stage I, located at Ganību dambis 17a, Riga – a stock-office type development project combining office and warehouse functions;
- ✓ Starta 17 residential development project in Riga – construction will begin in stages, with a total of 255 new homes to be completed.

Martti Krass
Member of the Management Board

Development projects under construction and for sale

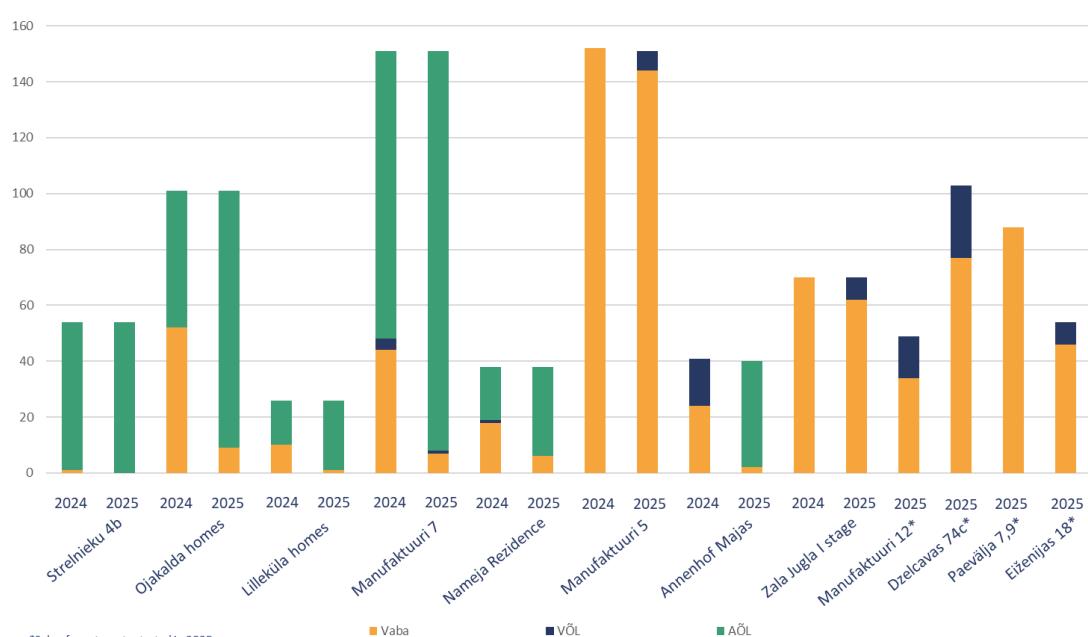
Residential development projects in pre-sale and sale (as at 31 December 2025):



Initial sales are recorded based on the law of obligations and property law contracts concluded during the quarter. A property law contract is considered an initial sale if it has not been preceded by a contract under the law of obligations. As at 31 December 2025, there are 11 projects in pre-sale and sale (as at 31 December 2024: 8 projects). In the second quarter of 2025, 20 apartments from the Ojakalda Homes development project were sold to the non-controlling interest. The 4-quarter rolling average of initial sales was 5 million euros in Q4 2024, while the same indicator in Q4 2025 was 9 million euros, representing growth of 182%.

	Total apartments	Sold as at 31 December 2025		Unsold
		Pre-sold	Sold	
Completed total	356	1	328	27
In construction total	428	64	0	364
Total	784	65	328	391

Residential development projects on sale in 2025 compared with 2024.



*Sale of apartments started in 2025

Vaba

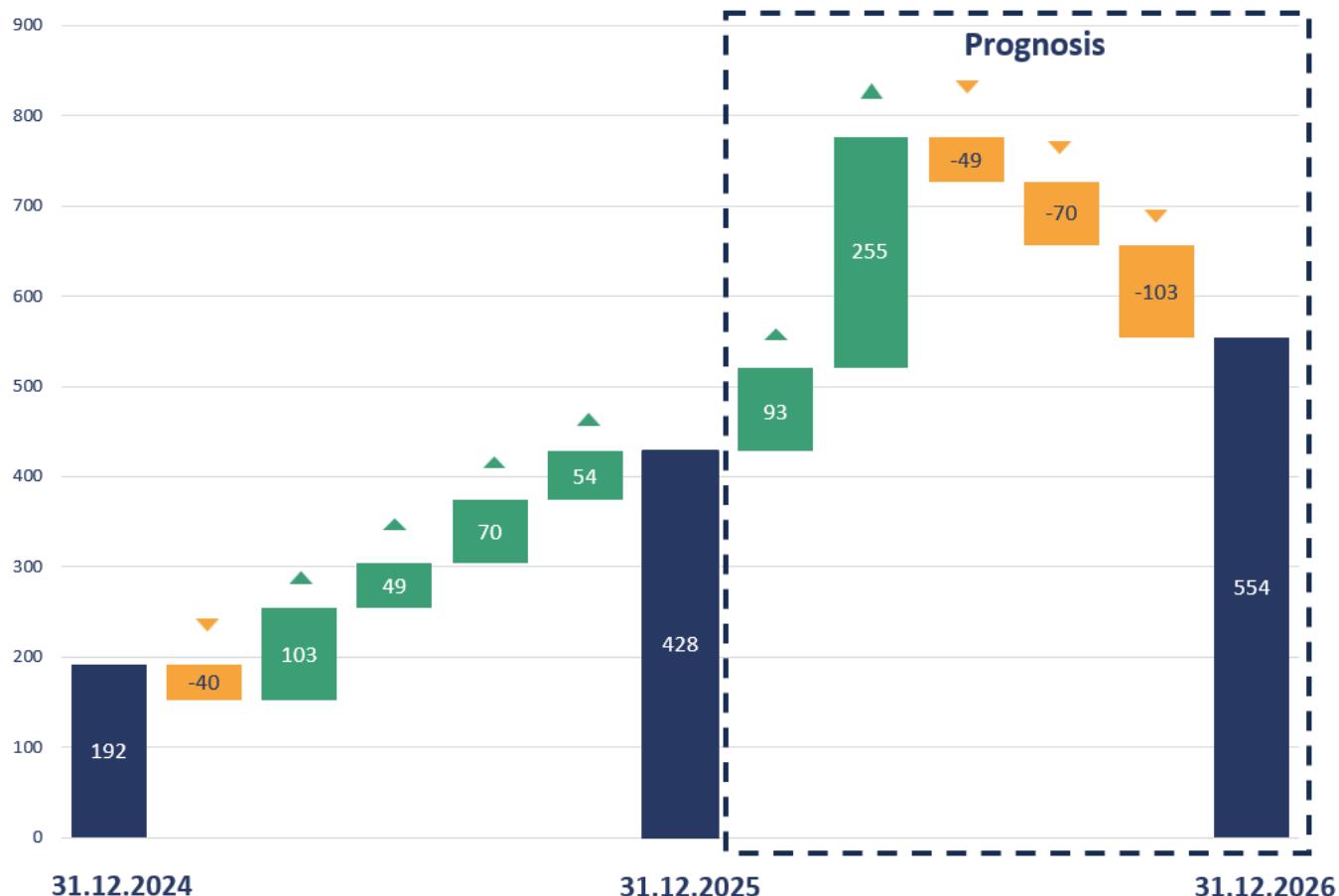
VÖL

AÖL

Residential development projects under construction (as at 31 December 2025):

As at 31 December 2025, the company had 428 apartments under construction (31 December 2024: 192 apartments), of which 201 (31 December 2024: 152) were in Estonia and 227 (31 December 2024: 40) in Latvia.

Change in the number of apartments under construction in 2024-2026 (as at 31 December 2025):



	Construction started (units)	Construction ended (units)	Number of apartments under construction
Annenhof majas, Riga	40		
Manukatuuri Vabrik first stage, Tallinn	152		
As at 31 December 2024	192	0	192
Annenhof majas, Riga		-40	
Dzelzavas 74C, Riga	103		
Manufaktuuri 12, Tallinn	49		
Zala Jugla I stage, Riga	70		
Eizenija 18, Riga	54		
As at 31 December 2025	276	-40	428
Paevälja 7,9, Tallinn	93		
Starta 17, Riga	255		
Manufaktuuri 12, Tallinn		-49	
Zala Jugla I stage, Riga		-70	
Dzelzavas 74C, Riga		-103	
Prognosis as at 31 December 2026	348	-222	554

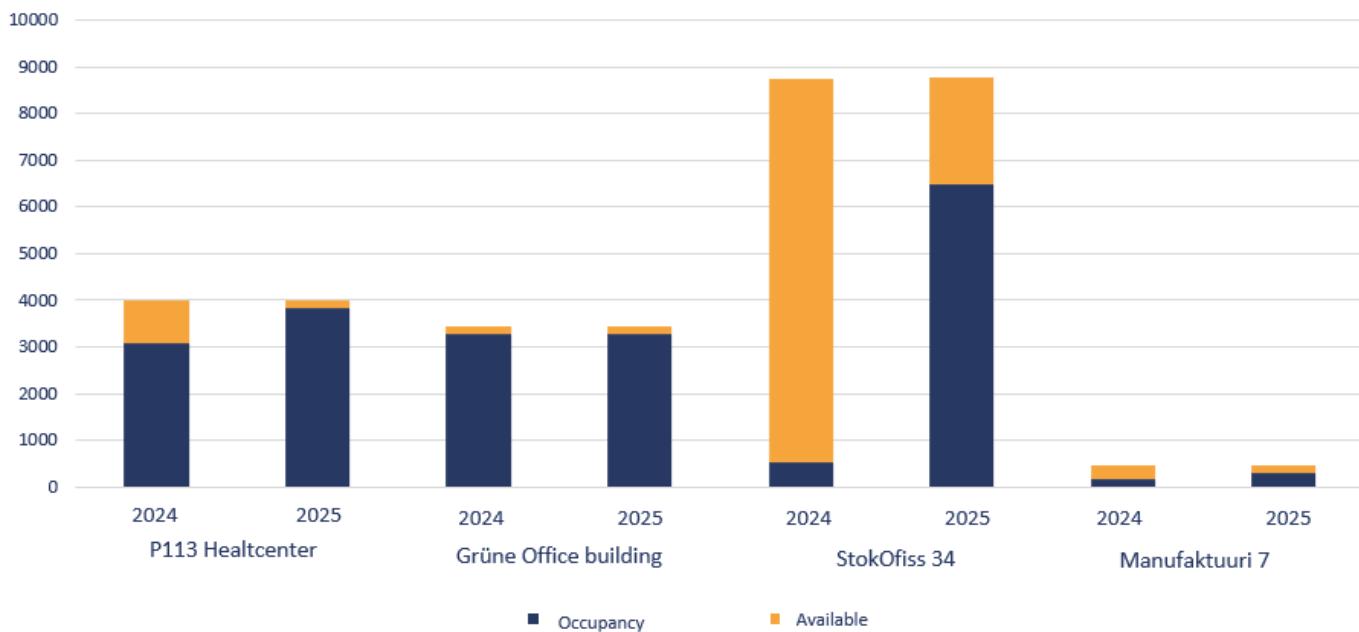
Commercial spaces under construction change 2024-2026 (as at 31 December 2025):



	Construction started (m ²)	Construction ended (m ²)	Under construction (m ²)
Manufaktuuri Vabrik I stage	1,515		
StokOfiss 34	8,740		
As at 31 December 2024	10,255	0	10,255
Manufaktuuri Vabrik I stage		-1,515	
StokOfiss 34		-8,740	
As at 31 December 2025	0	-10,255	0
Veidama quarter I stage	5,154		
Paevälja quarter I stage	918		
Peetri business centre	3,551		
Prognosis as at 31 December 2026	9,623	0	9,623

No commercial spaces will be built in the first stage of the Manufaktuuri quarter.

Occupancy of completed commercial real estate development projects (as at 31 December 2025):



Project	Leasable space (m²)	As at 31.12.2024 leased		01.01.2025-31.12.2025		As at 31.12.2025		
		Leased m²	Vacancy %	Signed lease agreements m²	Total leased m²	Vacancy m²	Vacancy %	
Completed projects	16,655	6,949	58%	6,964	13,913	2,742	16%	

In addition to the new commercial and office buildings developed by the Group, the Group rents out commercial premises in Riga and Tallinn located on properties that are in the development phase for the construction of new buildings.

Overview of development projects

As at 31 December 2025, the Group has a total of 33 active development projects in various development phases (31 December 2024: 24 projects) and 196,650 square metres of sellable area (31 December 2024: 172,500 square metres).



COMPLETED:	IN PROGRESS:	IN PIPELINE:
Commercial 16,900 Sqm	Residential 1,500 sqm	Residential 25,900 sqm

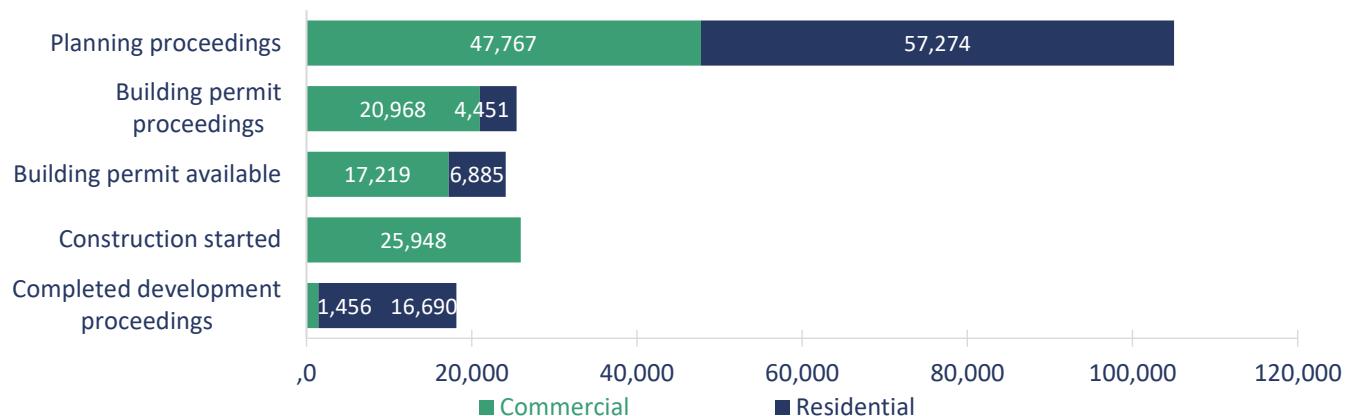


19 PROJECTS – 100,500 sqm	
READY DEVELOPMENTS:	
Commercial	7,900 sqm
Residential	1,000 sqm (18 units)
Total	8,900 sqm
ACTIVE CONSTRUCTION:	
Residential	13,500 sqm (201 units)
IN PIPELINE:	
Commercial	13,500 sqm
Residential	64,600 sqm (1031 units)
Total	78,100 sqm

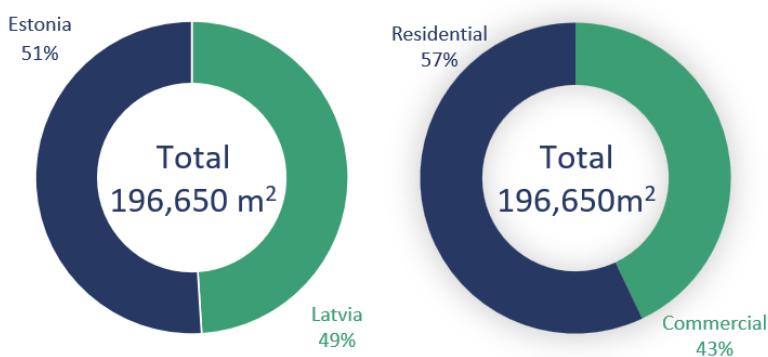
9 PROJECTS – 98,100 sqm	
READY DEVELOPMENTS:	
Commercial	8,800 sqm
Residential	400 sqm (10 units)
Total	9,200 sqm
ACTIVE CONSTRUCTION:	
Residential	12,500 sqm (227 units)
IN PIPELINE:	
Commercial	59,300 sqm
Residential	17,200 sqm (290 units)
Total	76,500 sqm

5 LAND DEVELOPMENT PROJECTS – 254,000 sqm	
IN PIPELINE:	
Construction rights for 3,000 purpose built rental apartments	
KEY INVESTMENT STRATEGY:	
Acquiring land to expand property building rights, with the intention to sell the land.	

Distribution of development portfolio between different development phases* (as at 31 December 2025):



Distribution of development portfolio between countries and type* (as at 31 December 2025):



*Excluding Canadian projects

Ongoing development projects:

Project address	Project name	Company name	Hepsor share	Project status	Units for sale		Projected sales revenue (MEUR)	Planned start of construction	Planned project completion
					Homes (units)	Commercial (m2)			
Nõmme tee 57, Tallinn	Lilleküla Homes	Hepsor N57 OÜ	100%	Under construction and/or available for sale	1	0	0.2	IV Q 2022	I Q 2026
Manufaktuuri 7, Tallinn	Manufaktuuri 7	Hepsor Phoenix 2 OÜ	50%	Under construction and/or available for sale	8	466	1.5	I Q 2023	IV Q 2026
Paldiski mnt 227, Tallinn	Ojakalda Homes	Hepsor 3 Torni OÜ	100%	Under construction and/or available for sale	9	0	1.8	III Q 2022	I Q 2026
Alvari 1,1a,5, Tallinn	Alvari 1, 1a,5	Hepsor A1 OÜ	100%	Planning proceedings	145	777	37.8	N/A	N/A
Manufaktuuri 12, Tallinn	M12	Hepsor Phoenix 4 OÜ	50%	Under construction and/or available for sale	49	0	12.6	III Q 2025	II Q 2027
Võistluse 7, Tallinn	V7	Hepsor V7 OÜ	50%	Building permit proceedings	8	0	2.6	I Q 2027	II Q 2028
Manufaktuuri 5, Tallinn	Manufaktuuri Vabrik	Hepsor Phoenix 3 OÜ	50%	Under construction and/or available for sale	152	0	48.6	III Q 2023	III Q 2028
Manufaktuuri 5, Tallinn	Manufaktuuri Vabrik II phase	Hepsor Phoenix 3 OÜ	50%	Building permit proceedings	171	1 731	48.7	N/A	N/A
Paevälja 7,9, Tallinn	Paevälja quarter I phase	Hepsor SOF OÜ	50%*	Building permit proceedings	87	918	20	II Q 2026	I Q 2028
Narva mnt 150,150a, Tallinn	Paevälja quarter II-III phase	Hepsor SOF OÜ	50%*	Planning proceedings	209	0	40.6	II Q 2027	II Q 2030
Kadaka tee 197, Tallinn	H&R residentsid	H&R Residentsid OÜ	50%	Planning proceedings	101	0	17.6	N/A	N/A
Meistri 14, Tallinn	Grüne Office	Hepsor M14 OÜ	51%	Completed earning cashflow	0	3 474	N/A	II Q 2023	N/A
Vana Tartu mnt 49, Tallinn	Peetri commercial building	Hepsor VT49 OÜ	50%	Building permit proceedings	0	3 551	N/A	II Q 2026	N/A
Pärnu mnt 113, Tallinn	P113 Health centre	Hepsor P113 OÜ	45%*	Completed earning cashflow	0	3 985	N/A	IV Q 2022	N/A
Narva mnt 150B, Tallinn	Narva mnt 150b	Hepsor N450 OÜ	100%	Planning proceedings	0	4 185	N/A	N/A	N/A
Ranka Dambis 5, Riga	Nameja Rezidence	Hepsor RD5 SIA	100%	Under construction and/or available for sale	6	0	1	III Q 2024	II Q 2026
Jurmala Gatve 74, Riga	Annenhof Mājas	Hepsor JG SIA	100%	Under construction and/or available for sale	4	0	1.3	I Q 2025	I Q 2026
Braīla iela 23, Riga	Zaļā Jugla	Hepsor Jugla SIA	100%	Under construction and/or available for sale	105	0	16.2	III Q 2025	III Q 2028
Eizenija 18,Riga	Kirsu Kalna Majas	Hepsor E18 SIA	100%	Building permit proceedings	54	0	7.6	IV Q 2025	II Q 2027
Dzelzavas iela 74C,Riga	360° Dzelzavas Residences	Hepsor DZ74 SIA	50%	Under construction and/or available for sale	103	0	14.3	II Q 2025	II Q 2027
Smaidi,Drelini	Smaidi park	SIA "Riga Properties 4"	50%	Planning proceedings	0	74 314	N/A	N/A	N/A
Starta 17, Riga	Starta 17	Hepsor S17 SIA	100%	Building permit proceedings	255	0	39	II Q 2026	IV Q 2029
Ulbrokas 34, Riga	StockOffice U34	Hepsor U34 SIA	59,30%	Completed earning cashflow	0	8 747	N/A	II Q 2024	N/A
Ganibu Dambis 17, Riga	Veidama quarter I stage	Hepsor Ganibu Dambis SIA	100%	Building permit proceedings	0	5 154	N/A	II Q 2026	N/A
Ganibu Dambis 17a, Riga	Veidama quarter II stage	Hepsor Ganibu Dambis SIA	100%	Building permit proceedings	0	18 961	N/A	N/A	N/A
Saules aleja 2a, Riga	Saules aleja	Hepsor SA2 SIA	51%	Planning proceedings	0	4 190	N/A	N/A	N/A
Manufaktuuri 3, Tallinn	Manufaktuuri 3 I phase	Hepsor PHX5 OÜ	50%	Planning proceedings	80	1 177	19.4	I Q 2029	I Q 2031
Manufaktuuri 3, Tallinn	Manufaktuuri 3 II phase	Hepsor PHX5 OÜ	50%	Planning proceedings	80	0	19.4	IV Q 2029	IV Q 2031
Manufaktuuri 3, Tallinn	Manufaktuuri 3 III phase	Hepsor PHX5 OÜ	50%	Planning proceedings	150	1 135	48.5	IV Q 2030	IV Q 2033

Total 1 777 132 765 479**

*Associates and joint ventures

** As at 31 December, 398 million euros (83%) of the sales potential is residential and 81 million euros (17%) is commercial.

For revenue marked as N/A, commercial buildings are not included; in the timeline view, we plan time starting from the building permit application process.

Development Projects in Canada (as at 31 December 2025)

Hepsor's projects in Canada are recognised as financial investments. To date, we have invested in five different development projects. The Group's activities in Canada are related to increasing the building volume of properties, and in collaboration with partners, plans are underway for approximately 3,000 new rental apartments.

- ✓ In August 2025, the decision of the Toronto City Council came into effect, granting building rights for the Weston Road development project. The project foresees the construction of two apartment buildings with 35 and 39 floors, with a total gross area of 62,000 m².
- ✓ The Isabella project aims to consolidate three properties located at 164–168 Isabella Street in Toronto and to plan a residential high-rise on the newly formed property with a development volume of approximately 42,000 m².
- ✓ The Elysium Glenavy project involves the acquisition of seven properties in the Leaside area of downtown Toronto, located at 17–29 Glenavy Avenue, with the goal of developing a residential high-rise with rental apartments and a development volume of approximately 25,000 m².
- ✓ The High Park project involves the acquisition of a development project consisting of 11 properties located at 21–29 Oakmount Road & 26–36 Mountview Avenue. The development area is planned for a two-tower residential high-rise with rental apartments and a total development volume of approximately 62,000 m².
- ✓ The Brownville Avenue project involves the acquisition of a development project consisting of 17 properties on Brownville Avenue in Toronto, Canada. The project envisions a residential building with rental apartments and a development volume of approximately 63,000 m².



Development projects in Tallinn (as at 31 December 2025)



Planning proceedings

- 1 Narva mnt 150, 150a
- 2 Narva mnt 150b
- 3 Alvari 1, 1a
- 4 Kadaka tee 197
- 5 Manufaktuuri 3 I-III stage

Building permit proceedings

- 6 Paevälja 7, 9
- 7 Vana-Tartu mnt 49
- 8 Võistluse 7
- 9 Manufaktuuri 5 II stage

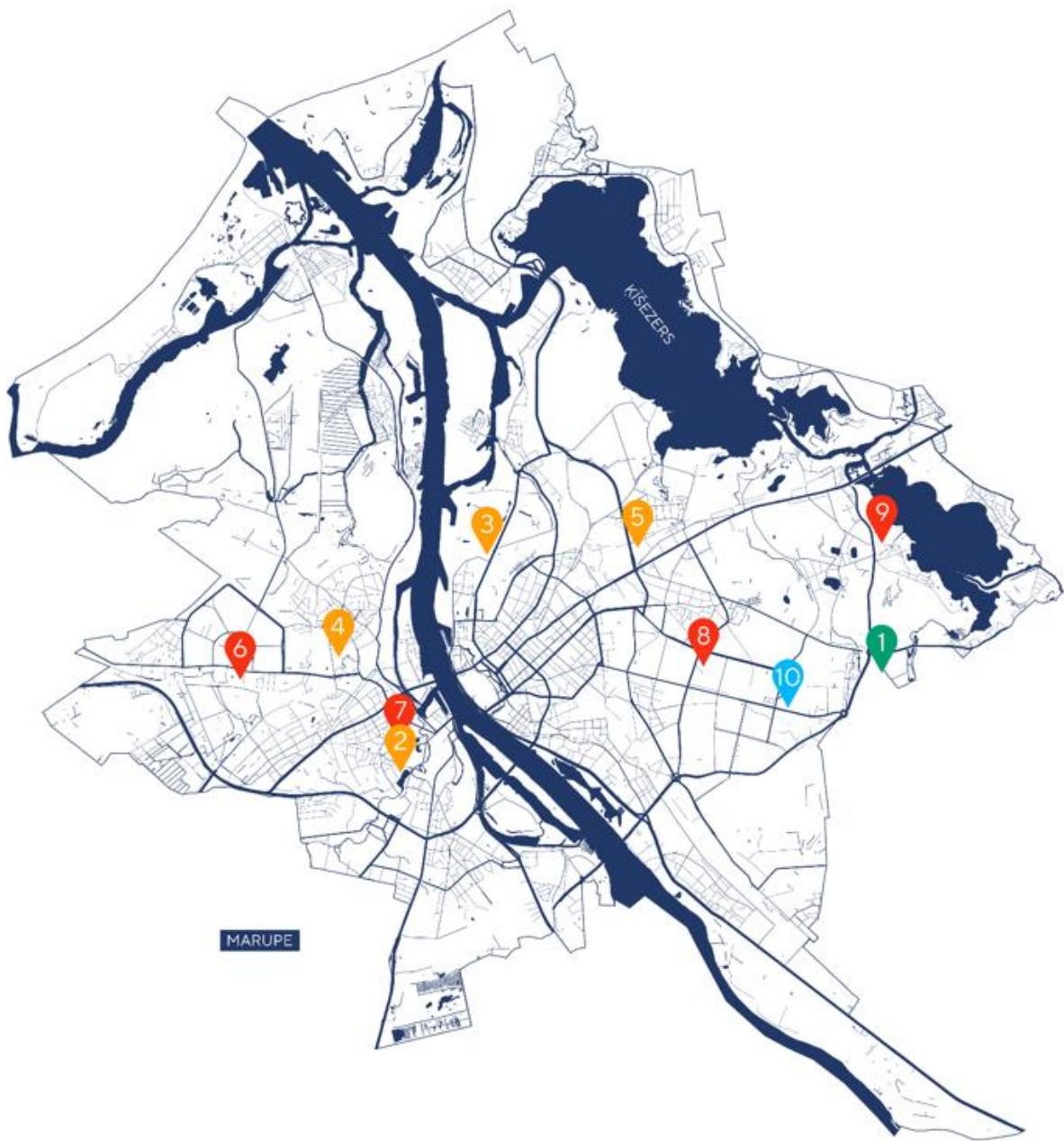
Under construction and/or available for sale

- 10 Manufaktuuri 5 I stage
- 11 Manufaktuuri 7
- 12 Manufaktuuri 12
- 13 Nõmme tee 57
- 14 Paldiski mnt 227c

Completed, earning cash flow

- 15 Meistri 14
- 16 Pärnu mnt 113

Development projects in Riga (as at 31 December 2025)



Planning
proceedings

1 RP4 Drelini

Building permit
proceedings / available

2 Saules aleja 2a
3 Ganibu Dambis 17a
4 Eizenija 18
5 Starta 17

Under construction and/
or available for sale

6 Jurmalas Gatve 74
7 Ranka Dambis 5
8 Dzelzavas 74C
9 Braila 23

Completed,
earning cash flow

10 Ulbrokas 34

Projects in Toronto (as at 31 December 2025)



Land development projects

- 1 3406-3434 Weston road
- 2 164 - 168 Isabella street
- 3 17-29 Glenavy Avenue
- 4 21-29 Oakmount Rd & 26-36 Mountview Avn
- 5 70-104 Brownville avenue

Main events

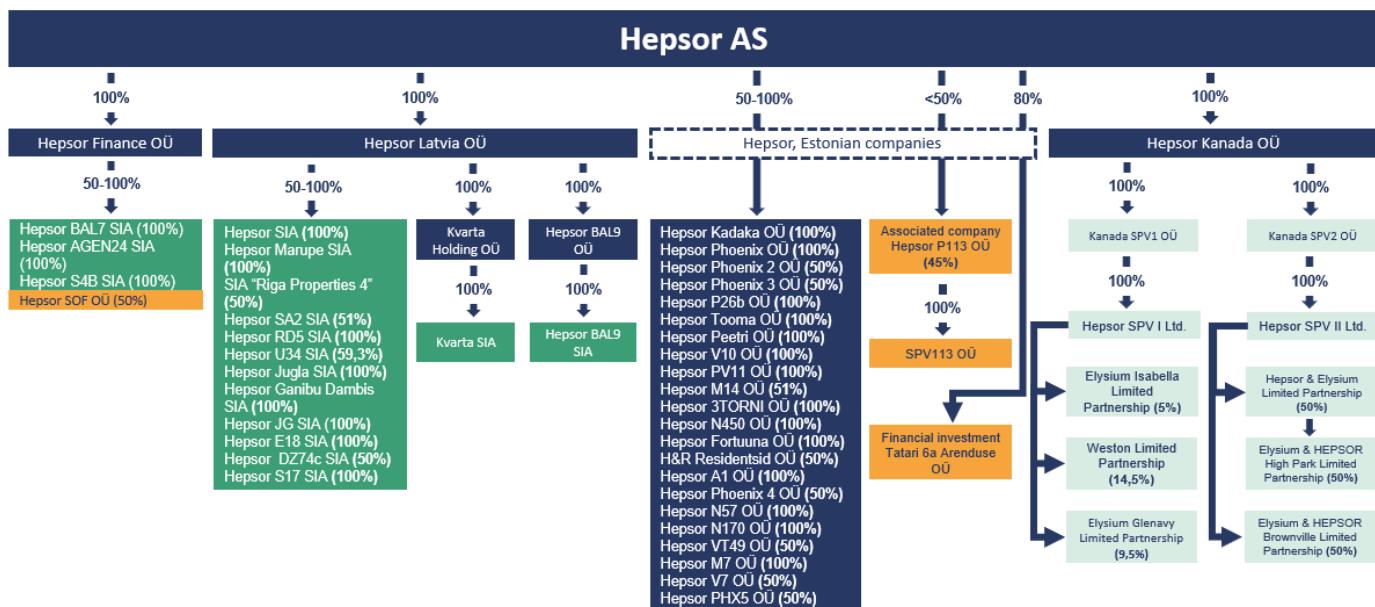
- ✓ Hepsor AS's subsidiary, Hepsor Finance OÜ, signed a shareholders' agreement under which a 50% stake in Hepsor SOF OÜ was sold to the EfTEN Special Opportunities Fund, managed by EfTEN Capital. The sale of the stake in Hepsor SOF OÜ laid the foundation for the joint implementation of a development project in Lasnamäe. On April 14, Hepsor and EfTEN announced their cooperation to develop approximately 300 apartments in Lasnamäe.
- ✓ On 30 April 2025 Hepsor AS's subsidiary, Hepsor 3Torni OÜ, signed a real rights agreement under which 20 apartments in the Ojakalda Kodud development project (Paldiski mnt 227C, Tallinn) were sold to the company's other shareholder, Artex KV OÜ.
- ✓ The Supervisory Board of Hepsor AS has elected Martti Krass, the current Country Manager for Latvia, as the new Management Board Member of Hepsor AS. He will assume the position on 1 August 2025, with a five-year mandate. The current Chairman of the Management Board, Henri Laks, will step down on 1 August 2025 and, in accordance with the decision of Hepsor's General Meeting of Shareholders held on 21 May 2025, will become a member of the Supervisory Board.
- ✓ Hepsor AS's subsidiary, Hepsor VT49 OÜ, signed long-term lease agreements with Maxima Eesti OÜ and GYM Eesti OÜ and will begin the development of a new business center at Vana-Tartu mnt 49, Rae Parish.
- ✓ Hepsor AS has decided to acquire the minority stake in Hepsor Latvia OÜ held by Martti Krass (through Hugomon OÜ), the current Country Manager for Latvia and future Member of the Management Board of Hepsor AS, and to replace it with a stake in Hepsor AS. The purpose of the transaction is to align the interests of the future board member with those of the Group as a whole by transferring Martti Krass's ownership to the parent company level.
- ✓ On 19 June 2025, Hepsor AS's subsidiary, Hepsor Latvia OÜ, and INTV Vara OÜ signed a shareholders' agreement aimed at starting the construction of a 13-story residential building in Riga, at Dzelzavas iela 74c. According to the shareholders' agreement, Hepsor Latvia OÜ will acquire a 50% stake in the company Laba māja centrā SIA (under its new business name Hepsor Dz74c SIA) for a purchase price of 174 thousand euros. The change of ownership has not yet been registered in the Commercial Register.
- ✓ On 8 July 2025, the Supervisory Board of Hepsor AS adopted a decision to increase the share capital by 57,821 euros. The share capital increase is related to the acquisition of a 20% holding in Hepsor Latvia OÜ (registration code 16193797) from Hugomon OÜ (registration code 14221704), as approved by the shareholders' resolution on 12 June 2025. The acquisition will be partially paid for through the issuance of new shares in Hepsor AS to Hugomon OÜ.
- ✓ On 9 July, Hepsor AS's subsidiary Hepsor Phoenix 4 OÜ and the construction company Mitt & Perlebach OÜ signed a construction contract for the development project named M12, located at Manufaktuuri 12, Tallinn. The total value of the construction contract is 7.0 million euros, plus VAT.
- ✓ On 21 July, Hepsor SOF OÜ, a joint venture between Hepsor AS and the EfTEN Special Opportunities Fund, signed a real rights agreement for the acquisition of properties located at Narva mnt 150 and Narva mnt 150a. The properties were purchased from Hepsor Group company Hepsor N450 OÜ.
- ✓ On 5 August, the Supervisory Board of Hepsor AS elected Henri Laks as its new Chairman. His mandate is valid for three years.
- ✓ On 14 August 2025, the acquisition by Hepsor AS's subsidiary, Hepsor Latvia OÜ, of a 100% shareholding in the Latvian company Starta 17 SIA was registered in the Latvian Commercial Register. Starta 17 SIA owns a property at Starta iela 17,

Riga. The development plan foresees the construction of three 14-storey residential buildings comprising approximately 250 apartments and a net floor area of 14,500 m². Construction is planned to start in stages at the end of 2026.

- ✓ On 19 August, Hepsor AS paid dividends to its shareholders in the amount of 0.26 euros per share, totalling 1.0 million euros.
- ✓ On 12 September, Hepsor Group companies Hepsor Phoenix 3 OÜ and Hepsor Phoenix 4 OÜ signed loan agreements with AS LHV Pank in the total amount of 40.3 million euros to finance two development projects in the Manufaktuuri quarter in Tallinn – Manufaktuuri Vabrik (Phase I) and Manufaktuuri 12.
- ✓ On 15 September, Hepsor AS's group subsidiary Hepsor Phoenix 3 OÜ signed a construction contract with Mitt & Perlebach OÜ for the construction of the first phase of the Manufaktuuri Vabrik at Manufaktuuri 5b, with a total value of 33.3 million euros, plus VAT.
- ✓ On 15 September 2025, Hepsor Jugla SIA, a company belonging to the Hepsor AS Group, and construction company Mitt & Perlebach SIA signed a construction contract valued at 8.2 million euros, plus VAT. The contract was concluded for the construction works of the first phase of the Zalā Jugla residential development project, located at Braila iela 23, Jugla, Riga.
- ✓ On 12 November 2025, Hepsor AS announced a public offering of bonds with a total volume of up to 20 million euros. Under the first series of the offering, Hepsor will raise up to 6 million euros, with the option to increase the amount to up to 8 million euros.
- ✓ On 21 November 2025, the public offering of Hepsor AS bonds ended. A total of 8.5 million euros worth of bonds was subscribed, of which 6.2 million euros (72.8%) in Estonia, 2.1 million euros (24.6%) in Latvia, and 0.2 million euros (2.6%) in Lithuania. The base volume of the first series of the offering, 6 million euros, was oversubscribed 1.4 times. Hepsor exercised its right to increase the offering volume by 2,000 bonds, bringing the total offering size to 8 million euros. The bonds were credited to the investors' securities accounts on 26 November, and the first trading day of the bonds on the Nasdaq Tallinn Stock Exchange Baltic Bond List was 27 November 2025.
- ✓ On 18 December 2025, Hepsor AS and AS Phoenix Land, a company of the Tolaram Group, signed a shareholders' agreement under which the parties will continue their cooperation in implementing the next phase of the Manufaktuuri Quarter development. For this purpose, Hepsor's subsidiary Hepsor PHX5 OÜ (registry code 17394859) was established, owned in equal shares by Hepsor AS and AS Phoenix Land. The new company will undertake the development of residential and commercial real estate at Manufaktuuri 3 in Tallinn. AS Phoenix Land will contribute the aforementioned property as a non-monetary contribution to the voluntary reserve capital of Hepsor PHX5 OÜ in the total amount of 5.8 million euros.
- ✓ On 19 December 2025, Harju County Court approved the list of creditors of Novel Clinic Assets OÜ, concluding that Hepsor P113 OÜ had the right to terminate its lease agreement with Novel Clinic Assets OÜ. The court recognised Hepsor P113 OÜ's claims against Novel Clinic Assets OÜ in the amount of 6,090,257.27 euros as first-rank claims. Of this amount, 2,947,092.88 euros is conditional and depends on whether that part of the damage will decrease in the future.
- ✓ On 30 December 2025, Hepsor E18 SIA, a company within the Hepsor AS group, and construction company Mitt & Perlebach signed a contract for the construction of the residential development project "Ķiršu kalna mājas" in the Dzirciems district of Riga. The value of the construction contract is 5.25 million euros, plus VAT.

Group Structure

As at 31 December 2025, the Group consisted of the parent company, 48 subsidiaries, two associates, one joint venture, and one subsidiary of an associate (as at 31 December 2024, the Group consisted of the parent company, 44 subsidiaries, one associate and its subsidiary). Tatari 6a Arenduse OÜ, Weston Limited Partnership, Elysium Isabella Limited Partnership, Elysium Glenavy Limited Partnership, Hepsor & Elysium Limited Partnership, Elysium & Hepsor High Park Limited Partnership, and Elysium & Hepsor Brownville Limited Partnership are recognised as financial investments.



In 2025 the following changes took place in the structure of the Group:

- ✓ On March 20, 2025, Hepsor AS's subsidiary Hepsor Finance OÜ established a subsidiary named Hepsor SOF OÜ and sold a 50% stake in it on April 11, 2025, to the EfTEN Special Opportunities Fund. Hepsor Finance OÜ accounts for Hepsor SOF OÜ as a joint venture company.
- ✓ On April 30, 2025, Hepsor AS acquired a 49% stake in Hepsor 3Torni OÜ, becoming the sole owner of the company.
- ✓ On 8 July 2025, the Supervisory Board of Hepsor AS adopted a decision to increase the share capital of Hepsor AS by 57,821 euros. The share capital increase is related to the acquisition of a 20% holding in Hepsor Latvia OÜ from Hugomon OÜ, as approved by the shareholders' resolution on 12 June 2025. The acquisition was partly settled through the issuance of new shares in Hepsor AS to Hugomon OÜ.
- ✓ On 9 July 2025, Hepsor AS's subsidiary, Hepsor Latvia OÜ, acquired a 50% shareholding in Hepsor Dz74c SIA. The registration of the ownership change was entered in the Commercial Register on 1 August 2025.
- ✓ On 14 August 2025, Hepsor AS's subsidiary, Hepsor Latvia OÜ, acquired a 100% shareholding in Hepsor S17 SIA.
- ✓ On 18 December 2025, Hepsor AS established its subsidiary Hepsor PHX5 OÜ, where Hepsor is 50% shareholder.

Key financials

in thousands of euros	2025	2024	2023	Q4 2025	Q4 2024	Q4 2023
Revenue	35,414	38,397	41,135	4,526	10,542	5,087
Gross profit/-loss	5,636	6,762	7,068	694	2,531	244
EBITDA	3,458	4,536	5,227	367	2,050	-225
Operating profit/-loss	3,359	4,332	5,034	346	1,998	-277
Net profit/-loss	1,039	2,134	3,480	-422	957	-1,298
Incl net profit/-loss attributable to the owners of parent	399	423	1,185	-538	578	-1,087
Comprehensive income/-loss	191	-156	1,713	-344	-76	-3,315
Incl comprehensive profit/-loss attributable to the owners of parent	899	-81	1,127	-466	248	-1,157
Earnings per share	0.10	0.11	0.31	-0.14	0.15	-0.28

in thousands of euros	31 December 2025	31 December 2024	31 December 2024
Total assets	91,835	88,813	91,001
Incl inventories	58,938	64,141	77,439
Total liabilities	50,644	66,803	68,840
Incl subordinated loans from subsidiary owners and other equity-like instruments classified as liabilities	16,070	16,393	13,202
Total interest-bearing loan liabilities	47,747	54,688	56,905
Incl subordinated loans from subsidiary owners	13,770	14,693	13,202
Total equity	27,078	22,010	22,161
Incl equity attributable to the owners of parent	20,858	20,912	20,993

Key Ratios

	2025	2024	2023	Q4 2025	Q4 2024	Q4 2023
Gross profit margin	15.9%	17.6%	17.2%	15.3%	24.0%	4.8%
Operating profit margin	9.5%	11.3%	12.2%	7.6%	19.0%	-5.4%
EBITDA margin	9.8%	11.8%	12.7%	8.1%	19.4%	-4.4%
Net profit margin	2.9%	5.6%	8.5%	-10.7%	9.1%	-25.5%
Net profit margin attributable to owners of the parent	1.1%	1.1%	2.8%	-11.9%	5.4%	-21.4%
General expense ratio	8.9%	7.0%	5.0%	25.0%	7.2%	10.6%

	31 December 2025	31 December 2024	31 December 2024
Equity ratio	29.5%	24.8%	24.4%
Adjusted equity ratio	47.0%	43.2%	38.9%
Debt ratio	52.0%	61.6%	62.6%
Adjusted debt ratio	37.0%	45.0%	48.0%
Current ratio	4.6	2.3	1.7
Return of equity	4.2%	9.7%	16.4%
Return on equity attributable to the owners of the parent	1.9%	2.0%	5.8%
Return on assets	1.2%	2.4%	4.1%

Definitions of ratios

Gross profit margin = gross profit / revenue
Operating profit margin = operating profit / revenue
EBITDA margin = (operating profit + depreciation) / revenue
Net profit margin = net profit / revenue
Net profit margin attributable to the parent company's owners = net profit attributable to the parent company's owners/revenue
General expense ratio = (marketing expenses + general and administrative expenses) / revenue
Equity ratio = end-of-period equity / total assets
Adjusted equity ratio = (equity at the end of the period + subordinated loans from subsidiary owners and other equity-like instruments classified as liabilities) / total assets
Debt ratio = interest-bearing liabilities / total assets
Adjusted debt ratio = (interest-bearing liabilities- subordinated loans from subsidiary owners)/total assets
Current ratio = current assets / current liabilities
Return on equity = net profit of trailing 12 months / arithmetic average shareholder's equity
Return on equity attributable to the owners of the parent = net profit of trailing 12 months attributable to owners of the parent / arithmetic average shareholder's equity attributable to owners of the parent
Return on assets = net profit of trailing 12 months / average total assets

Operating Results

Sales Revenue

The Group's sales revenue for 2025 amounted to 35.4 million euros (2024: 38.4 million euros), of which sales revenue generated in Estonia totalled 26.1 million euros (2024: 32.5 million euros), representing 73.7% (2024: 84.6%) of total sales revenue, while sales revenue generated in Latvia amounted to 9.3 million euros (2024: 5.9 million euros), accounting for 26.3% of the Group's total sales revenue (2024: 15.4%).

Sales revenue for the fourth quarter of the reporting year amounted to 4.5 million euros (Q4 2024: 10.5 million euros), of which sales revenue generated in Estonia totalled 3.2 million euros (Q4 2024: 8.8 million euros), representing 70.5% (Q4 2024: 83.3%), and revenue generated in Latvia amounted to 1.3 million euros (Q4 2024: 1.7 million euros), representing 29.5% (Q4 2024: 16.2%) of the Group's total revenue.

Large fluctuations in sales revenue are relatively common in real estate development sector. The development cycle of the Group's real estate projects lasts approximately 36 months. In year-on-year comparisons, sales revenues and profits may fluctuate depending on the period between the completion of the construction of the development project and the sale of the completed apartments.

In 2025, the Group sold a total of 141 apartments under real right agreements (2024: 194 apartments), of which 22 apartments were sold in the fourth quarter (Q4 2024: 52). During the reporting year, a total of 91 apartments were sold in Tallinn under real right agreements (2024: 165 apartments) and 50 apartments in Riga (2024: 29 apartments).

In 2025, Hepsor Group companies Hepsor Fortuuna OÜ and Hepsor N450 OÜ sold the properties located at Paevälja 5, 7 and 9, and Narva mnt 150 and 150a to the Group's joint venture (50% ownership) Hepsor SOF OÜ. The total transaction value was 9.0 million euros (plus VAT). During the reporting period, revenue of 7.2 million euros from this transaction is recognised, as the amount has been adjusted for unrealised profit of 1.8 million euros.

In addition to apartment sales, the Group also provides project management services and earns rental income. In 2025, the Group generated other revenue in the same amount as in the comparable period, totalling 2.2 million euros, which accounted for 6.1% (2024: 5.8%) of the Group's total sales revenue.

In the fourth quarter, other revenue totalled 0.8 million euros (Q4 2024: 1.1 million euros), accounting for 17.6% (Q4 2024: 10.2%) of the Group's total sales revenue.

Profitability

In 2025, the Group's profitability was affected by a decrease in the number of apartments delivered to customers compared to the previous year—141 apartments (2024: 194). Profitability was also negatively impacted by a lower gross margin on sold projects, which was 16.9% in 2025 (2024: 17.8%), and by increased marketing expenses, which amounted to 1.3 million euros in 2025 (2024: 0.9 million euros). The increase in marketing expenses was primarily attributable to the growth in the number scale of projects on sale, which resulted in more intensive sales and marketing activities. The Group's financial and personnel expenses remained at a similar level compared to the previous year.

On the positive side, reclassification of inventories to investment property resulted in other operating income totalling 0.8 million euros (2024: 0.3 million euros), and interest income increased by 0.3 million euros compared to the previous year.

The Group's gross profit for the reporting year was 5.6 million euros, with a gross profit margin of 15.9% (2024: 6.6 million euros and 17.6%) and in the fourth quarter, the Group's gross profit amounted to 0.7 million euros, with a gross profit margin of 15.3% (Q4 2024: 2.5 million euros and 24.0%).

In 2025, the plots at Paevälja 5, 7,9 and at Narva mnt 150 and 150a were sold, resulting in the recognition of gross profit of 1.9 million euros in the second and third quarters.

In 2025, the Group's operating profit amounted to 3.4 million euros, with operating profit for the fourth quarter totalling 0.3 million euros (2024: 4.3 million euros and Q4 2024: 2.0 million euros). The operating profit margin for the reporting year was 9.5% (2024: 11.3%), while the fourth-quarter operating profit margin was 7.6% (Q4 2024: 19.0%). In the fourth quarter, the properties at Narva mnt 150b, Alvari 1, Alvari 1a and Alvari 5 were reclassified from inventories to investment property. Following their revaluation at fair value, the Group recognised 0.8 million euros as other operating income. These properties are held for capital appreciation.

The Group's net profit for 2025 was 1.0 million euros (2024: 2.1 million euros), of which 0.4 million euros was attributable to the owners of the parent company (2024: 0.4 million euros) and 0.6 million euros to non-controlling interests (2024: 1.7 million euros).

The Group recognised a net loss of 0.5 million euros in the fourth quarter (Q4 2024: net profit 1.0 million euros), of which 0.5 million euros was attributable to the owners of the parent company (Q4 2024: net profit 0.4 million euros).

The net profit margin for the reporting year was 2.9%, while in the fourth quarter it was -10.7% (2024: 5.7% and Q4 2024: 9.1%). The net profit margin attributable to the owners of the parent company was -11.9% in Q4 (Q4 2024: 5.5%) and 1.1% for the full reporting year (2024: 1.1%).

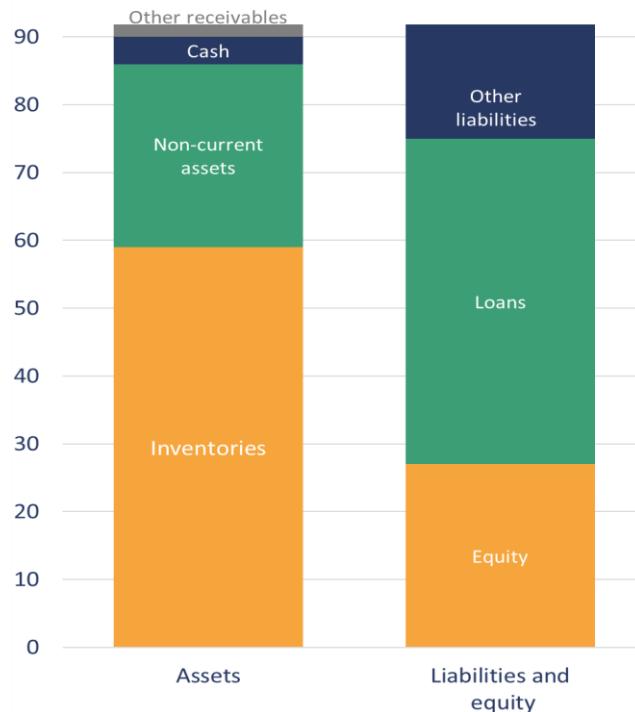
Balance Sheet

The Group's total assets increased by 3.4% over the year, amounting to 91.8 million euros as at 31 December 2025 (31 December 2024: 88.8 million euros). Inventories accounted 64.2% or 58.9 million euros of total assets (31 December 2024: 72.2% and 64.1 million euros).

The increase in inventories in 2025 was driven by the addition of three new residential development projects to the Group's development portfolio: two in Riga - a 103- apartment project at Dzelzavas iela 74C and a 255 – apartment project at Starta 17- and on in Tallinn at Manufaktuuri 3. Inventories decreased due to the sale of 141 apartments under real right agreements, the sale of the land plots at Paevälja 5,7,9 and Narva mnt 150, 150a, and reclassification of the properties at Narva mnt 150b and Alvari 1,1a and 5 to investment property.

As at 31 December 2025, cash and cash equivalents accounted for 4.2% or 3.8 million euros of the total assets. At the same date in previous year, cash and cash equivalents accounted for 7.0% or 6.2 million euros of total assets.

Balance sheet structure 31.12.2025
(m€)



The Group's loan liabilities totalled 47.7 million euros as at 31 December 2025, compared to 54.7 million euros at the same date in the previous year, and the debt ratio was 52.0% (31 December 2024: 61.6%). Loans granted by the shareholders of subsidiaries,

which are related to the development project risk of the subsidiaries, amounted to 13.7 million euros (31 December 2024: 14.7 million euros). The adjusted debt ratio stood 37.0% at year-end (2024: 45.0%).

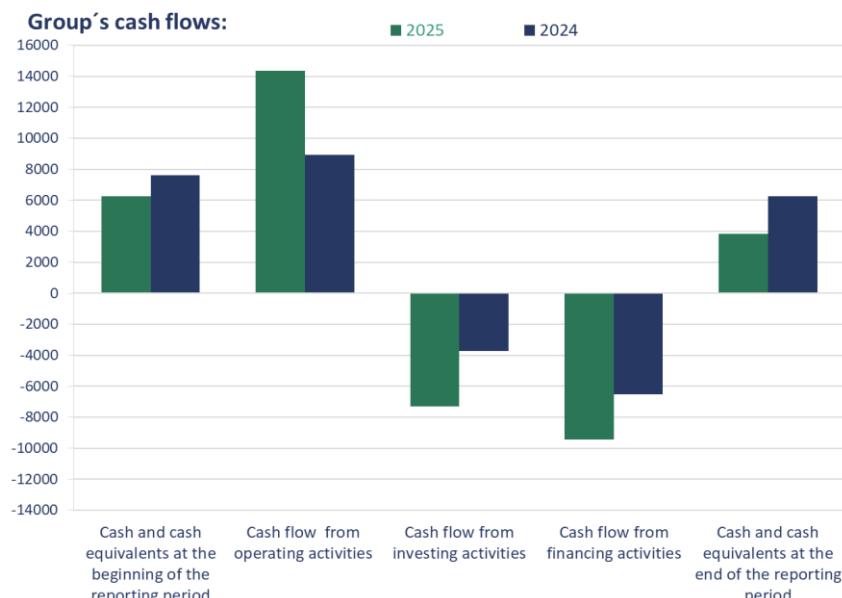
The Group's total equity increased by 23.0% to 27.1 million euros. The main driver of the increase in the Group's equity was a non-cash contribution made by the non-controlling interest to the voluntary reserve of the subsidiary Hepsor PHX5 OÜ. By the end of the reporting year, the non-controlling interest's equity in Group's consolidated financial statements amounted to 6.2 million euros (2024: 1.2 million euros). As at 31 December 2025, the Group's equity ratio was 29.5% (31 December 2024: 24.8%). The adjusted equity ratio, reflecting the inclusion of loans provided by non-controlling interests of subsidiaries in respect of development project risk within equity, amounted to 47.0% as at 31 December 2025 (31 December 2024: 43.2%).

The Group's equity attributable to the owners of the parent company decreased by 0.3% during the reporting period, reaching 20.9 million euros. The change in equity was influenced by the profit for the reporting year, the payment of dividends in the amount of 1.0 million euros, which was recognised as a distribution of retained earnings, and the acquisition of a 20% shareholding in Hepsor Latvia (Note 20).

Cash Flows

The Group's cash and cash equivalents amounted to 6.2 million euros at the beginning of 2025 and to 3.8 million euros as at 31 December 2025. The negative cash flow for the period was 2.4 million euros (2024: 1.3 million euros).

In the reporting year, the Group's cash flow from operating activities was positive at 14.3 million euros (2024: 8.9 million euros). The Group's operating cash flow for 2025 was positive at 4.1 million euros (2024: 6.5 million euros) and the positive impact on operating cash flows amounted to a non-cash change of 5.8 million euros, resulting from the transfer of property to the voluntary reserve. This was a non-cash transaction that did not affect the Group's cash resources but impacted operating cash flow as presented in the statement of cash flows.



In 2025, the Group's cash flow from investing activities was negative in the amount of 7.5 million euros (2024: 3.7 million euros). During the reporting period, the Group invested 1.9 million euros (2024: 4.4 million euros) in Canadian projects and paid 1.4 million euros for the stakes in Hepsor Dz74 SIA and Hepsor S17 SIA. During the first nine months of 2025, the Group granted loans to associates and joint ventures in the amount of 4.1 million euros (2024: 0.9 million euros).

Cash flows from financing activities were negative at 9.5 million euros (2024: 6.5 million euros). The net amount of loans received in 2025 was -13.5 million euros (2024: -1.3 million euros). During the reporting period, the Group paid interest of 3.5 million euros (2024: 5.3 million euros). In November 2025, the Group raised 8.0 million euros through a public bond issuance. Issuance-related costs amounted to 0.2 million euros and have been recognised as an adjustment to the financial liability, being amortised as interest expense over the term of the bonds. The net cash proceeds from the bond issuance amounted to 7.8 million euros.

Share and Shareholders

The shares of Hepsor AS (HPR1T; ISIN EE3100082306) have been listed in the Main List of Nasdaq Tallinn Stock Exchange since 26 November 2021. The Group has issued 3,912,522 shares with nominal value of 1 euro.

As at 31 December 2025, Hepsor AS had 8,561 shareholders.

Hepsor AS shares held by the members of Management and Supervisory Boards and entities related to them:

Shareholder	Position	Number of shares	Shareholding %
Martti Krass	Member of Management Board	59,109	1.51%
Henri Laks	Chairman of Supervisory Board	498,000	12.73%
Andres Pärloja	Member of Supervisory Board	997,500	25.49%
Kristjan Mitt	Member of Supervisory Board	997,500	25.49%
Total	-	2,552,109	65.23%

Shareholder structure by number of shares held as at 31 December 2025:

Number of shares	Number of shareholders	% of shareholders	Number of shares	% of shares
100 001-...	6	0.07%	3,012,161	76.99%
10 001-100 000	9	0.11%	348,584	8.91%
1001-10 000	47	0.55%	140,442	3.59%
101-1000	755	8.82%	206,127	5.27%
1-100	7,744	90.46%	205,208	5.24%
Total	8,561	100.00%	3,912,522	100.00%

During the period from 1 January 2025 to 31 December 2025, a total of 6,844 transactions were carried out with Hepsor shares, during which 151,152 shares changed hands for a total value of 783,520 euros. The highest transaction price during the period was 7.26 euros and the lowest was 3.60 euros. The market capitalisation of the shares as at 31 December 2025 was 24.3 million euros, and the equity attributable to the owners of the parent company totalled 21.0 million euros (31 December 2024: 21.0 million euros).

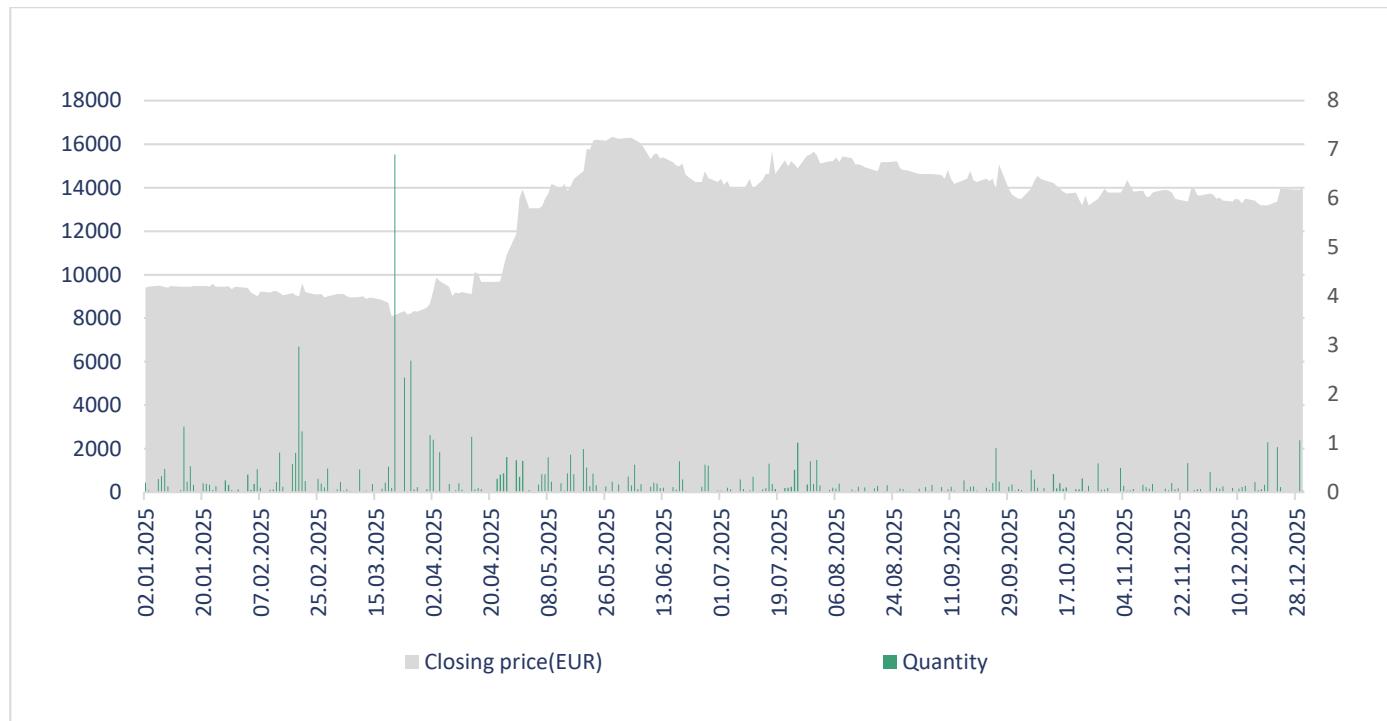
On 8 July 2025, the Supervisory Board of Hepsor resolved to increase the share capital of Hepsor by 57,821 euros. The share capital increase was related to the acquisition of a 20% holding in Hepsor Latvia OÜ from Hugomon OÜ, approved by the shareholders' resolution on 12 June 2025, for which Hepsor partially paid by issuing new shares to Hugomon OÜ.

The increase of Hepsor's share capital was registered in the Commercial Register on 17 July 2025, after which the share capital of Hepsor amounted to 3,912,522 euros, divided into 3,912,522 shares with a nominal value of 1 euro each. In accordance with the decision of the Nasdaq Tallinn Stock Exchange Management Board dated 18 July 2025, the additionally issued 57,821 shares were listed and admitted to trading on the Nasdaq Tallinn main list as at 22 July 2025.

Market cap at 31 December 2025

24.3
million euros

Trading volume and price range of Hepsor AS shares, 12 months (1 January 2025 – 31 December 2025):



Source: Nasdaq Baltic

Change in Hepsor share price in comparison with the benchmark OMX Tallinn index, 12 months (1 January 2025 – 31 December 2025):



Source: Nasdaq Baltic

Consolidated Financial Statements

Consolidated statement of financial position

in thousands of euros	Note	31 December 2025	31 December 2024
Assets			
Current assets			
Cash and cash equivalents		3,821	6,249
Trade and other receivables	3	1,807	761
Current loan receivables	4	0	200
Inventories	2	58,938	64,141
Total current assets		64,566	71,351
Non-current assets			
Property, plant and equipment		260	288
Intangible assets		0	2
Investment properties	5	11,820	7,980
Financial investments	6	7,837	6,424
Investments in joint ventures		26	0
Non-current loan receivables	4	6,521	2,428
Other non-current receivables		805	340
Total non-current assets		27,269	17,462
Total assets	22	91,835	88,813
Liabilities and equity			
Current liabilities			
Loans and borrowings	7	5,687	23,336
Current lease liabilities		50	52
Prepayments from customers		1,544	724
Trade and other payables	8	6,832	6,542
Total current liabilities		14,113	30,654
Non-current liabilities			
Loans and borrowings	7	42,060	31,352
Non-current lease liabilities		112	162
Other non-current liabilities	9	8,472	4,635
Total non-current liabilities		50,644	36,149
Total liabilities	22	64,757	66,803
Equity			
Share capital		3,913	3,855
Share premium		8,917	8,917
Reserves		385	385
Retained earnings		13,863	8,853
Total equity		27,078	22,010
incl. total equity attributable to owners of the parent		20,858	20,912
incl. non-controlling interest		6,220	1,098
Total liabilities and equity		91,835	88,813

Consolidated statement of profit and loss and other comprehensive income

in thousands of euros	Note	12M 2025	12M 2024	Q4 2025	Q4 2024
Revenue	13, 22	35,414	38,397	4,526	10,542
Cost of sales (-)	14	-29,778	-31,635	-3,832	-8,011
Gross profit		5,636	6,762	694	2,531
Marketing expenses (-)	15	-1,334	-898	-658	-295
Administrative expenses (-)	16	-1,828	-1,802	-472	-460
Other operating income		1,155	449	841	365
Other operating expenses (-)		-270	-179	-59	-143
Operating profit (-loss) of the year	22	3,359	4,332	346	1,998
Financial income	18.1	712	421	390	159
Financial expenses (-)	18.2	-2,685	-2,578	-1,158	-1,159
Profit before tax		1,386	2,175	-422	998
Corporate income tax		-347	-41	-64	-41
Net profit (-loss) for the year		1,039	2,134	-486	957
Attributable to owners of the parent		399	423	-538	578
Non-controlling interest		640	1,711	52	379
Other comprehensive income (-loss)					
Changes related to change of ownership	20	-81	-313	0	-389
Changes in the equity of subsidiaries	20	249	0	249	0
Change in value of embedded derivatives with minority shareholders		-714	-1,874	-180	-671
The effects of changes in foreign exchange rates		-302	-103	73	27
Other comprehensive income (-loss) for the period		-848	-2,290	142	-1,033
Attributable to owners of the parent		491	-504	72	-330
Non-controlling interest		-1,339	-1,786	69	-703
Comprehensive income (-loss) for the period		191	-156	-344	-76
Attributable to owners of the parent		889	-81	-466	248
Non-controlling interest		-699	-75	121	-324
Earnings per share					
Basic (euros per share)		0,10	0,11	-0,14	0,15
Diluted (euros per share)		0,10	0,11	-0,14	0,15

Consolidated statement of changes in equity

in thousands of euros		Attributable to equity owners of the parent					
		Share capital	Share premium	Reserves	Retained earnings	Non-controlling interests	Total equity
Balance of 31 December 2023		3,855	8,917	385	7,836	1,168	22,161
2024							
Net profit/-loss for the year		0	0	0	423	1,711	2,134
Other comprehensive income/-loss for the period		0	0	0	-504	-1,786	-2,290
Voluntary reserve capital		0	0	0	0	5	5
Balance of 31 December 2024		3,855	8,917	385	7,755	1,098	22,010
Balance of 31 December 2024		3,855	8,917	385	7,755	1,098	22,010
2025							
Net profit/-loss for the year		0	0	0	399	640	1,039
Other comprehensive income/-loss for the period		0	0	0	491	-1,339	-848
Voluntary reserve		0	0	0	0	5,821	5,821
Dividends paid		0	0	0	-1,002	0	-1,002
Issue of shares		58	0	0	0	0	58
Balance of 31 December 2025		3,913	8,917	385	7,643	6,220	27,078

Additional information is provided in Note 11.

Consolidated statement of cash flows

in thousands of euros	Note	2025	2024
Net cash flows from (to) operating activities			
Operating profit/(-loss) of the year	22	3,359	4,332
Adjustments for:			
Depreciation of property, plant and equipment		99	204
Other adjustments		-792	0
Income tax paid		-320	0
Changes in working capital:			
Change in trade receivables and prepayments		-1,040	789
Change in inventories	19	4,116	6,464
Change in liabilities and prepayments		2,970	-2,602
Other changes		100	-278
Other non-cash changes		5,859	0
Cash flows from (to) operating activities		14,346	8,909
Net cash flows from (to) investing activities			
Payments for property, plant and equipment		-69	-23
Proceeds from sale of property, plant and equipment		2	0
Payments for intangible assets		0	-3
Payments for financial investments		-1,868	-4,420
Payments for acquisition of joint ventures		-1	0
Payments for acquisition of subsidiaries		-1,422	-1
Net cash inflow from the disposal of subsidiaries		4	1,601
Interest received	4	-4,144	-918
Loans granted		5	39
Cash flows from (to) investing activities		-7,493	-3,725
Net cash flows from (to) financing activities			
Loans raised	7	19,574	37,619
Loan repayments	7	-33,104	-38,869
Proceeds from bond issue (net)	7	7,808	0
Interest paid	19	-3,522	-5,326
Payments of finance lease principal		-10	-9
Payments of right to use lease liabilities		-42	-147
Payments upon demerger of a subsidiary		249	209
Non-controlling interest contributions to share capital		0	-1,537
Share capital payments to a non-controlling interest		0	-134
Dividends paid	11	-1,002	0
Other receipts from financing activities		610	1,738
Other payments from financing activities		-16	-83
Cash flows from (to) financing activities		-9,450	-6,539
Net cash flow		-2,597	-1,355
Cash and cash equivalents at beginning of year		6,249	7,604
Cash and cash equivalents acquired through acquisition of subsidiaries		169	0
Increase/decrease in cash and cash equivalents		-2,428	-1,355
Cash and cash equivalents at end of year		3,821	6,249

Notes to the consolidated interim financial statements

Note 1. General information

Hepsor AS (hereinafter “the Group”) consolidated unaudited interim report for Q4 and twelve months 2025 has been prepared in accordance with IAS 34 Interim Financial Reporting of International Financial Reporting Standards as adopted in the European Union (“IFRS (EU)”). The Group has consistently applied the accounting policies throughout all periods presented, unless stated otherwise. The interim report for Q4 2025 follows the same accounting principles and methods used in the 2024 audited consolidated financial statements. The interim financial statements contain the audited financial results for 2024 and unaudited comparative figures for Q4 2024.

The Group has not made any changes to its critical accounting estimates which may affect the consolidated unaudited interim financial statements for Q4 2025.

The Group has not made any changes to the valuation techniques applied for fair value measurement in 2025.

Note 2. Inventories

Inventories are classified as development projects ready for sale once a usage permit has been granted for the project. As at 31 December 2025, usage permits had been issued for residential development projects located at Manufaktuuri 7, Nõmme tee 57 and Paldiski mnt 227c in Estonia, and at Ranka dambis 5 and Jūrmalas gatve 74 in Latvia. In addition, a partial usage permit had been issued for the commercial real estate development project located at Ulbrokas 34, Latvia. As at 31 December 2025, the Group had 36 unsold apartments in development projects classified as ready for sale (31 December 2024: 30), of which 10 were located in Riga and 26 in Tallinn.

In 2025, the properties located at Alvari 1, 1a and 5 and Narva mnt 150b were reclassified as investment property. Additional information is provided in Note 5.

As at 31 December 2025, the changes in inventories as stated in cash flow statements have been adjusted by loan interest expense. The capitalised loan interest amounted to 1,859 thousand euros (31 December 2024: 3,740 thousand euros). Further information is provided in Note 19.

Project statuses are classified as following:

in thousands of euros	31 December 2025	31 December 2024
A – planning proceedings	11,705	11,624
B – building permit proceedings	4,155	11,083
C – building permit available /construction not yet started	4,928	0
D – construction started / sale started	19,906	19,576
E – construction ready for sale	18,244	21,858
Total inventories	58,938	64,141

The following development projects are stated as inventories:

in thousands of euros				31 December 2025		31 December 2024	
Address	Project company	Location	Segment	Acquisition cost	Project status	Acquisition cost	Project status
Work in progress							
Paldiski mnt 227c, Tallinn	Hepsor 3Torni OÜ	Estonia	Residential	0	-	9,530	E
Narva mnt 150b, Tallinn	Hepsor N450 OÜ	Estonia	Residential/Commercial	0	-	4,071	A
Manufaktuuri 5, Tallinn	Hepsor Phoenix 3 OÜ	Estonia	Residential/Commercial	10,776	D	7,556	D
Manufaktuuri 7, Tallinn	Hepsor Phoenix 2 OÜ	Estonia	Residential/Commercial	0	-	7,260	E
Alvari 2/Paevälja 9, Tallinn	Hepsor Fortuuna OÜ	Estonia	Residential	0	-	1,885	B
Alvari 1, 1a, 5, Tallinn	Hepsor A1 OÜ	Estonia	Residential	0	-	2,022	A
Kadaka tee 197, Tallinn	H&R Residentsid OÜ	Estonia	Residential	1,387	A	1,305	A
Manufaktuuri 12, Tallinn	Hepsor Phoenix 4 OÜ	Estonia	Residential	2,867	D	1,131	B
Vana-Tartu mnt 49, Tallinn	Hepsor VT49 OÜ	Estonia	Commercial	1,295	B	1,153	B
Võistluse 7, Tallinn	Hepsor V7 OÜ	Estonia	Residential	490	B	425	B
Manufaktuuri 3, Tallinn	Hepsor PHX5 OÜ	Estonia	Residential	5,834	A	0	-
Saulės alėja 2, Riga	Hepsor SA2 SIA	Latvia	Residential	1,082	B	1,079	B
Ulbrokas 34, Riga	Hepsor U34 SIA	Latvia	Commercial	0	-	6,794	D
Braila 23, Riga	Hepsor Jugla SIA	Latvia	Residential	1,681	D	618	B
Ganibu dambis 17a, Riga	Hepsor Ganibu Dambis SIA	Latvia	Commercial	4,928	C	4,431	B
Jūrmalas gatve 74, Riga	Hepsor JG SIA	Latvia	Residential	0	-	5,226	D
Smaidu, Dreilini	Riga Properties 4 SIA	Latvia	Commercial	4,484	A	4,226	A
Eiženijas 18, Riga	Hepsor E18 SIA	Latvia	Residential	546	D	361	B
Dzelzavas 74c, Riga	Hepsor Dz74c SIA	Latvia	Residential	4,036	D	0	-
Starta 17, Riga	Hepsor S17 SIA	Latvia	Residential	1,288	B	0	-
Total work in progress				40,694		59,073	
Ready for sale real estate development							
Manufaktuuri 22, Tallinn (parking spaces)	Hepsor Phoenix OÜ	Estonia	Residential	16	E	16	E
Meistri 14, Tallinn	Hepsor Meistri 14 OÜ	Estonia	Commercial	0	E	0	E
Nõmme tee 57, Tallinn	Hepsor N57 OÜ	Estonia	Residential	122	E	2,349	E
Paldiski mnt 227c, Tallinn	Hepsor 3Torni OÜ	Estonia	Residential	1,884	E	0	-
Manufaktuuri 7, Tallinn	Hepsor Phoenix 2 OÜ	Estonia	Residential/Commercial	2,380	E	0	-
Strelnieku 4b, Riga	Hepsor S4B SIA	Latvia	Residential	0	-	77	E
Ranka dambis 5, Riga	Hepsor RD5 SIA	Latvia	Residential	671	E	2,626	E
Jūrmalas gatve 74, Riga	Hepsor JG SIA	Latvia	Residential	578	E	0	-
Ulbrokas 34, Riga	Hepsor U34 SIA	Latvia	Commercial	12,593	E	0	-
Total ready for sale real estate development				18,244		5,068	
Total inventories				58,938		64,141	

Note 3. Trade and other receivables

in thousands of euros	31 December 2025	31 December 2024
Trade receivables	1,001	463
Allowance for doubtful receivables	-13	-13
Net trade receivables	988	450
Prepayments		
Tax prepayment	320	147
Other prepayments for goods and services	59	113
Total prepayments	379	260
Other current receivables		
Interest receivables	2	2
Other current receivables	438	49
Other current receivables	440	51
Total trade receivables	1,807	761

Note 4. Loans granted

in thousands of euros	Unrelated legal entities	Related legal entities (Note 23)	Total
2025			
Loan balance as at 31 December 2024	200	2,428	2,628
- <i>current portion</i>	200	0	200
- <i>non-current portion</i>	0	2,428	2,428
Loan granted	296	4,144	4,440
Elimination of loan on acquisition of subsidiary	-296	0	-296
Demerger of subsidiary	-200	0	-200
Effect of the effective interest rate	0	-51	-51
Loan balance as at 31 December 2025	0	6,521	6,521
- <i>current portion</i>	0	0	0
- <i>non-current portion</i>	0	6,521	6,521
<i>Contractual interest rate per annum</i>	0-12%	7-12%	
<i>Effective interest rate per annum</i>	0%	6.47-17.17%	
2024			
Loan balance as at 31 December 2023	311	1,729	2,040
Loan granted	200	718	918
Division of subsidiary	-311	0	-311
Effect of the effective interest rate	0	-19	-19
Loan balance as at 31 December 2024	200	2,428	2,628
- <i>current portion</i>	200	0	200
- <i>non-current portion</i>	0	2,428	2,428
<i>Contractual/effective interest rate per annum</i>	0%	6.7%-7%	

Note 5. Investment properties

Hepsor M14 OÜ's office building development project in Tallinn, Meistri 14 was completed in 2021. As at 31 December 2024, the building was classified as a property investment which is measured at fair value. The Group performed the valuation using the five-year discounted cash flow method. Since the purpose of the property investment is to generate rental income, the method used reflects best the fair value of the property investment. The valuation is based on existing cash flows, the rate of return, and an appropriate discount rate that takes into account the expected return of similar assets for average investors. At the end of 2025, return rate of 7.7% and discount rate of 8.1% were used for the asset valuation. As at 31 December 2025, the fair value of the asset was estimated at 8.0 (31 December 2024: 8.0) million euros.

During the reporting period, the properties located at Alvari 1, 1a and 5 and Narva mnt 150b in Tallinn were reclassified from inventories to investment property. The Group does not plan to undertake development activities on these properties and holds them with the objective of earning returns from capital appreciation. In determining the fair value of the Alvari Street properties, which are designated as residential land, the Group relied on transaction prices of comparable properties in the vicinity during the reporting period. The fair value of the property located at Narva mnt 150b, which is designated as commercial land, was determined on the basis of a valuation prepared by an independent expert. As at 31 December 2025, the fair value of these properties amounted to 3.8 million euros.

Note 6. Financial investments

Tatari 6A Arenduse OÜ, where the Group holds 80% shareholding, is accounted as financial investment. The Group is providing management services for the project. In order to ensure the quality and control of the management process, the Group will hold an 80% shareholding in the company during the development period, which will be transferred to the co-owner at the end of the development process. The Group has no profit share in the project. The acquisition value of the financial investment is 2 thousand euros.

Between 2023 and 2025, the Group invested in a total of five joint ventures in Canada. These joint ventures are accounted for using the equity method. In 2023, the Group invested in two joint ventures: Weston Limited Partnership and Elysium Isabella Limited Partnership. In 2024 and 2025, three additional joint ventures were established: Elysium Glenavy Limited Partnership, Brownville Limited Partnership, and EH High Park Limited Partnership.

As at 31 December 2025, the carrying amount of the financial investments is 7,835 thousand euros (31 December 2024: 6,424 thousand euros).

Note 7. Loans and borrowings

- ✓ In February 2025, Hepsor AS signed an amendment to the loan agreement with AS LHV Pank, reducing the Group loan facility limit from 9 million euros to 6 million euros. The loan maturity date was 12 March 2026. The Group loan was repaid early on 27 November 2025.
- ✓ On 12 August 2025, a new loan agreement in the amount of 2 million euros was signed with AS LHV Pank. The loan is secured by mortgages established over properties owned by subsidiaries of the Hepsor AS Group located in Lasnamäe, Tallinn.
- ✓ In addition to the bank loan, a joint mortgage in the amount of 2.75 million euros has been established in favour of unrelated legal entities over the properties of the Group company Riga 4 Properties SIA as security for the loan until the loan obligation is fulfilled.
- ✓ In November 2025, Hepsor AS raised 8 million euros from investors under a public bond programme. The bonds carry an annual interest rate of 9.50%. The first interest payment will be made on 26 February 2026. Bond issuance costs amounted to 192 thousand euros.

As at 31 December 2025, the Group has the following loan obligations:

in thousands of euros	Bank loans	Bonds	Unrelated legal entities	Related legal entities (Note 23)	Total
2025					
Loan balance as at 31 December 2024	33,828	0	19,489	1,371	54,688
- <i>current loan payable</i>	17,753	0	4,345	1,238	23,336
- <i>non-current loan payable</i>	16,075	0	15,144	133	31,352
Received	14,627	8,000	4,947	0	27,574
Repaid	-25,249	0	-6,617	-1,238	-33,104
Elimination of loan on acquisition of subsidiary	0	0	-1,226	0	-1,226
Bond issuance costs	0	-192	0	0	-192
Effect of the effective interest rate	114	5	-112	0	7
Loan balance as at 31 December 2025	23,320	7,813	16,481	133	47,747
- <i>current loan payable</i>	1,558	0	4,129	0	5,687
- <i>non-current loan payable</i>	21,762	7,813	12,352	133	42,060
<i>Contractual interest rate per annum</i>	<i>EU6+3.25%-8%; 5.46%</i>	<i>9.50%</i>	<i>0-15%</i>	<i>0-12%</i>	
<i>Effective interest rate per annum</i>	<i>EU6+3.25%-8%; 5.46%</i>	<i>10.35%</i>	<i>9.16-11.67%</i>	<i>5.57-9.85%</i>	
2024					
Loan balance as at 31 December 2023	36,309	0	19,213	1,383	56,905
Received	28,221	0	4,688	4,710	37,619
Repaid	-29,296	0	-4,851	-4,722	-38,869
	-1,300	0	0	0	-1,300
	-106	0	439	0	333
Total loan balance as at 31 December 2024	33,828	0	19,489	1,371	54,688
- <i>current loan payable</i>	17,753	0	4,345	1,238	23,336
- <i>non-current loan payable</i>	16,075	0	15,144	133	31,352
<i>Contractual interest rate per annum</i>	<i>EU6+3.75%-5.9%; 5.5%</i>		<i>0-12%</i>	<i>7-12%</i>	
<i>Effective interest rate per annum</i>	<i>7.34-13.7%</i>		<i>5.6%-10.6%</i>	<i>8.9%</i>	

As at 31 December 2025, 79% (31 December 2024: 89%) of all loans granted to the Group have been received against the risk of development projects.

in thousands of euros	Bank loans	Bonds	Unrelated legal entities	Related legal entities	Total
Balance as at 31 December 2025					
Loans for development projects	21,320	0	16,481	133	37,934
Loans to headquarters to finance development projects	2,000	7,813	0	0	9,813
Total	23,320	7,813	16,481	133	47,747
Balance as at 31 December 2024					
Loans for development projects	27,888	0	19,489	1,371	48,748
Loans to headquarters to finance development projects	5,940	0	0	0	5,940
Total	33,828	0	19,489	1,371	54,688

As at 31 December 2025, the Group had the following bank loans under the following conditions:

Lender	Country	Loan balance	Contract term	Loan limit	Interest per annum	Collateral	Cost value of the collateral (Note 2, 5)	Guarantee given
LHV Pank AS	Estonia	4,523	2027	4,900	5.46%	Mortgage - Meistri 14, Tallinn	7,980	-
LHV Pank AS	Estonia	940	2026	13,900	6M Euribor+4.5%	Mortgage - Paldiski mnt 227c, Tallinn	1,884	-
LHV Pank AS	Estonia	166	2026	5,758	6M Euribor+4.5%	Mortgage - Manufaktuuri 7, Tallinn	2,380	-
LHV Pank AS	Estonia	1,549	2029	7,600	6M Euribor+8%	Mortgage - Manufaktuuri 5 and 3, Tallinn	10,776	3,000
LHB Pank AS	Estonia	870	2029	7,000	6M Euribor+5,5%	Mortgage - Manufaktuuri 12 and 3, Tallinn	2,867	-
Bigbank AS	Latvia	1,850	2028	2,000	6M Euribor+4.5%	Mortgage - Ganību dambis 17A Riga; Commercial pledge	4,928	-
Bigbank AS	Latvia	168	2026	3,259	6M Euribor+4.9%	Mortgage - Ranka dambis 5, Riga	671	460
Bigbank AS	Latvia	136	2028	4,000	6M Euribor+4.6%	Mortgage - Jūrmalas gatve 74, Riga	578	430
Bigbank AS	Latvia	8,838	2027	9,000	6M Euribor+4.4%	Mortgage - Ulbrokas 34, Riga; Commercial pledge	12,593	890
Bigbank AS	Latvia	1,853	2028	8,600	6M Euribor+4.4%	Mortgage - Dzelzavas 74c, Riga	4,036	430
BluOr Bank AS	Latvia	429	2030	11,990	6M Euribor+3,4%	Mortgage - Braila 23, Riga	1,681	-

As at 31 December 2024, the Group had the following bank loans under the following conditions:

Lender	Country	Loan balance	Contract term	Loan limit	Interest per annum	Collateral	Cost value of the collateral (Note 2, 5)	Guarantee given
LHV Pank AS	Estonia	4,664	2027	4,900	5.46%	Mortgage - Meistri 14, Tallinn	7,980	-
LHV Pank AS	Estonia	4,746	2026	13,900	6M Euribor+4.5%	Mortgage - Paldiski mnt 227c, Tallinn	9,530	-
LHV Pank AS	Estonia	1,105	2026	2,450	6M Euribor+4.5%	Mortgage - Nõmme tee 57, Tallinn	2,349	-
LHV Pank AS	Estonia	5,678	2026	5,758	6M Euribor+4.5%	Mortgage - Manufaktuuri 7 and Manufaktuuri 12, Tallinn	7,260	-
Bigbank AS	Latvia	1,900	2025	2,000	6M Euribor+5.2%	Mortgage - Ganību dambis 17A Riga; Commercial pledge	4,431	-
Bigbank AS	Latvia	2,138	2026	4,000	6M Euribor+5.2%	Mortgage - Ranka dambis 5, Riga	2,626	460
Bigbank AS	Latvia	3,945	2026	4,000	6M Euribor+4.4%	Mortgage - Jūrmalas gatve 74, Riga	5,226	1,000
Bigbank AS	Latvia	3,765	2027	9,000	6M Euribor+4.4%	Mortgage - Ulbrokas 34, Riga; Commercial pledge	6,794	890

Note 8. Trade and other payables

in thousands of euros	31 December 2025	31 December 2024
Trade payables	1,588	1,138
Taxes payable		
Value added tax	274	663
Personal income tax	42	40
Social security tax	68	65
Corporate income tax	69	41
Other taxes	71	7
Total taxes payable	524	816
Accrued expenses		
Payables to employees	156	113
Interest payable (Note 19)	915	1,011
Other accrued expenses	628	67
Total accrued expenses	1,699	1,191
Other current payables		
Embedded derivatives (Note 10)	2,589	2,074
Other payables	432	1,323
Total other current payables	3,021	3,397
Total trade and other payables	6,832	6,542

Note 9. Other non-current liabilities

in thousands of euros	31 December 2025	31 December 2024
Non-current interest payables (Note 19)	3,468	2,539
Other non-current payables	3,162	2,096
Deferred income	1,842	0
Total other non-current liabilities	8,472	4,635

Note 10. Embedded derivatives

Liabilities assumed by the Group to minority shareholders in accordance with the concluded shareholders' agreements are recognised as embedded derivatives. According to shareholders agreements the profit is shared with minority shareholders in the form as it is agreed in the agreement.

As at the end of the reporting periods, the Group had obligations arising from embedded derivative instruments in the following development projects due to the partial or complete realisation of the business plan of the development project:

in thousands of euros	31 December 2025	31 December 2024
<i>Residential development project in Gregora iela 2a, Riga</i>	0	200
<i>Residential development project in Manufaktuuri 7, Tallinn</i>	2,589	1,874
Total change in liabilities arising from embedded derivatives	2,589	2,074

Note 11. Equity

According to the Articles of Association of Hepsor AS, the company's minimum share capital is 3 million euros and the maximum share capital is 12 million euros. On 8 July 2025, the Supervisory Board of Hepsor AS adopted a resolution to increase the share capital of Hepsor AS by 57,821 euros. As at 31 December 2025, the share capital of Hepsor AS amounted to 3,913 thousand euros. Hepsor AS has 3,912,522 shares with a nominal value of 1 euro each.

In 2025, dividends in the total amount of 1,002 thousand euros were paid to shareholders, at 0.26 euros per share. The dividend payment was accompanied by dividend income tax in the amount of 283 thousand euros.

In July, the shareholders of Hepsor Phoenix 3 OÜ decided to allocate 24 thousand euros to the company's voluntary reserve, of which the non-controlling interest's share was 12 thousand euros. The amount was settled against the shareholder loan interest receivable (Note 19).

In December, the shareholders of the newly established company Hepsor PHX5 OÜ made contributions to the company's voluntary reserve in the total amount of 5,558,510 euros. The contribution attributable to the non-controlling interest, amounting to 5,808,510 euros, was made as a non-cash contribution in the form of an immovable property located at Manufaktuuri 3, Tallinn.

Note 12. Contingent liabilities

12.1 Contingent liabilities arising from embedded derivatives

In accordance with the shareholders' agreements between the Group and the minority shareholders of its subsidiaries, the Group had, as at 31 December 2025, a contingent liability to pay 13,977 thousand euros (31 December 2024: 5,921 thousand euros) to the minority shareholders upon the realisation of the business plans. The obligation amounts are estimates calculated based on the business plans valid at the time of reporting for the respective development projects. Contingent liabilities arising from embedded derivatives are assessed at each reporting date. As at 31 December 2025, the expected realisation period for the contingent liabilities presented in the report is between 2026 and 2033.

12.2 Lawsuit

Harju District Court has accepted for proceedings the claim for damages brought by seven apartment owners of Manufaktuuri 18 against Hepsor AS's subsidiary, Hepsor Phoenix OÜ. The claim is based on the allegation that the apartments sold to the plaintiffs during 2018–2019 have construction defects. The plaintiffs are seeking compensation in the amount of 467 thousand euros and interest calculated on that amount. The management of Hepsor Phoenix OÜ does not consider the claim to be substantiated and, based on the circumstances presented to date, considers it unlikely that the claim will be satisfied.

12.3 Group guarantees given

As at 31 December 2025, the Group has provided a guarantee to the City of Tallinn in the amount of 1,294 thousand euros to secure the subsidiaries' obligations related to the co-financing of a kindergarten.

Information regarding guarantees provided by the Group in connection with bank loans obtained for the construction of development projects is disclosed in Note 7.

Note 13. Revenue

in thousands of euros	12M 2025	12M 2024	Q4 2025	Q4 2024
Revenue from sale of real estate	33,243	36,188	3,729	9,433
Revenue from project management services	454	915	71	781
Revenue from rent	1,142	1,078	365	272
Revenue from other services	575	216	361	56
Total	35,414	38,397	4,526	10,542

Additional information on sales revenue is provided in Note 22.

Note 14. Cost of sales

in thousands of euros	12M 2025	12M 2024	Q4 2025	Q4 2024
Cost of real estate sold	-27,625	-29,729	-3,015	-7,629
Personnel expenses (Note 17)	-770	-868	-218	-231
Depreciation	-4	-33	-1	-8
Other costs	-1,379	-1,005	-598	-143
Total	-25,946	-31,635	-3,832	-8,011

Note 15. Marketing expenses

in thousands of euros	12M 2025	12M 2024	Q4 2025	Q4 2024
Personnel expenses (Note 17)	-244	-192	-56	-78
Depreciation	-26	-48	-8	-13
Other marketing expenses	-1,064	-658	-581	-204
Total	-1,334	-898	-658	-295

Note 16. Administrative expenses

in thousands of euros	12M 2025	12M 2024	Q4 2025	Q4 2024
Personnel expenses (Note 17)	-1,141	-1,108	-293	-281
Depreciation	-69	-123	-17	-26
Traveling and transport expenses	-69	-113	-15	-33
Purchased service expenses	-342	-309	-81	-102
Other administrative expenses	-225	-149	-66	-18
Total	-1,828	-1,802	-472	-460

Note 17. Personnel expenses

in thousands of euros	12M 2025	12M 2024	Q4 2025	Q4 2024
Salaries	-1,660	-1,657	-465	-481
Social security and other payroll taxes	-495	-511	-121	-109
Total (Notes 14, 15, 16)	-2,155	-2,168	-586	-590

As at 31 December 2025, the Group, together with the members of the Management Board and the Supervisory Board, had 26 (31 December 2024: 28) employees, of which 14 in Estonia (31 December 2024: 14) and 12 in Latvia (31 December 2024: 14).

Gross fees paid to the members of Management and Supervisory Boards during the reporting period amounted to 516 thousand euros (12M 2024: 500 thousand euros).

The Group's definition of labour costs includes payroll expenses (incl. basic salary, remuneration of the members of the Management Board and the Supervisory Board, additional remuneration, holiday pay and performance pay), payroll taxes, special benefits and taxes calculated on special benefits.

Note 18. Finance income and expenses

18.1 Finance income

in thousands of euros	12M 2025	12M 2024	Q4 2025	Q4 2024
Interest income	476	185	163	31
Proceeds from sale of subsidiaries	26	0	26	0
Other finance income	210	236	201	128
Total	712	421	390	159

18.2 Finance expenses

in thousands of euros	12M 2025	12M 2024	Q4 2025	Q4 2024
Interest expenses (Note 19)	-2,508	-2,473	-1,038	-1,096
Loss on foreign exchange	-42	0	-1	0
Other finance expenses	-135	-105	-119	-63
Total	-2,685	-2,578	-1,158	-1,159

In 2025 borrowing costs in the amount of 1,859 thousand euros (Q4 2024: 3,740 thousand euros) have been capitalised as the cost of inventories.

Note 19. Information about line item in the consolidated statement of cash flows

in thousands of euros	31 December 2025	31 December 2024
Inventories		
Reclassification of cash flows from operating activities to financing activities (Note 2)	1,859	3,740
Decrease (-)/ increase (+) of change inventories balances (Note 2)	5,203	13,298
Change resulting from the sale of a subsidiary	0	-3,324
Change resulting from the sale of a subsidiary	-3,048	-7,667
Effective interest rate impact	102	417
Change in inventories	4,116	6,464
Interest paid		
Interest expense in statement of profit or loss and other comprehensive income (Note 18)	-2,508	-2,473
Reclassification of cash flows from operating activities to financing activities (Note 2)	-1,859	-3,740
Decrease (-)/ increase (+) of interest payables (Notes 8, 9)	833	882
Conversion of interest into voluntary reserve	12	5
Interest paid total	-3,522	-5,326

Note 20. Subsidiaries

In March, the minority shareholder paid for their 50% stake in Hepsor V7 OÜ.

On 20 March 2025, Hepsor AS's subsidiary, Hepsor Finance OÜ, founded a subsidiary, Hepsor SOF OÜ. On 11 April 2025, a 50% ownership stake in Hepsor SOF OÜ was sold to the limited partnership EfTEN Special Opportunities Fund. Hepsor Finance OÜ accounts for Hepsor SOF OÜ as a joint venture.

On 30 April 2025, Hepsor AS acquired the remaining 49% stake in Hepsor 3Torni OÜ, thereby becoming the sole owner of the company.

On 9 July 2025, Hepsor AS's subsidiary Hepsor Latvia OÜ acquired a 50% stake in Hepsor Dz74c SIA.

On 14 August 2025, Hepsor AS's subsidiary Hepsor Latvia OÜ acquired a 100% stake in Hepsor S17 SIA.

On 15 December 2025, Hepsor AS established a subsidiary, Hepsor PHX5 OÜ, in which Hepsor AS holds a 50% stake.

In December 2025, a loan liability related to the non-controlling interest in SIA "Riga Properties 4" was converted into share premium.

Changes in Group structure in 2025 and impact on comprehensive income and cash flows are as follows:

in thousands of euros	Other comprehensive income		Cash flow	
	Comprehensive income attributable to owners of the parent	Comprehensive income attributable to non-controlling interest	Cash flows from investing activities	
Hepsor V7 OÜ	0	0	0	1
Hepsor SOF OÜ	0	0	0	-1
Hepsor 3Torni OÜ	-49	49	49	-1
Hepsor PHX5 OÜ	0	0	0	1
Hepsor Dz74c SIA	0	0	0	-174
Hepsor Latvia OÜ	842	-923	-923	-20
Hepsor S17 SIA	0	0	0	-1,226
SIA "Riga Properties 4"	0	249	249	0
Total	793	-626		-1,421

The changes in the Group's structure during the twelve months of 2024 and their impact on consolidated profit and cash flows were as follows:

in thousands of euros	Other comprehensive income		Cash flow	
	Comprehensive income attributable to owners of the parent	Comprehensive income attributable to non-controlling interest	Cash flows from investing activities	Cash flows from financing activities
Hepsor VT 49 OÜ	0	1	1	0
Kvarta Holding OÜ	0	0	-1	0
Hepsor U34 SIA	-43	252	0	209
Kvarta SIA	19	4	0	0
Hepsor Marupe SIA	20	-164	0	-134
Hotell L4 OÜ	-397	0	0	0
T2T4 OÜ	0	-5	0	0
Total	-401	88	0	75

✓ In March 2024, Hepsor Latvia OÜ established a subsidiary Hepsor E18 SIA.

- ✓ In April, the non-controlling shareholder of Hepsor VT49 OÜ paid for their 50% ownership stake.
- ✓ In May, the share capital of Hepsor U34 was increased by 430 thousand euros, as a result of which the Hepsor group's participation in Hepsor U34 SIA decreased by 8.6%, being 47.4%.
- ✓ The share capital of Hepsor Marupe SIA was reduced by 267 thousand euros, of which 134 thousand euros were paid to the owner of non-controlling stake.
- ✓ Hepsor AS established a subsidiary company Hepsor V7 OÜ with a 50% ownership stake.
- ✓ In June, Hepsor Latvia OÜ acquired the remaining 50% stake in Kvarta Holding OÜ, becoming the sole owner of the company. Kvarta Holding OÜ's participation in the subsidiary Kvarta SIA decreased from 100% to 50%.
- ✓ On 18 December 2025, Hepsor AS established a subsidiary, Hepsor PHX5 OÜ, in which Hepsor holds a 50% stake.

Note 21. Associates and joint ventures

At the end of reporting periods, the Group has ownership in the following associates and joint ventures:

	Ownership and voting rights %	
	31 December 2025	31 December 2024
Hepsor P113 OÜ	45	45
Hepsor SOF OÜ	50	0

Financial information about associates and joint ventures:

in thousands of euros	31 December 2025	31 December 2025	31 December 2024
	Hepsor P113 OÜ	Hepsor SOF OÜ	Hepsor P113 OÜ
Current assets			
Cash and cash equivalents	188	106	210
Trade and other receivables	54	18	292
Inventories	0	10,603	0
Total current assets	242	10,727	502
Non-current assets			
Investment property	11,270	0	10,610
Shares of subsidiaries	3	0	3
Trade and other receivables	46	0	0
Total non-current assets	11,319	0	10,613
Total assets	11,561	10,727	11,115
Current liabilities			
Loans and borrowings	6,997	0	0
Trade and other payables	59	461	178
Total current liabilities	7,056	461	178
Non-current liabilities			
Loans and borrowings	6,948	9,354	13,537
Other non-current liabilities	1,230	860	771
Total non-current liabilities	8,178	10,214	14,308
Total liabilities	15,234	10,675	14,486
Total equity	-3,673	52	-3,371
Total liabilities and equity	11,561	10,727	11,115

Hepsor AS's subsidiary, Hepsor Finance OÜ, entered into a shareholders' agreement under which a 50% ownership stake in Hepsor SOF OÜ was sold to the EfTEN Special Opportunities Fund, a trust fund managed by EfTEN Capital. The sale of the stake

in Hepsor SOF OÜ established the basis for the joint implementation of a development project located in Lasnamäe. In April, Hepsor SOF OÜ acquired from a subsidiary of the Hepsor Group the properties located at Paevälja pst 5, 7, and 9, Tallinn and in July, the properties located at Narva mnt 150 and 150a. As at 31 December 2025, the subsidiaries of Hepsor AS had granted loans to the associate Hepsor SOF OÜ in the total amount of 3,880 thousand euros.

As at 31 December 2025, 96% (31 December 2024: 77%) of P113 Tervisemaja owned by Hepsor P113 OÜ was covered by lease agreements. As at 31 December 2025, Hepsor AS had granted a loan of 2,692 thousand euros to its associate Hepsor P113 OÜ. P113 Tervisemaja is recognised as investment property. As at 31 December 2025, the fair value of the building amounted to 11.2 million euros (31 December 2024: 10.6 million euros). The valuation was performed using the discounted cash flow method. The valuation is based on existing cash flows or cash flows derived from market averages, the capitalisation rate and an appropriate discount rate reflecting the average return expectations of investors for similar assets, taking into account the location of the property, its technical condition, tenant risk profiles and other relevant factors. At the end of 2025, a capitalisation rate of 7.7% (31 December 2024: 7.7%) and a discount rate of 8.7% (31 December 2024: 8.75%) were applied in measuring the fair value of the property.

Note 22. Operating segments

The segment reporting is presented in respect of operating and geographical segments.

The Group reports separately information about the following operating segments:

- ✓ residential real estate;
- ✓ commercial real estate;
- ✓ headquarters.

Headquarters are generating revenue from provision of project management services. All personnel expenses are accounted in headquarters.

Geographical segments refer to the location of the real estate. The Group operates in Estonia, Latvia and Canada

Revenue by geographical area:

in thousands of euros	12M 2025	12M 2024	Q4 2025	Q4 2024
Estonia	26,067	32,541	3,191	8,865
Latvia	9,347	5,856	1,335	1,677
Total	35,414	38,397	4,526	10,542

Additional information on sales revenue is provided in Note 13.

Segment reporting is presented on the basis of consolidated indicators, where all transactions between the Group companies have been eliminated.

in thousands of euros	Residential development			Commercial development		Headquarters		Total
12M 2025	Estonia	Latvia	Canada	Estonia	Latvia	Estonia	Latvia	
Revenue	25,107	8,325	0	712	816	248	206	35,414
incl. revenue from rent	116	1	0	594	431	0	0	1,142
Operating profit/-loss	4,992	1,142	-36	553	182	-2,332	-1,142	3,359
Assets	31,714	10,518	8,191	13,572	22,379	4,271	1,190	91,835
Liabilities	15,423	6,206	4,521	9,668	15,307	10,181	3,451	64,757

in thousands of euros	Residential development			Commercial development		Headquarters		Total
12M 2024	Estonia	Latvia	Canada	Estonia	Latvia	Estonia	Latvia	
Revenue	31,627	4,823	0	731	300	183	733	38,397
incl. revenue from rent	120	31	0	627	300	0	0	1,078
Operating profit/-loss	5,541	805	-47	897	102	-2,305	-661	4,332
Assets	37,703	10,316	6,826	12,784	16,077	4,033	1,074	88,813
Liabilities	24,598	7,922	3,061	9,616	10,211	7,991	3,404	66,803

in thousands of euros	Residential development			Commercial development		Headquarters		Total
Q4 2025	Estonia	Latvia	Canada	Estonia	Latvia	Estonia	Latvia	
Revenue	2,945	814	0	179	518	67	3	4,526
incl. revenue from rent	18	0	0	155	192	0	0	365
Operating profit/-loss	1,146	29	-13	124	96	-688	-348	346
Assets	31,714	10,518	8,191	13,572	22,379	4,271	1,190	91,835
Liabilities	15,423	6,206	4,521	9,668	15,307	10,181	3,451	64,757

in thousands of euros	Residential development			Commercial development		Headquarters		Total
Q4 2024	Estonia	Latvia	Canada	Estonia	Latvia	Estonia	Latvia	
Revenue	8,631	870	0	181	78	54	728	10,542
incl. revenue from rent	36	4	0	154	78	0	0	272
Operating profit/-loss	1,710	139	-35	447	57	-696	376	1,998
Assets	37,703	10,316	6,826	12,784	16,077	4,033	1,074	88,813
Liabilities	24,598	7,922	3,061	9,616	10,211	7,991	3,404	66,803

Note 23. Related parties

The Group considers key members of the management (Supervisory and Management Board), their close relatives and entities under their control or significant influence as related parties.

Balances and loan transactions with related parties:

in thousands of euros	31 December 2025	31 December 2024
Receivables		
Loans granted (Note 4)		
Associated companies		
Opening balance as at 1 January	2,428	1,729
Loans granted	4,144	718
Effective interest rate impact	-51	-19
Balance at the end of period	6,521	2,428
Trade and other receivables		
Management and all companies directly or indirectly owned by them	14	9
Associated companies	3	1
Interest receivables		
Associated companies	783	309
Payables		
Prepayments from customers		
Management and all companies directly or indirectly owned by them	3	564
Loans and borrowings (Note 7)		
Management and all companies directly or indirectly owned by them		
Opening balance as at 1 January	1,371	1,383
Loans received	0	4,710
Loans repaid	-1,238	-4,722
Balance at the end of period	133	1,371
Bonds		
Management and all companies directly or indirectly owned by them	390	0
Trade payables		
Management and all companies directly or indirectly owned by them	300	942
Interest payables		
Management and all companies directly or indirectly owned by them	18	27

Purchases and sales of goods and services:

in thousands of euros	12M 2025	12M 2024	Q4 2025	Q4 2024
Sales of goods and services				
Associated companies				
Associated companies	153	117	49	26
Management and all companies directly or indirectly owned by them	90	515	50	225
Total sales of goods and services	243	632	99	251
Purchases of goods and services				
Management and all companies directly or indirectly owned by them	12,795	20,022	5,361	3,701
<i>incl. construction service</i>	12,565	19,847	5,299	3,623
Interest income earned				
Associated companies	474	150	185	42
Interest expenses incurred				
Management and all companies directly or indirectly owned by them				
Accrued interest	84	187	0	97
Interest paid	93	228	0	112

Note 24. Events after the reporting period

- ✓ On 11 February 2026, Hepsor E18 SIA, a Group company of Hepsor AS, signed a loan agreement with BluOr Bank AS in the amount of 5.25 million euros. The purpose of the five-year loan is to finance the construction of the Ķiršu Kalna Mājas residential development project and related infrastructure at Eiženijas iela 18, Dzirciems, Riga.

Note 25. Risk management

Risk management is part of the Group's strategic planning and decision-making process. The Group is exposed to a number of risks and uncertainties related to, among other factors, the business and financial risks. The materialisation of any such risks could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. The Group's risk management process is based on the premise that the Group's success depends on constant monitoring, accurate assessment, and effective management of risks. The Group's management monitors the management of these risks.

Strategic risk

The Group's strategic risks are risks that can significantly impact the execution of its business strategies and ability to achieve the objectives. Such risks are impacted by changes in political environment and market demand as well as microeconomic developments. While the risks can have a negative impact on the Group's business, they can also create new business opportunities. The Group carefully selects the new development projects and monitors the market trends in order to adjust its strategy when significant changes occur.

Market risk

Market risk is the risk arising from changes in the markets with which the Group is involved. The main market risks are price risk and interest rate risk. The Group is exposed to price risk, which arises from fluctuations in the market values of the Group's real estate development projects or price increases due to changes in input costs. The Group cannot guarantee that it will be able to sell its projects in the future at prices similar to or higher than the expected market value of these development projects. If the Group faces difficulties in selling projects at the prices assumed in the business plans, it may have a negative impact on the Group's operations, financial position, prospects, results, and the implementation of its strategy. To mitigate market risk, the Group's management continuously monitors market developments and takes these into account when making development decisions.

Changes in interest rates affect the Group's revenues and cash flows. The Group actively uses both external and internal resources to finance its real estate development projects in Estonia, Latvia, and Canada. External project financing is either through bank loans or investor loans provided by minority shareholders, which are denominated in euros.

Investor loan interest rates are typically fixed, meaning they are not floating (e.g., not linked to Euribor). The Group's bank loans, on the other hand, have floating interest rates (depending on Euribor). The bank loans have a 0% floor against negative Euribor, meaning that in the event of negative Euribor, it will be set to zero, and the margin on such loans will not decrease. Management continuously monitors the Group's exposure to interest rate risk, primarily arising from floating-rate bank loans linked to changes in Euribor. Several bank loan agreements contain a condition that a commitment fee must be paid on any unused loan balance. The commitment fee depends on the unused loan amount, thus directly affecting the Group's actual interest rate.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations towards the Group under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities such as trade receivables from rental property and from its financing activities, including deposits with banks and other financial instruments.

In order to minimise credit risk, the Group is only dealing with creditworthy counterparties and deposits cash in banks well-recognised banks in Estonia and Latvia. If such rating is not available, the Group uses other publicly available financial information and its own trading records to rate its major customers.

The Group is in real estate development business and upon sale of completed property the Group enters into notarised agreement with the buyer. Since most of the transactions are ensured either with money deposited in the notary's deposit account or a bank loan, the Group is not exposed to material credit risk from trade receivables.

Liquidity risk

The Group's liquidity represents its ability to settle its liabilities to creditors on time. A careful management of liquidity and refinancing risks implies maintaining the availability of funding through an adequate amount of committed credit facilities. Due to the nature of the Group's business activities, the Group actively uses external and internal funds to ensure that timely resources are always available to cover capital needs.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group mitigates refinancing risk by monitoring liquidity positions, analysing different financing options on an ongoing basis and negotiating with financing parties over the course of financing.

Capital risk

The Group's liquidity represents its ability to settle its liabilities to creditors on time. Careful management of liquidity and refinancing risks implies maintaining the availability of funding through an adequate amount of committed credit facilities. Due to the nature of the Group's business activities, the Group actively uses external and internal funds to ensure that timely resources are always available to cover capital needs.

Currency risk

The Group's activities are mainly carried out in the currency of the economic environment of the companies: in Estonia and Latvia in euros (EUR) and in Canada in Canadian dollars (CAD). The Group's currency risk arises from the translation of the functional currency of the Canadian subsidiary into the Group's functional and presentation currency. In order to mitigate currency risks, the Group concludes as many contracts as possible in euros. The majority of intra-group transactions are carried out in euros. The growth of business in Canada leads to the Group's exposure to currency risks. As at 31 December 2025, the Group is not significantly exposed to currency risks, therefore, the Group has not used instruments to hedge currency risks.

Management Board's Confirmation

The Management Board confirms that the unaudited interim report for fourth quarter and twelve months of 2025, which is comprised of the management report and the interim financial statements, provides a true and fair view of the Group's operations, financial position and results of operations, and describes the significant risks and uncertainties the Group faces.

Martti Krass
Member of Management Board
Tallinn, 17 February 2025