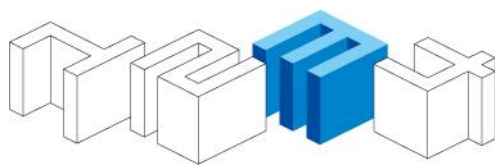




**Financial report for the third quarter
and nine months of 2025**
(unaudited)





Financial report for the third quarter and nine months of 2025 (unaudited)

Business name	Nordecon AS
Registration number	10099962
Address	Toompuiestee 35, 10149 Tallinn, Estonia
Domicile	Republic of Estonia
Telephone	+372 615 4400
E-mail	nordecon@nordecon.com
Corporate website	www.nordecon.com
Core business lines	Construction of residential and non-residential buildings (EMTAK 4100) Construction of roads and motorways (EMTAK 4211) Repair and maintenance of roads and motorways (EMTAK 4211) Construction of utility projects for fluids (EMTAK 4221) Construction of water projects (EMTAK 4291) Construction of other civil engineering projects (EMTAK 4299)
Financial year	1 January 2025 – 31 December 2025
Reporting period	1 January 2025 – 30 September 2025
Council	Toomas Luman (chairman of the council), Andri Hõbemägi, Andre Luman, Vello Kahro, Sandor Liive
Board	Maret Tambek (chairman of the board), Deniss Berman, Tarmo Pohlak
Auditor	KPMG Baltics OÜ



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Nordecon group at a glance

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

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

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

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

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

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

VISION

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

MISSION

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

SHARED VALUES

Professionalism

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

Reliability

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

Teamwork

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

Sustainability

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



Key figures for 9M 2025

€148m Revenue (9M 2024: €179m)	(17)% Revenue change, year on year (9M 2024: 37%)	6.7% Gross margin (9M 2024: 7.1%)
3.2% Operating margin (9M 2024: 3.9%)	€276m Order book at end of period (30 September 2024: €196m)	€192m New contracts secured (9M 2024: €132m)

- **Construction market:** Compared to the optimistic estimates made at the beginning of the year, the economic growth forecast for 2025 has become much more modest. The Estonian economy continues to grow slowly, with the latest forecasts predicting an annual growth rate of 0.6%. While the construction market is showing signs of stabilisation, the recovery is slow and uneven.
- **Revenue:** The Buildings segment accounted for 80% of the group's total revenue, with no significant change in the revenue breakdown between segments compared to the same period last year. The year-on-year revenue decline was influenced by a roughly 21% decrease in the Buildings segment. Revenue from the Infrastructure segment remained practically unchanged. During the period, the group secured significant new contracts, which will generate revenue over an extended period.
- **Profitability:** The group's gross margin was 6.7% and operating margin was 3.2%. Net profit for the period was primarily affected by the foreign exchange loss resulting from the weakening of the Ukrainian hryvnia against the euro.
- **Order book:** Compared to 30 September 2024, the group's order book grew by 41%. The order books of both the Buildings and Infrastructure segments increased. A significant proportion of the order book comprises work scheduled for 2026 and 2027.



Directors' report

Group strategic agenda 2023–2027

Business lines and markets

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

Activities for implementing the strategy

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

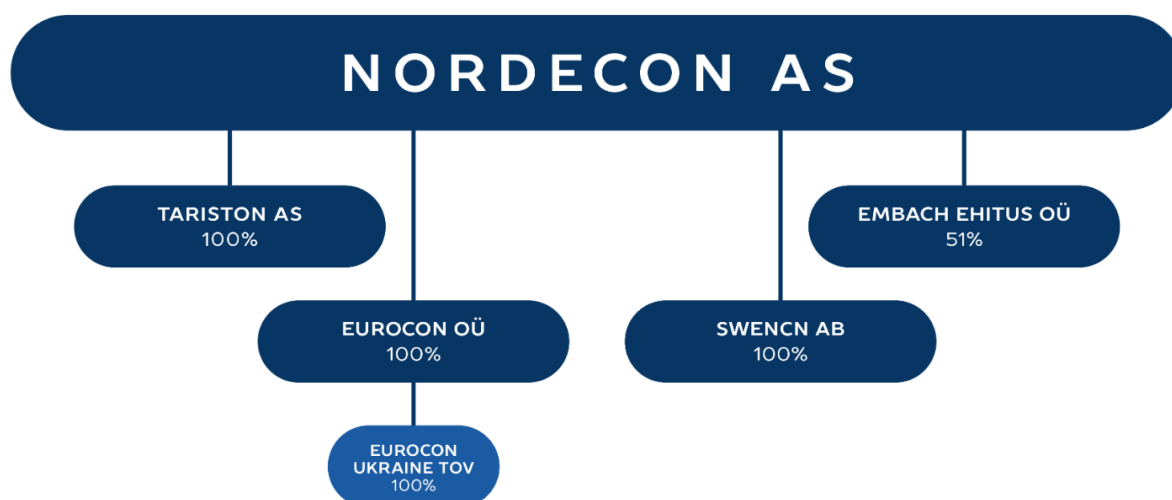
Financial targets

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



Group structure

The group's structure at 30 September 2025, including interests in subsidiaries and associates*



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



Operations and outlook by market

Operations in Estonia

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

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

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

Processes and developments characterising the Estonian construction market:

- Compared to the optimistic estimates made at the beginning of the year, the economic growth forecast for 2025 has been revised downwards. The Estonian economy is expected to continue growing at a slow pace, with annual growth estimated at 0.6%. According to data from the Estonian Institute of Economic Research, the construction market has stabilised and the confidence indicator for construction companies has remained unchanged in recent months. Although the figure is slightly higher than at the same time last year, the sector's recovery is slow and uneven. Companies' order books are improving and lower interest rates have generated some activity in the private sector. However, pessimism about the economic climate and the overall security situation is holding back both domestic and new foreign investment. Public investment, which significantly impacts the market, is not showing any signs of growth.

In the third quarter of 2025, the construction price index increased by 0.2% compared to the previous quarter and by 1.7% compared to the same period in 2024. Compared to a year earlier, the index was primarily affected by rising material costs, and to a lesser extent, by growth in labour and construction machinery costs. Compared to the second quarter, the index was most affected by increased labour costs, as well as higher material costs, particularly for concrete and wood products. On the other hand, the cost of using machinery decreased.

- Competition in building and infrastructure construction remains fierce. The situation is somewhat less intense for large and complex construction projects, where competition is limited by stricter reference requirements and higher risks for contractors.
- Contracts signed with both public and private sector customers impose strict requirements on construction companies, including extensive obligations, severe sanctions, various financial guarantees and very tight deadlines, which are in striking contrast to the modest eligibility criteria. While the relatively low qualification requirements and the requirement for a low bid have made it easier for a growing number of builders to win a contract, they have also increased the financial, completion delay and quality risks faced by customers during the execution of the contract and the subsequent warranty period.
- Employment in the construction sector has stabilised. However, there is still a shortage of skilled and qualified workers (including project and site managers) and the sector needs additional competent employees with the right professional training. This is particularly important for the future, when economic growth is expected to pick up and lead to growth in the construction market.

Operations in foreign markets

Ukraine

In Ukraine, our main activities are general contracting and project management in the building construction segment. Due to the military conflict between Russia and Ukraine and the uncertainty as to when it will end, it is not possible to forecast how the Ukrainian economy and construction market will develop in 2025. At the same time, there is an increasing focus on restoring war-damaged buildings and infrastructure and strengthening them against military action. The activities of the group's Ukrainian subsidiary, Eurocon Ukraine, do not have a significant impact on the group's revenue, profit and assets.



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

Sweden

In the Swedish market, we specialise in the construction of residential and non-residential buildings in the central part of the country. In recent years, rapid inflation and rising interest rates have reduced demand in the Swedish construction market. However, the economy is expected to grow by around 1% in 2025 due to interest rate cuts by the Swedish central bank in 2024. Growth of up to 2.5% is anticipated for 2026. In a challenging market environment, we focus on finding new opportunities while critically assessing potential risks.

During the period, there were no changes in our operations in the Swedish market compared to the end of 2024. Swenc AB did not have any construction projects in progress at 30 September 2025, but the company is seeking new opportunities to continue its business in the Swedish market.



Description of the main risks

Business risks

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

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

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

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

Operational risks

To manage their daily construction risks, group companies purchase contractors' all risks insurance. Depending on the nature of the project and the requests of the customer, both general frame agreements and special, project-specific insurance contracts are used. In addition, subcontractors are generally required to secure the performance of their obligations with a bank guarantee provided to a group company or the group retains part of the amount due until the contract has been completed. To remedy construction deficiencies which may be detected during the warranty period, group companies create warranty provisions based on their historical experience. At 30 September 2025, the group's warranty provisions (including current and non-current) amounted to €2,628 thousand (30 September 2024: €2,016 thousand).

In addition to managing the risks directly related to construction operations, we pay considerable attention to mitigating the risks associated with pre-construction activities. In particular, this applies to the bidding process, i.e. compliance with procurement conditions and budgeting. Errors made in the planning phase are usually irreversible, and in situations where the price of a construction contract is fixed, they can result in direct financial loss.

Financial risks

Credit risk

The group's credit losses for the reporting period amounted to €2 thousand. In the comparative period, there were no credit losses. The overall credit risk exposure of the portfolio of receivables is low because the solvency of prospective customers is evaluated, the share of public sector customers is large and customers' payment behaviour is continuously monitored. The main indicator of the realisation of credit risk is a payment delay of more than 180 days combined with no activity on the part of the debtor that would confirm the intention to pay.



Liquidity risk

The group's exposure to liquidity risk continues to be higher than usual. At the reporting date, the group's current assets exceeded its current liabilities 0.94 times (30 September 2024: 1.00 times). The key factors that influence the liquidity indicator (the current ratio) are the classification of the group's loans to its Ukrainian associate as non-current and the banks' general policy not to refinance interest-bearing liabilities (particularly overdrafts) for a period exceeding 12 months.

Due to the military conflict between Russia and Ukraine, we believe that the group's Ukrainian investment properties cannot be realised in the short term. Accordingly, the receivables related to the loans provided to the Ukrainian associate of €8,834 thousand were classified as non-current at the reporting date.

In order to better manage cash flows and to address the mismatch between the payment terms agreed with customers and subcontractors, the group uses overdraft facilities. Under IFRS EU, borrowings have to be classified into current and non-current based on contract terms in force at the reporting date. The group's short-term borrowings at 30 September 2025 amounted to €11,758 thousand (30 September 2024: €8,119 thousand).

The group's cash and cash equivalents as at the reporting date amounted to €8,083 thousand (30 September 2024: €11,476 thousand).

Interest rate risk

The group's interest-bearing liabilities to banks have both fixed and floating interest rates. Lease liabilities have mainly floating interest rates. The base rate for most floating-rate contracts is EURIBOR. During the period, interest-bearing liabilities decreased by €1,854 thousand year on year. Both loan and lease liabilities decreased. At 30 September 2025, the group had interest-bearing liabilities of €15,153 thousand (30 September 2024: €17,007 thousand). Interest expense for the nine months of 2025 was €654 thousand (9M 2024: €757 thousand).

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

Currency risk

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

Russia's military invasion of Ukraine in February 2022 and Ukraine's previous political and economic instability continue to affect the exchange rate of the Ukrainian hryvnia. In the nine months of 2025, the hryvnia weakened against the euro by around 9%. As a result, the translation of the loans given to the group's Ukrainian subsidiaries in euros into the local currency gave rise to an exchange loss of €591 thousand (9M 2024: an exchange loss of €534 thousand). The exchange losses on the financial instruments have been recognised in finance costs in the statement of comprehensive income. The translation of receivables and liabilities from operating activities did not give rise to any exchange gains or losses.

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

In the nine months of 2025, the Swedish krona strengthened against the euro by around 3.6%. The translation of the loan granted to the group's Swedish subsidiary in euros into the local currency gave rise to an exchange gain of €21 thousand (9M 2024: an exchange gain of €4 thousand). The impact of movements in the foreign exchange rate has been recognised within finance income in the statement of comprehensive income.

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



Employee and work environment risks

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

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

Environmental risks

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

Corruption and ethical risks

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



Performance by geographical market

In the nine months of 2025, revenue generated outside Estonia accounted for approximately 2% of the group's total revenue, consisting solely of revenue generated in Ukraine. A significant proportion of revenue during the period came from the reconstruction of a building in Ovruch, Zhytomyr Oblast, Ukraine, into an apartment building for internally displaced persons, and from the restoration of the administrative building of the Kiev TV tower. In addition, we continued to provide services under contracts signed in 2023 for the reconstruction of substations and the installation of associated physical protection systems in the Poltava, Zhytomyr, Volyn and Ivano-Frankivsk oblasts. Work in these areas is taking longer than originally planned and depends on the needs of the national grid. No revenue was generated in Sweden during the period under review, as Nordecon had no construction contracts in progress in the Swedish market

	9M 2025	9M 2024	9M 2023	2024
Estonia	98%	98%	98%	98%
Ukraine	2%	2%	1%	2%
Finland	-	-	1%	-

Performance by business line

Segment revenues

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

The group's revenue for the first nine months of 2025 was €147,666 thousand, approximately 17% lower than in the same period in 2024, when revenue amounted to €178,722 thousand. The Buildings segment generated revenue of €118,569 thousand and the Infrastructure segment revenue of €29,082 thousand. The corresponding figures for the first nine months of 2024 were €149,615 thousand and €29,068 thousand (see note 8). Revenue generated by the Buildings segment decreased by around 21%, while revenue generated by the Infrastructure segment remained more or less stable compared to the same period last year.

Revenue by operating segment*	9M 2025	9M 2024	9M 2023	2024
Buildings	80%	84%	73%	84%
Infrastructure	20%	16%	27%	16%

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



Subsegment revenues

In the nine months of 2025, most of the revenue generated by the Buildings segment came from the public and commercial buildings subsegments, with commercial buildings contributing at their highest level in recent years. Revenue from commercial buildings increased by around 60% year on year, while revenue from public buildings decreased by around 46%. Revenue from the apartment buildings subsegment, which resulted from our own property development operations, also declined.

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

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

Revenue from our own property development operations, which is reported in the apartment buildings subsegment, increased compared to the same period last year, reaching €9,079 thousand (9M 2024: €7,453 thousand). The figure primarily reflects the sale of apartments in phase 1 of the Seileri Kvartal housing estate in Pärnu (<https://seileri.ee>) and the Tammepärja Kodu housing estate in the Tammelin district in Tartu (<https://tammelinn.ee>). Preparations for and construction of the next phases are underway in both developments. When carrying out our own development activities, we carefully monitor potential risks in the housing development market.

Revenue breakdown in the Buildings segment	9M 2025	9M 2024	9M 2023	2024
Public buildings	48%	70%	33%	70%
Commercial buildings	41%	21%	23%	21%
Apartment buildings	10%	7%	30%	6%
Industrial and warehouse facilities	1%	2%	14%	3%

The largest revenue contributor in the Infrastructure segment is still the road construction and maintenance subsegment, whose revenue decreased by around 17% compared to the same period last year. A major share of the subsegment's revenue came from the construction of the Rail Baltica main line railway infrastructure: the Hagudi–Alu section of stage III in Rapla County and the Selja–Tootsi section of stage I in Pärnu County. A significant share of revenue also came from the sale of asphalt concrete and the provision of road maintenance services in Järva County. Most of the other engineering revenue resulted from the construction of a platform area for Class E aircraft at Tallinn Airport.

Revenue breakdown in the Infrastructure segment	9M 2025	9M 2024	9M 2023	2024
Road construction and maintenance	83 %	94%	60%	90%
Other engineering	17 %	6%	31%	10%
Environmental engineering	0 %	0%	9%	0%



Financial review

Financial performance

Nordecon's gross profit for the first nine months of 2025 amounted to €9,919 thousand (9M 2024: €12,767 thousand). The group's gross margin decreased slightly year on year, dropping to 6.7% for the nine-month period (9M 2024: 7.1%) and 8.1% for the third quarter (Q3 2024: 8.7%). Both operating segments earned a profit in both the nine-month period and the third quarter. The Buildings segment achieved gross margins of 7.7% for the nine months and 8.4% for the third quarter (9M 2024: 8.5% and Q3 2024: 10.2%), while the Infrastructure segment achieved gross margins of 5.5% and 8.9% for the same periods (9M 2024: 5.1% and Q3 2024: 9.2%).

The group's administrative expenses for the first nine months of 2025 totalled €4,758 thousand, which is around 5% lower than a year earlier (9M 2024: €5,011 thousand). The ratio of administrative expenses to revenue (12 months rolling) increased year on year, rising to 4.0% (9M 2024: 3.1%), as the decline in revenue outpaced the decrease in expenses.

The group's operating profit for the nine months of 2025 was €4,756 thousand (9M 2024: 6,972 thousand) and EBITDA was €6,719 thousand (9M 2024: €9,154 thousand).

The group's finance income and costs are affected by exchange rate fluctuations in the group's foreign markets, particularly movements in the exchange rate of the Ukrainian hryvnia (see the Financial risks section). In the first nine months of 2025, the exchange rate of the Ukrainian hryvnia weakened against the euro by around 9% and the translation of the loans provided to the group's Ukrainian subsidiaries in euros into the local currency gave rise to a foreign exchange loss of €591 thousand (9M 2024: €534 thousand).

The group ended the period with a net profit of €2,588 thousand (9M 2024: €4,547 thousand). Net profit attributable to owners of the parent, Nordecon AS, amounted to €1,738 thousand (9M 2024: €3,373 thousand).

Cash flows

The group's operating activities produced a net cash inflow of €2,701 thousand in the nine months of 2025 (9M 2024: an inflow of €3,726 thousand). The items with the strongest impact on operating cash flow were receipts from customers and cash paid to suppliers, which decreased due to the decline in revenue.

Investing activities resulted in a net cash inflow of €215 thousand (9M 2024: an inflow of €35 thousand). Payments made to acquire property, plant and equipment totalled €247 thousand (9M 2024: €289 thousand) and proceeds from the sale of property, plant and equipment amounted to €409 thousand (9M 2024: €193 thousand). Loans provided amounted to €44 thousand (9M 2024: €35 thousand) and interest received to €91 thousand (9M 2024: €159 thousand).

Financing activities generated a net cash outflow of €2,891 thousand (9M 2024: an outflow of €4,124 thousand). The largest items were related to loans and leases. Proceeds from loans received amounted to €783 thousand, consisting mainly of the use of development loans (9M 2024: €902 thousand). Repayments of loans received totalled €1,074 thousand (9M 2024: €1,857 thousand), consisting of regular repayments of long-term investment and development loans and the change in the overdraft balance. Lease payments amounted to €1,845 thousand (9M 2024: €1,689 thousand). There were no dividend payments in the reporting period, whereas dividends paid in the first nine months of 2024 amounted to €661 thousand.

At 30 September 2025, the group's cash and cash equivalents amounted to €8,083 thousand (30 September 2024: €11,476 thousand). Management's commentary on liquidity risks is presented in the Description of the main risks section.



Key financial figures and ratios

Figure/ratio	9M 2025	9M 2024	9M 2023	2024
Revenue (€'000)	147,666	178,722	130,799	223,925
Revenue change	(17.4)%	36.6%	(20.9)%	20.1%
Net profit (loss) (€'000)	2,588	4,547	(2,772)	5,165
Net profit (loss) attributable to owners of the parent (€'000)	1,738	3,376	(2,452)	3,827
Weighted average number of shares	31,528,585	31,528,585	31,528,585	31,528,585
Earnings per share (€)	0.06	0.11	(0.08)	0.12
Administrative expenses to revenue	3.2%	2.8%	3.3%	3.5%
Administrative expenses to revenue (rolling)	4.0%	3.1%	3.3%	3.5%
EBITDA (€'000)	6,719	9,154	1,799	11,025
EBITDA margin	4.6%	5.1%	1.4%	4.9%
Gross margin	6.7%	7.1%	3.3%	7.5%
Operating margin	3.2%	3.9%	(0.4)%	3.6%
Operating margin excluding gain on asset sales	3.2%	3.8%	(0.6)%	3.5%
Net margin	1.8%	2.5%	(2.1)%	2.3%
Return on invested capital	7.2%	13.0%	1.9%	15.6%
Return on equity	9.2%	18.4%	(1.4)%	21.0%
Equity ratio	23.6%	22.1%	17.0%	23.4%
Return on assets	2.2%	3.8%	0.3%	4.4%
Gearing	15.8%	12.6%	16.8%	22.6%
Current ratio	0.94	1.00	0.91	0.94
30 Sept 2025 30 Sept 2024 30 Sept 2023 31 Dec 2024				
Order book (€'000)	276,332	195,628	175,539	209,489

Revenue change = (revenue for the reporting period / revenue for the previous period) – 1 * 100

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

Administrative expenses to revenue = (administrative expenses / revenue) * 100

Administrative expenses to revenue (rolling) = (past four quarters' administrative expenses / past four quarters' revenue) * 100

EBITDA = operating profit or loss + depreciation and amortisation + impairment losses on goodwill

EBITDA margin = (EBITDA / revenue) * 100

Gross margin = (gross profit or loss / revenue) * 100

Operating margin = (operating profit or loss / revenue) * 100

Operating margin excluding gain on asset sales = ((operating profit or loss – gain on sales of non-current assets – gain on sales of real estate) / revenue) * 100

Net margin = (net profit or loss for the period / revenue) * 100

Return on invested capital = ((profit or loss before tax + interest expense) / the period's average (interest-bearing liabilities + equity)) * 100

Return on equity = (net profit or loss for the period / the period's average total equity) * 100

Equity ratio = (total equity / total liabilities and equity) * 100

Return on assets = (net profit or loss for the period / the period's average total assets) * 100

Gearing = ((interest-bearing liabilities – cash and cash equivalents) / (interest-bearing liabilities + equity)) * 100

Current ratio = total current assets / total current liabilities



Order book

The group's order book (backlog of contracts signed but not yet performed) stood at €276,332 thousand at 30 September 2025. Compared to the same period last year, the order book has increased by around 41%. In the nine months of 2025, we signed new contracts for €191,857 thousand (9M 2024: €131,801 thousand), of which contracts for €19,621 thousand in the third quarter (Q3 2024: €67,771 thousand).

	30 Sept 2025	30 Sept 2024	30 Sept 2023	31 Dec 2024
Order book (€'000)	276,332	195,628	175,539	209,489

The Buildings segment accounts for 68% and the Infrastructure segment for 32% of the group's order book (30 September 2024: 82% and 18%, respectively). Compared to 30 September 2024, the order book of the Buildings segment has increased by 18%, primarily through contracts secured in the public buildings and commercial buildings subsegments. The order book of the Infrastructure segment has increased more than twofold, driven by contracts related to Rail Baltica.

The Rail Baltica project, which has significantly revitalised the construction sector, has been supplemented by road construction projects financed by the European Cohesion Fund through the Estonian Transport Administration. However, this does not fully offset the underfunding of road construction. The volume of public investment in the order book of the Buildings segment has also decreased. There is some activity at the local government level and in the national defence sector. The private sector is showing signs of recovery.

Major contracts secured in the nine months of 2025 include:

- Construction of a spa hotel and a swimming complex in Viljandi with an approximate cost of €30,000 thousand.
- Construction of the Punamütsike Kindergarten in Võru with an approximate cost of €6,370 thousand.
- Construction of the Selja–Tootsi section of stage I of the Rail Baltica Pärnu County main line railway infrastructure with an approximate cost of €62,300 thousand.
- Design and construction of a barracks at the Tapa Army Base for the Estonian Centre for Defence Investment with an approximate cost of €5,300 thousand.
- Design and construction of a building for the Estonian Centre for Defence Investment in Harju County with an approximate cost of €3,700 thousand.
- Construction of the Tiskre School in Harku rural municipality with an approximate cost of €14,500 thousand.
- Design and construction of a technological warehouse for Cristella in Võru with an approximate cost of €4,000 thousand.
- Design and construction of buildings for the Estonian Centre for Defence Investment with an approximate cost of €34,300 thousand.
- Reconstruction of a state building in Võru with an approximate cost of €4,700 thousand.
- Construction of a commercial building in Narva with an approximate cost of €5,005 thousand.

Based on the size of the order book and its distribution across financial years, as well as the general outlook for the economy and the construction market, the group's management expects business volumes in 2025 to decrease compared to 2024. In a highly competitive environment, management has avoided taking unjustified risks that could materialise during contract execution and adversely affect the group's results. The main focus is on managing fixed costs, increasing productivity and executing pre-construction and design activities effectively to leverage our professional competitive advantages.



People

Employees and staff costs

The group's average number of employees for the first nine months of 2025 was 425, including 272 engineers and technical professionals (ETPs). Compared to the same period last year, the number of employees decreased by around 3%.

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

	9M 2025	9M 2024	9M 2023	2024
ETPs	272	283	382	283
Workers	153	154	185	152
Total average	425	437	567	435

The group's staff costs for the nine months of 2025, including all taxes, amounted to €14,694 thousand compared with €16,178 thousand in the same period in 2024. Staff costs declined by around 9%.

In the first nine months of 2025, the service fees of the members of the council of Nordecon AS totalled €173 thousand and the related social security charges amounted to €57 thousand (9M 2024: €149 thousand and €49 thousand, respectively).

The service fees of the members of the board of Nordecon AS totalled €424 thousand and the related social security charges amounted to €140 thousand (9M 2024: €391 thousand and €129 thousand, respectively).

Labour productivity and labour cost efficiency

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

	9M 2025	9M 2024	9M 2023	2024
Nominal labour productivity (rolling), (€'000)	452.7	557.4	488.4	514.03
Change against the comparative period, %	(18.8)%	14.1%	2.7%	3.0%
Nominal labour cost efficiency (rolling), (€)	8.5	11.0	10.4	9.3
Change against the comparative period, %	(22.4)%	5.0%	(12.8)%	(9.7)%

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

The group's nominal labour productivity and nominal labour cost efficiency decreased year on year because the decline in revenue exceeded the decrease in staff numbers and costs.



Share and shareholders

Share information

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

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

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

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

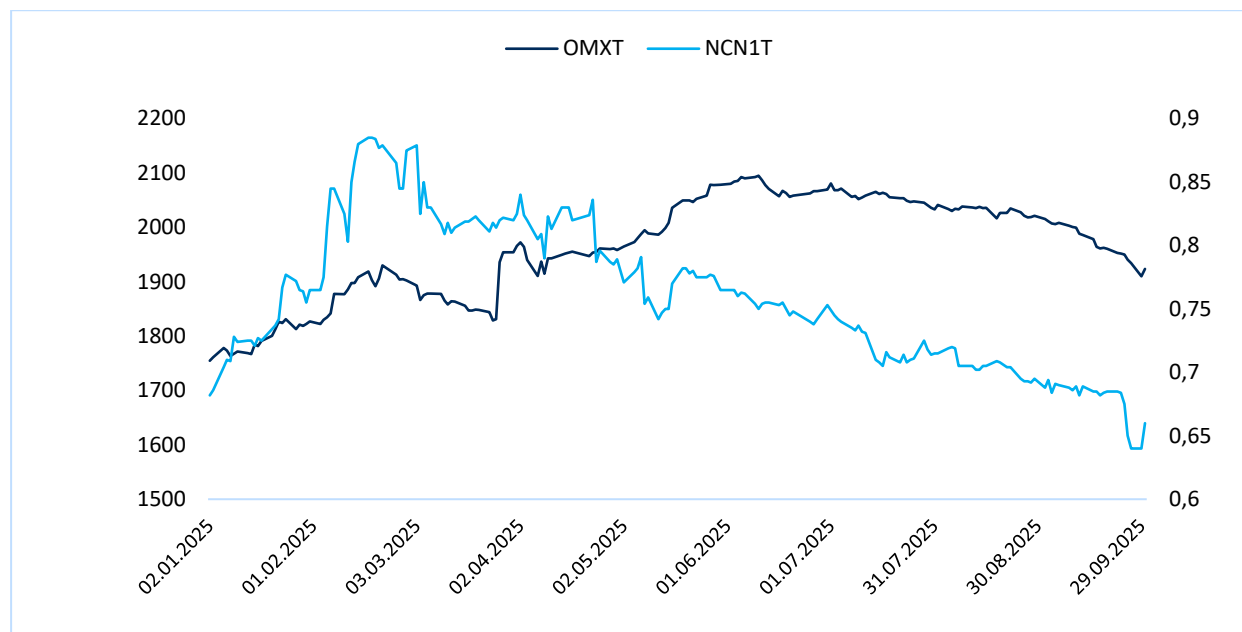
Movements in the price and trading volume of the Nordecon AS share in 9M 2025

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





Movement of the share price compared with the OMX Tallinn Index in 9M 2025



Index/equity	1 January 2025*	30 September 2025	+/-
OMX Tallinn	1,733.00	1,923.41	+10.99
NCN1T	€0.67	€0.66	(1.79)%

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

Summarised trading results

Share trading history

Price, €	9M 2025	9M 2024	9M 2023
Open	0.67	0.62	0.69
High	0.90	0.64	0.93
Low	0.60	0.48	0.67
Last closing price	0.66	0.57	0.75
Traded volume (number of securities traded)	2,078,521	1,424,130	1,197,608
Turnover, € million	1.63	0.77	0.93
Listed volume (30 September), thousand	32,375	32,375	32,375
Market capitalisation (30 September), € million	21.37	18.42	24.38



Shareholder structure

Largest shareholders of Nordecon AS at 30 September 2025

Shareholder	Number of shares	Ownership interest (%)
AS Nordic Contractors	16,563,145	51.16
Lüksusjaht AS	4,332,342	13.38
Toomas Luman	830,000	2.56
Olegs Radcenko	574,200	1.77
Nõmme Erahariduse SA	370,370	1.14
Lembit Talpsepp	360,000	1.11
SEB Pank AS clients	300,000	0.93
OÜ Alar Invest	255,000	0.79
Genadi Bulatov	250,600	0.77
Endel Palla	200,000	0.62

Shareholder structure of Nordecon AS at 30 September 2025

	Number of shareholders	Ownership interest (%)
Shareholders with interest exceeding 5%	2	64.54
Shareholders with interest from 1% to 5%	4	6.59
Shareholders with interest below 1%	6,331	26.25
Holder of own (treasury) shares	1	2.62
Total	6,338	100

Shares controlled by members of the council of Nordecon AS at 30 September 2025

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

* Companies controlled by the individual

Shares controlled by members of the board of Nordecon AS at 30 September 2025

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



Condensed consolidated interim financial statements

Consolidated statement of financial position

€'000	Note	30 September 2025	31 December 2024
ASSETS			
Current assets			
Cash and cash equivalents		8,083	8,195
Trade and other receivables	2	44,289	29,449
Prepayments		3,261	3,543
Inventories	3	25,500	28,091
Total current assets		81,133	69,278
Non-current assets			
Other investments		77	77
Trade and other receivables	2	11,202	10,681
Investment property		5,517	5,517
Property, plant and equipment		12,553	13,247
Intangible assets		14,922	14,951
Total non-current assets		44,271	44,473
TOTAL ASSETS		125,404	113,751
LIABILITIES			
Current liabilities			
Borrowings	5, 6	11,758	12,626
Trade payables		51,308	36,819
Other payables		9,814	10,260
Deferred income		12,519	12,472
Provisions		809	1,333
Total current liabilities		86,208	73,510
Non-current liabilities			
Borrowings	5, 6	3,395	5,720
Trade payables		2,955	5,091
Provisions		3,259	2,826
Total non-current liabilities		9,609	13,637
TOTAL LIABILITIES		95,817	87,147
EQUITY			
Share capital		14,379	14,379
Own (treasury) shares		(660)	(660)
Share premium		635	635
Statutory capital reserve		2,554	2,554
Translation reserve		4,429	4,034
Retained earnings		6,484	4,746
Total equity attributable to owners of the parent		27,821	25,688
Non-controlling interests		1,766	916
TOTAL EQUITY		29,587	26,604
TOTAL LIABILITIES AND EQUITY		125,404	113,751



Consolidated statement of comprehensive income

€'000	Note	9M 2025	Q3 2025	9M 2024	Q3 2024	2024
Revenue	8, 9	147,666	55,028	178,722	63,777	223,925
Cost of sales	10	(137,747)	(50,559)	(165,955)	(58,204)	(207,155)
Gross profit		9,919	4,469	12,767	5,573	16,770
Marketing and distribution expenses		(279)	(110)	(301)	(129)	(422)
Administrative expenses	11	(4,758)	(1,686)	(5,011)	(1,638)	(7,878)
Other operating income	12	70	2	145	68	286
Other operating expenses	12	(196)	(36)	(628)	(170)	(695)
Operating profit		4,756	2,639	6,972	3,704	8,061
Finance income	13	349	91	437	120	678
Finance costs	13	(2,517)	(613)	(2,625)	(1,079)	(3,011)
Net finance costs		(2,168)	(522)	(2,188)	(959)	(2,333)
Profit before tax		2,588	2,117	4,784	2,745	5,728
Income tax expense		0	0	(237)	0	(563)
Profit for the period		2,588	2,117	4,547	2,745	5,165
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translating foreign operations		395	(78)	502	337	248
Total other comprehensive income (expense)		395	(78)	502	337	248
TOTAL COMPREHENSIVE INCOME		2,983	2,039	5,049	3,082	5,413
Profit attributable to:						
- Owners of the parent		1,738	1,872	3,373	2,353	3,827
- Non-controlling interests		850	245	1,174	392	1,338
Profit for the period		2,588	2,117	4,547	2,745	5,165
Comprehensive income attributable to:						
- Owners of the parent		2,133	1,794	3,875	2,690	4,075
- Non-controlling interests		850	245	1,174	392	1,338
Comprehensive income for the period		2,983	2,039	5,049	3,082	5,413
Earnings per share attributable to owners of the parent:						
Basic earnings per share (€)	7	0.06	0.06	0.11	0.07	0.12
Diluted earnings per share (€)	7	0.06	0.06	0.11	0.07	0.12



Consolidated statement of cash flows

€'000	Note	9M 2025	9M 2024
Cash flows from operating activities			
Cash receipts from customers ¹		167,978	199,510
Cash paid to suppliers ²		(143,000)	(173,448)
VAT paid		(5,906)	(7,048)
Cash paid to and for employees		(16,021)	(15,051)
Income tax paid		(350)	(237)
Net cash from operating activities		2,701	3,726
Cash flows from investing activities			
Paid for acquisition of property, plant and equipment		(247)	(289)
Proceeds from sale of property, plant and equipment	4	409	193
Loans provided		(44)	(35)
Repayments of loans provided		6	1
Dividends received		0	6
Interest received		91	159
Net cash from investing activities		215	35
Cash flows from financing activities			
Proceeds from loans received		783	902
Repayments of loans received		(1,074)	(1,857)
Lease payments	6	(1,845)	(1,689)
Payments of lease interest		(195)	(260)
Interest paid		(560)	(559)
Dividends paid		0	(661)
Net cash used in financing activities		(2,891)	(4,124)
Net cash flow		25	(363)
Cash and cash equivalents at beginning of period		8,195	11,892
Effect of movements in foreign exchange rates		(137)	(53)
Change in cash and cash equivalents		25	(363)
Cash and cash equivalents at end of period		8,083	11,476

¹ Line item 'Cash receipts from customers' includes VAT paid by customers.

² Line item 'Cash paid to suppliers' includes VAT paid.



Consolidated statement of changes in equity

€'000	Equity attributable to owners of the parent							Non-controlling interests	Total
	Share capital	Treasury shares	Capital reserve	Share premium	Translation reserve	Retained earnings	Total		
Balance at 31 December 2023	14,379	(660)	2,554	635	3,786	919	21,613	925	22,538
Profit for the period	0	0	0	0	0	3,373	3,373	1,174	4,547
Other comprehensive income	0	0	0	0	502	0	502	0	502
Transactions with owners									
Dividend distribution	0	0	0	0	0	0	0	(661)	(661)
Total transactions with owners	0	0	0	0	0	0	0	(661)	(661)
Balance at 30 September 2024	14,379	(660)	2,554	635	4,288	4,292	25,488	1,438	26,926
Balance at 31 December 2024	14,379	(660)	2,554	635	4,034	4,746	25,688	916	26,604
Profit for the period	0	0	0	0	0	1,738	1,738	850	2,588
Other comprehensive income	0	0	0	0	395	0	395	0	395
Balance at 30 September 2025	14,379	(660)	2,554	635	4,429	6,484	27,821	1,766	29,587



Notes to the condensed consolidated interim financial statements

NOTE 1. Significant accounting policies

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

The condensed consolidated interim financial statements as at and for the period ended 30 September 2025 have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union. The condensed interim financial statements do not contain all the information presented in the annual financial statements and should be read in conjunction with the group's latest published annual financial statements as at and for the year ended 31 December 2024.

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

NOTE 2. Trade and other receivables

€'000	Note	30 September 2025	31 December 2024
Current items			
Trade receivables		38,539	24,581
Retentions receivable		643	479
Receivables from related parties	14	242	261
Other receivables		2	292
Total receivables		39,426	25,613
Due from customers for contract work		4,863	3,836
Total current trade and other receivables		44,289	29,449

€'000	Note	30 September 2025	31 December 2024
Non-current items			
Loans provided to related parties	14	9,697	9,387
Receivables from related parties	14	0	89
Other non-current receivables		1,505	1,205
Total non-current trade and other receivables		11,202	10,681

NOTE 3. Inventories

€'000	30 September 2025	31 December 2024
Raw materials and consumables	7,229	6,591
Work in progress	8,416	11,807
Apartments for sale	215	215
Properties purchased for development and pre-development costs	9,640	9,478
Total inventories	25,500	28,091



NOTE 4. Property, plant and equipment and intangible assets

Property, plant and equipment

Additions to property, plant and equipment in the nine months of 2025 amounted to €1,647 thousand (9M 2024: €1,350 thousand) and consisted of purchases of equipment and construction machinery required for the group's operating activities.

Proceeds from the sale of property, plant and equipment amounted to €409 thousand (see the statement of cash flows) and associated sales gain was €65 thousand (note 12). In the first nine months of 2024, sales proceeds and gain amounted to €193 thousand and €107 thousand, respectively.

Intangible assets

There were no material transactions with intangible assets in the first nine months of 2025.

NOTE 5. Borrowings

Current borrowings

€'000	Note	30 September 2025	31 December 2024
Short-term portion of long-term loans		1,070	5,332
Lease liabilities	6	2,032	2,009
Short-term bank loans		8,656	5,285
Total current borrowings		11,758	12,626

Non-current borrowings

€'000	Note	30 September 2025	31 December 2024
Lease liabilities	6	3,395	3,832
Long-term bank loans		0	1,888
Total non-current borrowings		3,395	5,720

NOTE 6. Lease liabilities

Lease liabilities

€'000	30 September 2025	31 December 2024
Lease liabilities at end of period, of which	5,427	5,841
Not later than 1 year	2,032	2,009
Later than 1 year and not later than 5 years	3,395	3,832
Base currency €	5,427	5,841
Interest rate for contracts denominated in € ¹	2.5%-6.9%	2.9%-7.2%
Frequency of payments	Monthly	Monthly

¹ Includes leases with floating interest rates

Lease payments

€'000	9M 2025	9M 2024
Principal payments made during the period	1,845	1,689
Interest payments made during the period	195	260

Short-term leases and leases for which the underlying asset is of low value are recognised as an expense on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.



NOTE 7. Earnings per share

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

€'000	9M 2025	9M 2024
Net profit for the period attributable to owners of the parent (€'000)	1,738	3,373
Weighted average number of shares (thousand)	31,528	31,528
Basic earnings per share (€)	0.06	0.11
Diluted earnings per share (€)	0.06	0.11

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

NOTE 8. Segment reporting – operating segments

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

The group's reportable operating segments are:

- Buildings
- Infrastructure

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

Preparation of segment reporting

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

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

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



Third quarter

€'000

Q3 2025

	Buildings	Infrastructure	Total
Total revenue from external customers	36,442	18,582	55,024
Of which: General contracting services	34,144	17,209	51,353
Own development activities	2,298	0	2,298
Road maintenance services	0	599	599
Lease services	0	774	774
Gross profit of the segment	3,068	1,652	4,720

€'000

Q3 2024

	Buildings	Infrastructure	Total
Total revenue from external customers	49,194	14,582	63,776
Of which: General contracting services	47,915	13,365	61,280
Own development activities	1,279	0	1,279
Road maintenance services	0	646	646
Lease services	0	571	571
Gross profit of the segment	5,011	1,343	6,354

Nine months

€'000

9M 2025

	Buildings	Infrastructure	Total
Total revenue from external customers	118,569	29,082	147,651
Of which: General contracting services	109,490	25,221	134,711
Own development activities	9,079	0	9,079
Road maintenance services	0	2,317	2,317
Lease services	0	1,544	1,544
Gross profit of the segment	9,110	1,603	10,713

€'000

9M 2024

	Buildings	Infrastructure	Total
Total revenue from external customers	149,615	29,068	178,682
Of which: General contracting services	142,162	25,300	167,462
Own development activities	7,453	0	7,453
Road maintenance services	0	2,396	2,396
Lease services	0	1,372	1,372
Gross profit of the segment	12,791	1,469	14,260

Reconciliation of segment revenues

€'000

	9M 2025	Q3 2025	9M 2024	Q3 2024
Total revenues for reportable segments	147,651	55,024	178,683	63,776
Other revenue	15	4	39	1
Total revenue	147,666	55,028	178,722	63,777



Reconciliation of segment profit

€'000	9M 2025	Q3 2025	9M 2024	Q3 2024
Total profit for reportable segments	10,713	4,720	14,260	6,354
Unallocated loss for reportable segments	(794)	(251)	(1,493)	(781)
Gross profit	9,919	4,469	12,767	5,573
Unallocated expenses:				
Marketing and distribution expenses	(279)	(110)	(301)	(129)
Administrative expenses	(4,758)	(1,686)	(5,011)	(1,638)
Other operating income and expenses	(126)	(34)	(483)	(102)
Operating profit	4,756	2,639	6,972	3,704
Finance income	349	91	437	120
Finance costs	(2,517)	(613)	(2,625)	(1,079)
Profit before tax	2,588	2,117	4,784	2,745

NOTE 9. Segment reporting – geographical information

€'000	9M 2025	Q3 2025	9M 2024	Q3 2024
Estonia	144,643	53,949	175,289	63,110
Ukraine	3,023	1,079	3,433	667
Total revenue	147,666	55,028	178,722	63,777

NOTE 10. Cost of sales

€'000	9M 2025	9M 2024
Cost of materials, goods and services	124,165	150,737
Staff costs	12,012	13,118
Depreciation expense	1,470	1,638
Other expenses	100	462
Total cost of sales	137,747	165,955

NOTE 11. Administrative expenses

€'000	9M 2025	9M 2024
Staff costs	2,625	2,991
Cost of materials, goods and services	1,465	1,293
Depreciation and amortisation expense	493	544
Other expenses	175	183
Total administrative expenses	4,758	5,011



NOTE 12. Other operating income and expenses

€'000	9M 2025	9M 2024
Other operating income		
Gain on disposal of property, plant and equipment	65	107
Other income	5	38
Total other operating income	70	145

€'000	9M 2025	9M 2024
Other operating expenses		
Loss from write-off of receivables	2	0
Other expenses	194	628
Total other operating expenses	196	628

NOTE 13. Finance income and costs

€'000	9M 2025	9M 2024
Finance income		
Interest income on loans and deposits	328	383
Foreign exchange gain	21	4
Other finance income	0	50
Total finance income	349	437

€'000	9M 2025	9M 2024
Finance costs		
Interest expense	654	757
Foreign exchange loss	591	534
Other finance costs	1,272	1,334
Total finance costs	2,517	2,625

NOTE 14. Transactions with related parties

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

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

The group's purchase and sales transactions with related parties

€'000	9M 2025		9M 2024	
Counterparty	Purchases	Sales	Purchases	Sales
AS Nordic Contractors	1,468	0	1,536	0
Companies of the AS Nordic Contractors group	0	8	0	8
Companies related to owners of AS Nordic Contractors	115	0	122	13
Companies related to members of the council and the board	0	0	170	0
Total	1,583	8	1,828	21



€'000	9M 2025		9M 2024	
Nature of transaction	Purchases	Sales	Purchases	Sales
Transactions with goods	5	0	170	0
Lease and other services	295	8	305	8
Other transactions	1,283	0	1,353	13
Total	1,583	8	1,828	21

During the period, the group recognised interest income on loans to an associate of €275 thousand (9M 2024: €275 thousand).

Receivables from and liabilities to related parties

€'000	30 September 2025		31 December 2024	
	Receivables	Liabilities	Receivables	Liabilities
AS Nordic Contractors	10	111	0	11
Companies related to owners of AS Nordic Contractors	227	10	0	0
Companies of the AS Nordic Contractors group	1	0	342	43
Associates – receivables and liabilities	4	0	8	0
Associates – loans and interest	9,697	1	9,387	0
Total	9,939	122	9,737	54

Remuneration of the council and the board

In the first nine months of 2025, the service fees of the members of the council of Nordecon AS totalled €173 thousand and the related social security charges amounted to €57 thousand (9M 2024: €149 thousand and €49 thousand, respectively).

The service fees of the members of the board of Nordecon AS totalled €424 thousand and the related social security charges amounted to €140 thousand (9M 2024: €391 thousand and €129 thousand, respectively).



Statements and signatures

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

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

Maret Tambek	Chairman of the Board	6 November 2025
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Deniss Berman	Member of the Board	6 November 2025
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Tarmo Pohlak	Member of the Board	6 November 2025
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