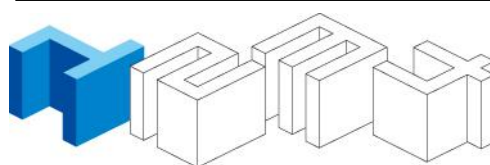




**Financial report for the first quarter
of 2026**
(unaudited)





Financial report for the first quarter of 2026 (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 2026 – 31 December 2026
Reporting period	1 January 2026 – 31 March 2026
Council	Toomas Luman (chairman of the council), Andri Hõbemägi, Vello Kahro, Sandor Liive, Andre Luman
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 Q1 2026

€52m Revenue (Q1 2025: €39m)	32% Revenue change, year on year (Q1 2025: (14.9)%)	5.6% Gross margin (Q1 2025: 4.6%)
2.2% Operating margin (Q1 2025: 0.5%)	€372m Order book at end of period (31 March 2025: €283m)	€156m New contracts secured (Q1 2025: €111m)

- **Construction market:** The war in the Middle East and the resulting sharp rise in energy prices in the first quarter of the year have caused the previously optimistic economic growth forecast to be revised downwards. Growth for this year is projected at 2.1–2.5%, with the construction sector expected to grow by 2% in constant prices. The construction sector is not expected to grow significantly; rather, stabilisation will continue. Although rapidly rising input prices are putting strong pressure on profitability, the risk is mitigated to some extent by the construction price index included in public contracts.
- **Revenue:** Nordecon's revenue for the first quarter increased by 32% compared to the same period last year. The Buildings and Infrastructure segments accounted for 86% and 14% of the group's total revenue, respectively. Revenue from the Buildings segment grew by 22%, while revenue from the Infrastructure segment increased by more than 2.5 times. Given the size of the group's order book and its breakdown between the segments, revenue growth was in line with expectations.
- **Profitability:** Compared to the first quarter of 2025, the group's profitability improved. The overall gross margin was 5.6%, with profit coming from the Buildings segment. The loss from the Infrastructure segment, which was due to seasonal factors, decreased year on year.
- **Order book:** Compared to 31 March 2025, the group's order book increased by 31%. The order book of the Buildings segment grew significantly, driven by contracts secured by the public buildings subsegment, which account for 74% of the total. Growth in the Infrastructure segment's order book was more modest. Based on the size of the order book and the general outlook for the economy and construction market, the group's management team forecasts growth in business volumes for 2026.



Directors' report

Group strategic agenda for 2023–2027

Business lines and markets

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

Activities for implementing the strategy

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

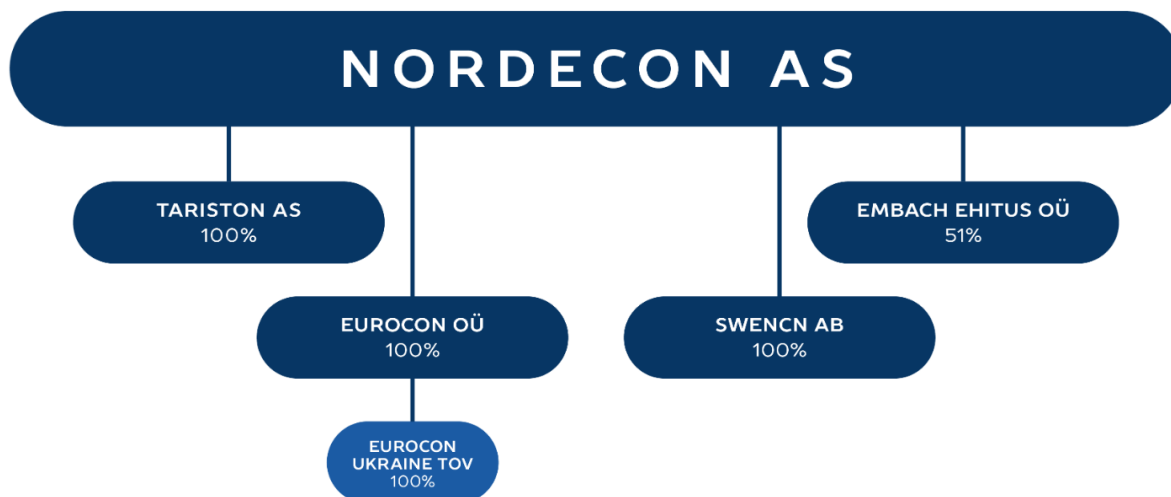
Financial targets

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



Group structure

The group's structure at 31 March 2026, 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 companies established for a specific development project that have immaterial or no business operations, the subsidiary Kalda Kodu OÜ and the associate Ööbikusalu OÜ.



Operations and outlook by market

Operations in Estonia

There were no changes in our operations in the Estonian market compared to the end of 2025. 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, Kalda Kodu 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:

- In early 2026, economic analysts projected economic growth of 2.3–3.6% for this year. The forecast was based primarily on growth in domestic demand, an improvement in overall confidence and a slowdown in inflation. However, events that took place globally in the first quarter, such as the war in the Middle East and the resulting sharp rise in energy prices, have shifted this rather optimistic forecast to a more modest outlook. Economic growth is now projected at 2.1–2.5%, with growth in the construction sector at 2% in constant prices. No significant growth is expected; rather, stabilisation of the sector is likely to continue.

The construction market continues to be significantly influenced by public investment, particularly the increased investment in defence and infrastructure. There is also some activity in the private sector, which is being supported by low interest rates. The main risks affecting the construction market include a surge in material prices, developments in neighbouring countries' construction sectors and the launch of large-scale reconstruction in Ukraine. The timing of the latter is very difficult to predict.

In the first quarter of 2026, the construction price index rose by 0.5% compared to the previous quarter and by 2% year on year. The increase compared to the previous quarter was driven by higher labour costs and construction material prices. Compared to the first quarter of 2025, spending on materials grew by 2.5%, while labour costs and costs relating to the use of machinery increased by 1.2%.

- 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 greater risks for contractors.
- Contracts signed with both public and private sector customers impose strict requirements on construction companies, including extensive obligations, severe sanctions, various financial guarantees and very tight deadlines, which are in striking contrast to the modest eligibility criteria. While the relatively low qualification requirements and the demand for low bids have made it easier for a growing number of builders to win contracts, they have also increased the financial, completion delay and quality risks faced by customers during contract execution 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 requires more competent professionals with the right training. This will be especially important when economic growth picks up, triggering a rise in the construction market.

Operations in foreign markets

Ukraine

In Ukraine, the group primarily operates in the building construction segment, focusing on general contracting and project management, and carries out concrete works using own resources. Due to the military conflict between Russia and Ukraine, and the uncertainty as to when it will end, it is not possible to forecast how the Ukrainian economy and construction market will develop in 2026. However, increasing efforts are being made to restore war-damaged buildings and infrastructure and strengthen them against military action. The operations of the group's Ukrainian subsidiary, Eurocon Ukraine, do not have a material impact on the group's revenue, profit or assets.



The group has investments in two real estate projects in Ukraine. One of them belongs to its subsidiary Technopolis-2 TOV and the other is owned by its associate V.I. Center TOV. Development of the projects has been postponed due to the war. The properties have not been damaged in the military conflict and the group retains control of them.

Sweden

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

During the period, there were no changes in our operations in the Swedish market compared to the end of 2025. SweNCN AB had no construction projects in progress at 31 March 2026, but the company is seeking new opportunities to continue operating 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 infrastructure and building construction services continues to be strongly influenced by public investment.

Bid prices in both infrastructure and building construction segments 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 qualification 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. The risk of significant increases in input prices is partially mitigated by the terms of public contracts that include the construction price index.

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

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

Operational risks

To manage their daily construction risks, group companies purchase contractors' all risks insurance. Depending on the nature of the project and the requests of the customer, both general frame agreements and special, project-specific insurance contracts are used. In addition, subcontractors are generally required to secure the performance of their obligations with a bank guarantee provided to a group company or the group retains part of the amount due until the contract has been completed. To remedy construction deficiencies which may be detected during the warranty period, group companies create warranty provisions based on their historical experience. At 31 March 2026, the group's warranty provisions (including current and non-current) amounted to €2,421 thousand (31 March 2025: €2,788 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, including compliance with the 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, can result in direct financial loss.

Financial risks

Credit risk

The group did not incur any credit losses during the reporting period or the comparative period. 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 1.0 times (31 March 2025: 0.94 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 complicated political and economic situation in Ukraine, we believe that the group's Ukrainian investment properties cannot be realised in the short term. Accordingly, the receivables related to the loans provided to the Ukrainian associate of €9,048 thousand were classified as non-current at the reporting date.

In order to better manage cash flows and to address the mismatch between the payment terms agreed with customers and subcontractors, the group uses overdraft facilities. Under IFRS EU, borrowings have to be classified into current and non-current based on contract terms in force at the reporting date. The group's short-term borrowings at 31 March 2026 amounted to €12,075 thousand (31 March 2025: €12,259 thousand).

The group's cash and cash equivalents as at the reporting date amounted to €2,859 thousand (31 March 2025: €7,399 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 increased by €7,674 thousand year on year through an investment loan raised at the beginning of 2026. At 31 March 2026, the group's interest-bearing liabilities totalled €25,883 thousand (31 March 2025: €18,209 thousand). Interest expense increased year on year, rising to €267 thousand (Q1 2025: €204 thousand) due to the growth in borrowings.

The main source of interest rate risk is a potential rise in the base rates of floating interest rates. In the light of the group's relatively heavy loan burden, this would significantly increase interest expense, which would have an adverse impact on profit. We mitigate the risk by pursuing a policy of entering, where possible, into fixed-rate contracts when the market interest rates are low. As regards loan products offered by banks, observance of the policy has proved difficult and most 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 first quarter of 2026, the hryvnia weakened against the euro by around 0.9%. 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 €59 thousand (Q1 2025: an exchange loss of €117 thousand). The exchange losses on the financial instruments have been recognised in finance costs in the statement of comprehensive income.

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 first quarter of 2026, the Swedish krona weakened against the euro by around 1.1% and the translation of a loan provided to the Swedish subsidiary in euros into the local currency gave rise to an exchange loss of €3 thousand (Q1 2025: an exchange gain of €41 thousand). The exchange loss has been recognised in finance costs and the exchange gain has been recognised in finance income in the statement of comprehensive income. The translation of receivables and liabilities from operating activities did not result in any exchange gains or losses during the period (Q1 2025: an exchange loss of €2 thousand, which was recognised in other operating expenses 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 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 consumption, leaks, spills, pollution, the 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

Revenue generated outside Estonia, in Ukraine, accounted for approximately 1% of the group's total revenue in the first quarter of 2026. Revenue generated in Ukraine, as well as its share of the Group's total revenue, decreased compared to the same period in 2025. This was primarily due to the extremely challenging conditions in the country. Constant power outages and a very cold winter hindered work at construction sites and in the production of building materials. No revenue was generated in Sweden as we had no construction contracts in progress in that market.

	Q1 2026	Q1 2025	Q1 2024	2025
Estonia	99%	98%	99%	98%
Ukraine	1%	2%	1%	2%

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) if market conditions permit. This helps diversify risk and provides better opportunities to continue construction activities in challenging market conditions, when volumes in one subsegment decline sharply, while volumes in another start to grow more rapidly.

The group's revenue for the first quarter of 2026 was €52,003 thousand, approximately 32% higher than in the first quarter of 2025, when revenue amounted to €39,355 thousand. The Buildings segment generated revenue of €44,596 thousand and the Infrastructure segment generated revenue of €7,402 thousand. The corresponding figures for the first quarter of 2025 were €36,584 thousand and €2,766 thousand, respectively (see note 8). Revenue from the Buildings segment grew by 22%, while revenue from the Infrastructure segment increased more than 2.5 times. In view of the size of the group's order book and its breakdown between the segments, revenue growth was in line with expectations (see the 'Order book' section of this report).

Revenue by operating segment *	Q1 2026	Q1 2025	Q1 2024	2025
Buildings	86%	93%	94%	81%
Infrastructure	14%	7%	6%	19%

* 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

Most of the revenue in the Buildings segment currently comes from the construction of public and commercial buildings. During the period, revenue generated by the public buildings subsegment increased by around 53% year on year, whereas revenue from the industrial and warehouse facilities subsegment decreased and revenue from the commercial and apartment buildings subsegments remained comparable to the same period last year. The apartment buildings subsegment did not have any major ongoing projects and the revenue from own development operations was not significant.

In the first quarter of 2026, the largest projects in the public buildings subsegment were the construction of the Tiskre School in the Harku rural municipality, and the design and construction of Loodusmaja (Nature Hub) and the new television building of Estonian Public Broadcasting in Tallinn. Work also continued on the construction of a barracks at Tapa as well as various other buildings procured by the Estonian Centre for Defence Investments.

The largest projects in the commercial buildings subsegment were the construction of a commercial building at Väike-Turu 7 in Tartu, the LEED Gold compliant Uusküla spa hotel on the northern shore of Lake Peipus in the Alutaguse rural municipality, and a spa hotel and a swimming complex in Viljandi.

Revenue from own development operations, which is included in the apartment buildings subsegment, amounted to €319 thousand (Q1 2025: €6 thousand). During the period, we started preparations for the construction of phase 2 of the Seileri Kvartal housing estate in Pärnu (<https://seileri.ee>) and continued building the Tammepärja Kodu housing estate in the Tammelinn district in Tartu (<https://tammelinn.ee>) and the Pärnasalu residential development project on the outskirts of Tartu (<https://parnasalutee.ee>). When carrying out our own development activities, we carefully monitor potential risks in the housing development market.

Revenue breakdown in the Buildings segment	Q1 2026	Q1 2025	Q1 2024	2025
Public buildings	63%	52%	67%	52%
Commercial buildings	35%	46%	19%	39%
Apartment buildings	1%	1%	14%	8%
Industrial and warehouse facilities	1%	1%	0%	1%

In the first quarter of 2026, all of the revenue generated by the Infrastructure segment came from road construction and maintenance. Compared with the same period last year, the segment's revenue has increased significantly. The period's largest projects were the construction of the Rail Baltica main line railway infrastructure, including the Hagudi–Alu section of stage III in Rapla County and the Selja–Tootsi section of stage I in Pärnu County, and the construction of the Päädeva–Orgita road section on km 62.2–64.8 of national road no. 4 (E67), Tallinn–Pärnu–Ikla.

Revenue breakdown in the Infrastructure segment	Q1 2026	Q1 2025	Q1 2024	2025
Road construction and maintenance	100%	77%	83%	87%
Other engineering	0%	23%	17%	13%



Financial review

Financial performance

In the first quarter of 2026, the Nordecon group delivered a gross profit of €2,938 thousand (Q1 2025: €1,802 thousand) and a gross margin of 5.6% (Q1 2025: 4.6%). The gross margin improved year on year, supported by both operating segments. The gross margin of the Buildings segment increased to 8.8% (Q1 2025: 7.5%). Although the gross margin of the Infrastructure segment, which in the first quarter is affected by a large share of uncovered fixed costs, was negative at (5.8)%, it improved significantly compared with the (24.6)% in the first quarter of 2025.

The group's administrative expenses for the first quarter of 2026 were €1,747 thousand (Q1 2025: €1,546 thousand). The 13% year-on-year increase in administrative expenses was mainly due to higher staff costs. The ratio of administrative expenses to revenue (12 months rolling) decreased year on year, declining to 3.2% (Q1 2025: 3.6%).

The group's operating profit for the first quarter of 2026 was €1,119 thousand (Q1 2025: €191 thousand) and EBITDA was €1,784 thousand (Q1 2025: €858 thousand).

The group's finance income and costs are affected by exchange rate fluctuations in the group's foreign markets (see the 'Financial risks' section). However, in the reporting period the impact of those fluctuations was smaller than a year earlier. In the first quarter of 2026, the Ukrainian hryvnia weakened against the euro by around 0.9% and the translation of the loans provided to the group's Ukrainian subsidiaries in euros into the local currency gave rise to an exchange loss of €59 thousand (Q1 2025: an exchange loss of €117 thousand). The Swedish krona weakened against the euro by around 1.1% and the translation of a loan provided to the Swedish subsidiary in euros into the local currency gave rise to an exchange loss of €3 thousand (Q1 2025: an exchange gain of €41 thousand).

The group ended the period with a net profit of €261 thousand (Q1 2025: a net loss of €403 thousand). Net profit attributable to owners of the parent, Nordecon AS, amounted to €102 thousand (Q1 2025: a net loss of €616 thousand).

Cash flows

In the first quarter of 2026, operating activities produced a net cash outflow of €594 thousand (Q1 2025: an outflow of €249 thousand). Due to revenue growth, both cash receipts from customers and cash paid to suppliers increased compared to the first quarter of 2025. Cash paid to and for employees also increased.

Investing activities resulted in a net cash outflow of €692 thousand (Q1 2025: an inflow of €161 thousand). Payments made to acquire property, plant and equipment totalled €385 thousand (Q1 2025: €35 thousand) and proceeds from the sale of property, plant and equipment amounted to €7 thousand (Q1 2025: €207 thousand). Loans provided totalled €17 thousand (Q1 2025: €26 thousand) and interest received amounted to €21 thousand (Q1 2025: €12 thousand). Cash placed in long-term deposits during the period amounted to €332 thousand.

Financing activities generated a net cash outflow of €1,116 thousand (Q1 2025: an outflow of €682 thousand). The items with the strongest impact were loans received and loan repayments of €1,395 thousand and €842 thousand, respectively (Q1 2025: €633 thousand and €406 thousand). Lease payments totalled €728 thousand (Q1 2025: €633 thousand) and interest payments totalled €241 thousand (Q1 2025: €209 thousand). Dividends paid in the first quarter of 2026 amounted to €637 thousand. In the first quarter of 2025, no dividends were paid.

At 31 March 2026, the group's cash and cash equivalents amounted to €2,859 thousand (31 March 2025: €7,399 thousand). Management's commentary on liquidity risks is presented in the 'Description of the main risks' section.



Key financial figures and ratios

Figure/ratio	Q1 2026	Q1 2025	Q1 2024	2025
Revenue (€'000)	52,003	39,355	46,245	208,281
Revenue change	32.1%	(14.9)%	37.8%	(7)%
Net profit (loss) (€'000)	261	(403)	(182)	(3,499)
Net profit (loss) attributable to owners of the parent (€'000)	102	(616)	(593)	(4,605)
Weighted average number of shares	31,528,585	31,528,585	31,528,585	31,528,585
Earnings per share (€)	0.00	(0.02)	(0.02)	(0.15)
Administrative expenses to revenue	3.4%	3.9%	3.4%	3.3%
Administrative expenses to revenue (rolling)	3.2%	3.6%	3.3%	3.3%
EBITDA (€'000)	1,784	858	1,094	2,206
EBITDA margin	3.4%	2.2%	2.4%	1.1%
Gross margin	5.6%	4.6%	4.6%	6.5%
Operating margin	2.2%	0.5%	0.8%	(0.2)%
Operating margin excluding gain on non-current asset sales	2.1%	0.4%	0.8%	(0.2)%
Net margin	0.5%	(1.0)%	(0.4)%	(1.7)%
Return on invested capital	1.2%	(0.5)%	0.1%	(5.5)%
Return on equity	1.1%	(1.5)%	(0.8)%	(14.1)%
Equity ratio	17.7%	22.9%	19.1%	18.1%
Return on assets	0.2%	(0.4)%	(0.2)%	(2.9)%
Gearing	46.8%	24.4%	4.4%	30.7%
Current ratio	1.00	0.94	0.85	0.90
	31 March 2026	31 March 2025	31 March 2024	31 Dec 2025
Order book (€'000)	372,192	283,548	198,737	273,060

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 non-current 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 €372,192 thousand at 31 March 2026, reflecting an increase of approximately 31% year on year. In the first quarter of 2026, we signed new contracts for €155,787 thousand (Q1 2025: €111,276 thousand). After the reporting date, we have signed new contracts for €13,911 thousand.

	31 March 2026	31 March 2025	31 March 2024	31 Dec 2025
Order book (€'000)	372,192	283,548	198,737	273,060

At 31 March 2026, the Buildings segment accounted for 71% and the Infrastructure segment for 29% of the group's total order book (31 March 2025: 66% and 34%, respectively). Compared to 31 March 2025, the order books of the Buildings and Infrastructure segments have increased by 43% and 10%, respectively. Contracts relating to the public buildings subsegment account for 74% of the order book of the Buildings segment and significant proportion of these contracts is for work to be performed for the Estonian Centre for Defence Investments. The order book of the Infrastructure segment has grown primarily through large-scale contracts relating to Rail Baltica as well as a contract with the Estonian Transport Administration for the construction of the Päädeva–Orgita and Haimre sections of the Tallinn–Pärnu–Ikla road.

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

Major contracts secured in the reporting period include:

- Construction of the first building and the related outdoor areas of the logistics and light industrial park Park Rae in Rae rural municipality, with an approximate cost of €15,800 thousand.
- Construction of a new school building for Tallinn Helen's School in Põhja-Tallinn, with an approximate cost of €12,600 thousand.
- Construction of a building and infrastructure for AS Tallinna Vesi at the Ülemiste Water Treatment Plant site in Tallinn, with an approximate cost of €11,800 thousand.
- Construction of supporting infrastructure for the Estonian Centre for Defence Investments in Pärnu County, with an approximate cost of €110,400 thousand.

Based on the size of the group's order book and the general outlook for the economy and the construction market, the group's management team expects business volumes to increase in 2026. In a highly competitive environment, management has avoided taking unjustified risks that could materialise during contract execution and adversely affect the group's results. Our main focus is on assessing and mitigating the risks arising from market changes, particularly rising input costs. We also prioritise 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 in the first quarter of 2026 was 450, including 284 engineers and technical professionals (ETP). Compared to the same period last year, the number of employees increased by around 9%.

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

	Q1 2026	Q1 2025	Q1 2024	2025
ETPs	284	263	281	275
Workers	166	148	142	156
Total average	450	411	423	431

The group's staff costs for the first quarter of 2026, including all taxes, were €5,670 thousand compared with €4,795 thousand in the first quarter of 2025. Staff costs grew by 18% year on year due to an increase in both the number of employees and salaries.

In the first quarter of 2026, the service fees of the members of the council of Nordecon AS totalled €68 thousand and the related social security charges amounted to €22 thousand (Q1 2025: €50 thousand and €17 thousand, respectively).

The service fees of the members of the board of Nordecon AS totalled €146 thousand and the related social security charges amounted to €48 thousand (Q1 2025: €139 thousand and €46 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:

	Q1 2026	Q1 2025	Q1 2024	2025
Nominal labour productivity (rolling), (€'000)	501.4	501.8	535.4	483.3
Change against the comparative period, %	(0.1)%	(6.3)%	13.4%	(6.0)%
Nominal labour cost efficiency (rolling), (€)	9.9	8.7	11.1	9.8
Change against the comparative period, %	14.6%	(21.8)%	0.5%	5.4%

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

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

Compared to the same period in 2025, the group's nominal labour productivity remained stable. However, its nominal labour cost efficiency improved due to an increase in revenue and a decrease in staff costs over the past four quarters.



Sustainability

The group's market-based greenhouse gas (GHG) emissions totalled 1,885 tonnes of CO₂ equivalent in the first quarter of 2026. The largest sources of GHG emissions were the use of diesel fuel in the group's vehicles, machinery, and equipment (63%), the use of gasoline (9%), and the use of shale oil in asphalt concrete plants (8%). Electricity and heat consumption in offices and at construction sites accounted for 16% of total emissions.

25% of the energy consumed came from renewable sources, primarily in the form of purchased renewable electricity and, to a lesser extent, district heating.

There was one work-related accident in the first quarter. It involved an employee of a subcontractor.

Ratio / indicator	Q1 2026	2025
Total market-based GHG emissions , t CO ₂ e	1,885	9,926
Of which: Gross Scope 1 GHG emissions, t CO ₂ e	1,582	9,329
Of which: Gross Scope 2 GHG emissions, t CO ₂ e	303	597
GHG emissions intensity, t CO ₂ e / €m revenue	36.25	47.65
Total energy consumption, MWh	8,794	39,398
Share of renewable sources in total energy consumption (%)	25	12
Number of environmental pollution incidents	0	0
Number of work-related accidents (group and subcontractors)	1	8

Examples from the reporting period

- Mandatory cyber hygiene training was organised for all employees of the group's Estonian companies to raise awareness of cyber threats and mitigate related risks.
- In March, the parent company held its traditional Future Talent Week during which it introduced itself to future engineers at university career fairs and organised an open day at its offices and construction sites.
- Embach Ehitus signed a new three-year cooperation agreement with the Estonian Association of Engineers to contribute to promoting the engineering profession and developing the next generation of engineers.
- As part of National Defence Year, Nordecon, government agencies and other partners signed a memorandum of cooperation aimed at raising young people's awareness of national defence.



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.

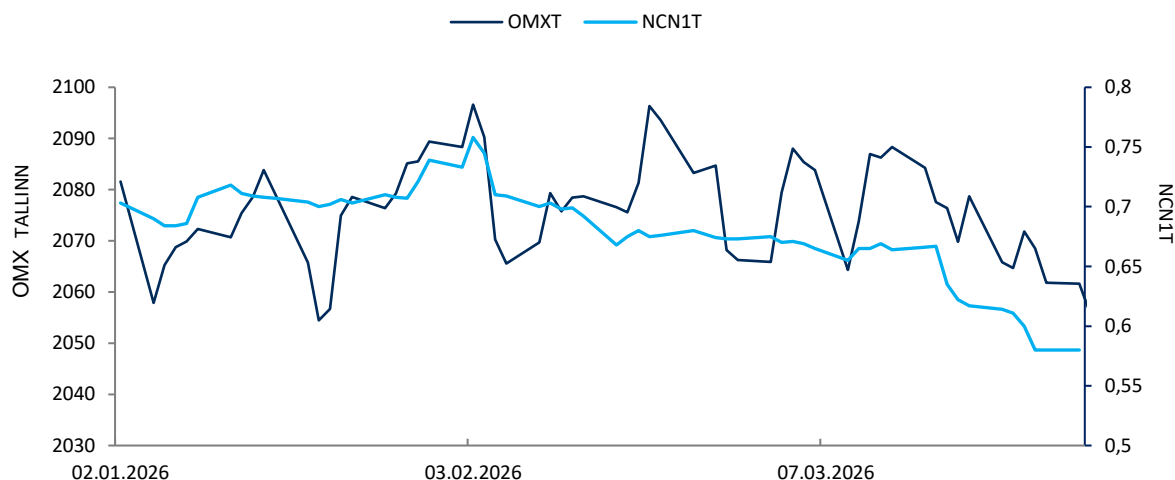
Movements in the price and trading volume of the Nordecon AS share in Q1 2026

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 Q1 2026



Index/equity	1 January 2026*	31 March 2026	+/-
OMX Tallinn	2,052.28	2,055.75	+0.17%
NCN1T	€0.69	€0.58	(16.18)%

* Closing price on the Nasdaq Tallinn Stock Exchange at 31 December 2025

Summarised trading results

Share trading history

Price, €	Q1 2026	Q1 2025	Q1 2024
Open	0.69	0.67	0.62
High	0.77	0.90	0.62
Low	0.55	0.67	0.50
Last closing price	0.58	0.82	0.52
Traded volume (number of securities traded)	968,842	1,008,443	498,784
Turnover, € million	0.67	0.83	0.28
Listed volume (31 March), thousand	32,375	32,375	32,375
Market capitalisation (31 March), € million	18.78	26.55	16.84

Shareholder structure

Largest shareholders of Nordecon AS at 31 March 2026

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
Signet Bank AS clients	574,200	1.77
Nõmme Erahariiduse SA	370,370	1.14
Lembit Talpsepp	360,000	1.11
SEB Pank AS clients	300,000	0.93
OÜ Alar Invest	255,000	0.79
Genadi Bulatov	250,600	0.77
Swedbank AB clients	227,782	0.70



Shareholder structure of Nordecon AS at 31 March 2026

	Number of shareholders	Ownership interest (%)
Shareholders with interest exceeding 5%	2	64.84
Shareholders with interest from 1% to 5%	4	6.59
Shareholders with interest below 1%	6,167	25.95
Holder of own (treasury) shares	1	2.62
Total	6,174	100

Shares controlled by members of the council of Nordecon AS at 31 March 2026

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
Vello Kahro	Member of the Council	10,000	0.03
Sandor Liive	Member of the Council	0	0.00
Andre Luman	Member of the Council	25,000	0.08
Total		17,643,145	54.49

* Companies controlled by the individual

Shares controlled by members of the board of Nordecon AS at 31 March 2026:

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	31 March 2026	31 December 2025
ASSETS			
Current assets			
Cash and cash equivalents		2,859	5,266
Other financial assets		1,111	1,088
Trade and other receivables	2	36,730	46,348
Prepayments		3,650	3,274
Inventories	3	43,039	26,022
Total current assets		87,389	81,998
Non-current assets			
Other investments		77	77
Other financial assets		2,110	1,810
Trade and other receivables	2	10,248	10,142
Investment property		3,814	5,517
Property, plant and equipment		13,374	12,234
Intangible assets		14,931	14,922
Total non-current assets		44,554	44,702
TOTAL ASSETS		131,943	126,700
LIABILITIES			
Current liabilities			
Borrowings	5	12,075	12,049
Trade payables		51,522	49,569
Other payables		10,802	9,971
Deferred income		12,226	15,249
Provisions		865	3,863
Total current liabilities		87,490	90,701
Non-current liabilities			
Borrowings	5, 6	13,808	5,708
Trade payables		1,477	1,605
Other payables		3,305	0
Provisions		2,565	5,730
Total non-current liabilities		21,155	13,043
TOTAL LIABILITIES		108,645	103,744
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		4,603	4,522
Retained earnings		243	141
Total equity attributable to owners of the parent		21,754	21,571
Non-controlling interests		1,544	1,385
TOTAL EQUITY		23,298	22,956
TOTAL LIABILITIES AND EQUITY		131,943	126,700



Consolidated statement of comprehensive income

€'000	Note	Q1 2026	Q1 2025	2025
Revenue	8, 9	52,003	39,355	208,281
Cost of sales	10	(49,065)	(37,553)	(194,746)
Gross profit		2,938	1,802	13,535
Marketing and distribution expenses		(76)	(83)	(433)
Administrative expenses	11	(1,747)	(1,546)	(6,814)
Other operating income	12	17	52	154
Other operating expenses	12	(13)	(34)	(6,835)
Operating profit (loss)		1,119	191	(393)
Finance income	13	111	145	499
Finance costs	13	(969)	(739)	(3,464)
Net finance costs		(858)	(594)	(2,965)
Profit (loss) before tax		261	(403)	(3,358)
Income tax expense		0	0	(141)
Profit (loss) for the period		261	(403)	(3,499)
Other comprehensive income (expense)				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations		81	(96)	488
Total other comprehensive income (expense)		81	(96)	488
TOTAL COMPREHENSIVE INCOME (EXPENSE)		342	(499)	(3,011)
Profit (loss) attributable to:				
- Owners of the parent		102	(616)	(4,605)
- Non-controlling interests		159	213	1,106
Profit (loss) for the period		261	(403)	(3,499)
Comprehensive income (expense) attributable to:				
- Owners of the parent		183	(712)	(4,117)
- Non-controlling interests		159	213	1,106
Comprehensive income (expense) for the period		342	(499)	(3,011)
Earnings per share attributable to owners of the parent:				
Basic earnings per share (€)	7	0.00	(0.02)	(0.15)
Diluted earnings per share (€)	7	0.00	(0.02)	(0.15)



Consolidated statement of cash flows

€'000	Note	Q1 2026	Q1 2025
Cash flows from operating activities			
Cash receipts from customers ¹		64,173	46,622
Cash paid to suppliers ²		(57,997)	(41,349)
VAT paid		(1,199)	(1,249)
Cash paid to and for employees		(5,204)	(3,923)
Income tax paid		(367)	(350)
Net cash used in operating activities		(594)	(249)
Cash flows from investing activities			
Paid for acquisition of property, plant and equipment		(385)	(35)
Proceeds from sale of property, plant and equipment	4	7	207
Loans provided		(17)	(26)
Repayments of loans provided		2	3
Dividends received		12	0
Interest received		21	12
Cash placed in long-term deposits		(332)	0
Net cash (used in) from investing activities		(692)	161
Cash flows from financing activities			
Proceeds from loans received		1,395	633
Repayments of loans received		(842)	(406)
Payments of lease principal		(728)	(633)
Lease interest paid		(62)	(68)
Dividends paid		(637)	0
Interest paid		(241)	(209)
Other payments		(1)	1
Net cash used in financing activities		(1,116)	(682)
Net cash flow		(2,402)	(770)
Cash and cash equivalents at beginning of period		5,266	8,195
Effect of movements in foreign exchange rates		(5)	(26)
Change in cash and cash equivalents		(2,402)	(770)
Cash and cash equivalents at end of period		2,859	7,399

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 2024	14,379	(660)	2,554	635	4,034	4,746	25,688	916	26,604
Profit (loss) for the period	0	0	0	0	0	(616)	(616)	213	(403)
Other comprehensive expense	0	0	0	0	(96)	0	(96)	0	(96)
Balance at 31 March 2025	14,379	(660)	2,554	635	3,938	4,130	24,976	1,129	26,105
Balance at 31 December 2025	14,379	(660)	2,554	635	4,522	141	21,571	1,385	22,956
Profit for the period	0	0	0	0	0	102	102	159	261
Other comprehensive income	0	0	0	0	81	0	81	0	81
Balance at 31 March 2026	14,379	(660)	2,554	635	4,603	243	21,754	1,544	23,298



Notes to the condensed consolidated interim financial statements

NOTE 1. Accounting and reporting policies

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

The condensed consolidated interim financial statements as at and for the period ended 31 March 2026 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 2025.

According to management's assessment, the condensed consolidated interim financial statements of Nordecon AS for the first quarter of 2026 give a true and fair view of the group's financial performance and the parent and all its subsidiaries that are included in the financial statements are going concerns. The condensed consolidated interim financial statements have not been audited or otherwise checked by auditors and contain only the consolidated financial statements of the group.

NOTE 2. Trade and other receivables

€'000	Note	31 March 2026	31 December 2025
Current items			
Trade receivables		26,792	38,780
Retentions receivable		1,568	1,031
Receivables from related parties	14	169	195
Other receivables		3	18
Total receivables and loans provided		28,532	40,024
Due from customers for contract work		8,198	6,324
Total current trade and other receivables		36,730	46,348

€'000	Note	31 March 2026	31 December 2025
Non-current items			
Loans provided to related parties	14	9,953	9,847
Other non-current receivables		295	295
Total non-current trade and other receivables		10,248	10,142

NOTE 3. Inventories

€'000	31 March 2026	31 December 2025
Raw materials and consumables	6,014	6,500
Work in progress	13,647	10,551
Parking spaces for sale	215	215
Properties purchased for development and pre-development costs	23,163	8,756
Total inventories	43,039	26,022

In 2026, the Group finalised the detailed planning process for a property in Pärnu and made a decision to commence development activities on the property. Due to the change in intended use, the property was reclassified from investment property to inventories. Management concluded that there was objective evidence of a change in use. At 31 March 2026, the property was recognised in inventories at €1,703 thousand.



NOTE 4. Property, plant and equipment and intangible assets

Property, plant and equipment

Additions to property, plant and equipment during the period totalled €2,091 thousand (Q1 2025: €293 thousand) and consisted of equipment and machinery required for the group's operating activities.

Proceeds from the sale of property, plant and equipment amounted to €7 thousand (see the statement of cash flows) and associated sales gain was €8 thousand (note 12). In the comparative period, sales proceeds and gain amounted to €207 thousand and €50 thousand, respectively.

Intangible assets

There were no material transactions with intangible assets in the first quarter of 2026.

NOTE 5. Borrowings

Current borrowings

€'000	31 March 2026	31 December 2025
Short-term portion of long-term loans	1,070	1,070
Lease liabilities	2,130	2,018
Short-term bank loans	8,875	8,961
Total current borrowings	12,075	12,049

Non-current borrowings

€'000	31 March 2026	31 December 2025
Lease liabilities	4,004	3,490
Bank loans	9,804	2,218
Total non-current borrowings	13,808	5,708

NOTE 6. Lease liabilities

Lease liabilities

€'000	31 March 2026	31 December 2025
Lease liabilities at end of period, of which	6,134	5,508
Not later than 1 year	2,130	2,018
Later than 1 year and not later than 5 years	4,004	3,490
Base currency €	6,134	5,508
Interest rate for contracts denominated in € ¹	2.5-6.5%	2.5-6.5%
Frequency of payments	Monthly	Monthly

¹ Includes leases with floating interest rates

Lease payments

€'000	Q1 2026	Q1 2025
Principal payments made during the period	728	633
Interest payments made during the period	62	68

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	Q1 2026	Q1 2025
Net profit (loss) for the period attributable to owners of the parent (€'000)	102	(616)
Weighted average number of shares (thousand)	31,528	31,528
Basic earnings per share (€)	0.00	(0.02)
Diluted earnings per share (€)	0.00	(0.02)

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.



First quarter

€'000			
Q1 2026	Buildings	Infrastructure	Total
Total revenue	44,596	7,402	51,998
Of which: General contracting services	44,277	6,104	50,381
Road maintenance services	0	638	638
Lease services	0	660	660
Own development activities	319	0	319
Gross profit (loss) of the segment	3,946	(433)	3,513

€'000			
Q1 2025	Buildings	Infrastructure	Total
Total revenue	36,584	2,766	39,350
Of which: General contracting services	36,578	1,562	38,140
Road maintenance services	0	948	948
Lease services	0	256	256
Own development activities	6	0	6
Gross profit (loss) of the segment	2,757	(680)	2,077

Reconciliation of segment revenues

€'000	Q1 2026	Q1 2025
Total revenues for reportable segments	51,998	39,350
Reportable segments' unallocated revenue	5	5
Consolidated revenue	52,003	39,355

Reconciliation of segment profit

€'000	Q1 2026	Q1 2025
Total profit for reportable segments	3,513	2,077
Unallocated loss for reportable segments	(575)	(275)
Gross profit	2,938	1,802
Unallocated expenses:		
Marketing and distribution expenses	(76)	(83)
Administrative expenses	(1,747)	(1,546)
Other operating income and expenses	4	18
Operating profit	1,119	191
Finance income	111	145
Finance costs	(969)	(739)
Profit (loss) before tax	261	(403)

NOTE 9. Segment reporting – geographical information

€'000	Q1 2026	Q1 2025
Estonia	51,605	38,730
Ukraine	398	625
Total revenue	52,003	39,355



NOTE 10. Cost of sales

€'000	Q1 2026	Q1 2025
Cost of materials, goods and services	43,836	32,960
Staff costs	4,704	4,054
Depreciation expense	497	502
Other expenses	28	37
Total cost of sales	49,065	37,553

NOTE 11. Administrative expenses

EUR'000	Q1 2026	Q1 2025
Staff costs	945	722
Cost of materials, goods and services	581	577
Depreciation and amortisation expense	168	165
Other expenses	53	82
Total administrative expenses	1,747	1,546

NOTE 12. Other operating income and expenses

€'000	Q1 2026	Q1 2025
Other operating income		
Gain on disposal of property, plant and equipment	9	50
Other income	8	2
Total other operating income	17	52

€'000	Q1 2026	Q1 2025
Other operating expenses		
Sale and write-off of non-current assets	1	0
Foreign exchange loss	0	2
Other expenses	12	32
Total other operating expenses	13	34

NOTE 13. Finance income and costs

€'000	Q1 2026	Q1 2025
Finance income		
Interest income on loans	91	91
Foreign exchange gain	0	41
Dividends received	12	0
Other finance income	8	13
Total finance income	111	145

€'000	Q1 2026	Q1 2025
Finance costs		
Interest expense	267	204
Foreign exchange loss	62	117
Other finance costs	640	418
Total finance costs	969	739



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 Counterparty	Purchases	Q1 2026		Q1 2025	
		Sales	Purchases	Sales	
AS Nordic Contractors	625	3	483	0	
Companies of the AS Nordic Contractors group	0	3	0	3	
Companies related to owners of AS Nordic Contractors	34	0	47	2	
Total	659	6	530	5	

€'000 Nature of transaction	Purchases	Q1 2026		Q1 2025	
		Sales	Purchases	Sales	
Transactions with goods	0	0	7	0	
Lease and other services	659	6	523	5	
Total	659	6	530	5	

During the period, the group recognised interest income on loans to an associate of €91 thousand (Q1 2025: €91 thousand).

Receivables from and liabilities to related parties

€'000	Receivables	31 March 2026		31 December 2025	
		Liabilities	Receivables	Liabilities	
AS Nordic Contractors	0	122	0	11	
Companies of the AS Nordic Contractors group	1	0	1	0	
Companies related to owners of AS Nordic Contractors	168	22	191	246	
Associates – receivables and liabilities	0	1	3	0	
Associates – loans and interest	9,953	0	9,847	0	
Total	10,122	145	10,042	257	

Remuneration of the council and the board

In the first quarter of 2026, the service fees of the members of the council of Nordecon AS totalled €68 thousand and the related social security charges amounted to €22 thousand (Q1 2025: €50 thousand and €17 thousand, respectively).

The service fees of the members of the board of Nordecon AS totalled €146 thousand and the related social security charges amounted to €48 thousand (Q1 2025: €139 thousand and €46 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 first quarter of 2026 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	7 May 2026
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Deniss Berman	Member of the Board	7 May 2026
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Tarmo Pohlak	Member of the Board	7 May 2026
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