

hepsor



StockOffice U34, Ulbrokas 34, Riga

2025 III quarter and nine months consolidated unaudited interim report

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Reporting period:	01 January 2025-30 September 2025
Financial year:	01 January 2025-31 December 2025
Supervisory Board:	Henri Laks, Andres Pärloja, Kristjan Mitt
Management Board:	Martti Krass
Auditor:	Grant Thornton Baltic OÜ

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Hepsor Group

- ✓ Hepsor AS (hereinafter referred to as “the Group” or “Hepsor”) is an international real estate development company based on Estonian capital, with its headquarters in Tallinn. Since 2021, its shares have been listed on the Nasdaq Baltic Main List.
- ✓ The company was founded in 2011 and currently operates in three markets – Estonia, Latvia, and Canada.
- ✓ Hepsor’s main activity is the development of sustainable and people-centred residential and business environments, combining innovative engineering solutions, environmental friendliness, and modern architecture. Hepsor was the first developer in the Baltics to implement several innovative engineering and technical solutions that make the buildings it develops more energy-efficient and, consequently, more environmentally friendly.
- ✓ Over its fourteen years of operation, Hepsor has developed a total of nearly 159,000 m² of real estate, including more than 2,000 homes and 36,000 m² of commercial space.
- ✓ Hepsor’s development portfolio in Estonia and Latvia includes 25 real estate projects with a total area of approximately 178,200 m². In addition, the Group is involved in five projects in Canada, where its main activity is preparing detailed land plans to secure increased building rights.
- ✓ The Group’s revenue and profit are directly dependent on the project development cycle, which lasts approximately 24–48 months. Revenue is generated only at the end of the cycle. Depending on the length of the development cycle and the start date of each project, more projects may be completed in some quarters than in others, meaning that both profit and revenue can vary significantly between quarters. As a result, some years or quarters may be weaker while others may be considerably stronger, both on an annual and quarterly basis.
- ✓ The Group’s consolidated financial statements comprise the financial statements of the parent company and all its subsidiaries as at the reporting date. Consolidation of a subsidiary begins when the parent company obtains control over the subsidiary and ends when the parent company loses control. The Group’s ownership interest in its subsidiaries ranges from 50% to 100%. Subsidiaries in which the Group holds a 50% interest are consolidated because the Group has control through the management of real estate development projects and/or shareholders’ agreements. Associates and joint ventures are accounted for using the equity method.

Management Report

UNAUDITED SALES REVENUE AND NET PROFIT FOR THE FIRST 9 MONTHS OF 2025

30,9 M€	9 MONTH SALES REVENUE	8,8 M€	THIRD QUARTER SALES REVENUE
0,9 M€	9-MONTH NET PROFIT ATTRIBUTABLE TO OWNERS OF THE GROUP	1,1 M€	NET PROFIT ATTRIBUTABLE TO OWNERS OF THE GROUP IN THE THIRD QUARTER

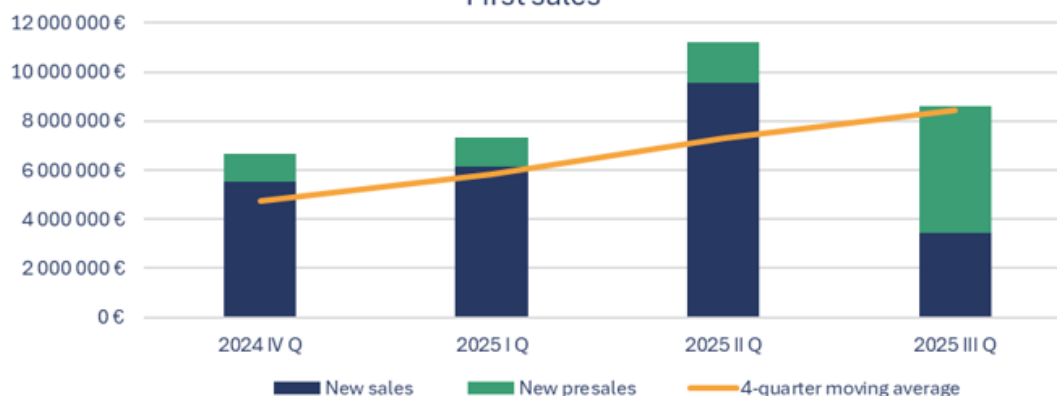
UNAUDITED SALES REVENUE AND NET PROFIT FOR THE THIRD QUARTER OF 2025

Financial ratios and indicators	
Assets total	80,666
Loans total	44,912
Including subordinated loans from subsidiaries' owners, total	15,939
Total equity	21,613
Including equity attributable to owners of the parent company	21,323
Equity ratio (%)	26,8%
Adjusted equity ratio (%)	46,6%

OVERVIEW OF DEVELOPMENT PROJECTS

Segment	Status	Developments	m2	Apartments	Pre-agreements	Total potential sales revenue
Residential	Completed	5 developments	2,532 m2	46	0,5 M€	8,5 M€
	In construction	4 developments	23,700 m2	374	7,3 M€	91,6 M€
	Status	Developments	m2	Vacancy as of 30.09.2025	Total rental income for the III quarter of 2025	12-month rental income forecast (01.10.2025-30.09.2026)
Business	Completed	4 developments	16,625 m2	20%	0,4 M€	2,2 M€

First sales



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

LONG TERM OUTLOOK (01.01.2025 VS 30.09.2025)

REVENUE POTENTIAL OF DEVELOPMENT PROJECTS			• Total revenue of all projects managed by Hepsor, including unconsolidated revenues from associated companies. • Indicates the share of project revenues in future consolidated revenues. • Does not include Canadian projects, which are financial investments.
Start of period	During the period	At the end of period	
399 M€ 97%	Sale -30,9M€ Change in projects+ 7 M€	385 M€ 81%	As of 30 September, €313 million (81%) of the sales potential is residential and €72 million (19%) is commercial.
CHANGE IN PIPELINE			
Start of period	During the period	At the end of period	
24 PROJECTS	+3 projects -2 projects	25 PROJECTS	
172,500 m2	+21,400m² - 15,700 m²	178,200 M²	

Dear shareholders of Hepsor



Hepsor's consolidated revenue for the third quarter of 2025 was 8.8 million euros (Q3 2024: 20.4 million euros) and the Group's net profit amounted to 1.2 million euros (Q3 2024: 2.7 million euros), including net profit attributable to the owners of the parent company of 1.1 million euros (Q3 2024: 1.4 million euros).

Consolidated revenue for the first nine months of 2025 was 30.9 million euros (9M 2024: 27.9 million euros) and net profit of 1.5 million euros (9M 2024: 1.2 million euros) of which net profit attributable to owners of the parent company was 0.9 million euros (9M 2024: net loss 0.2 million euros).

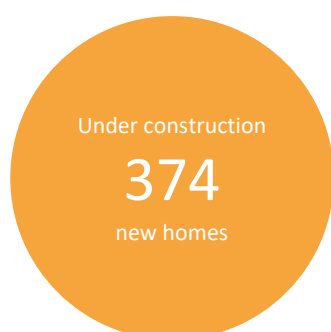
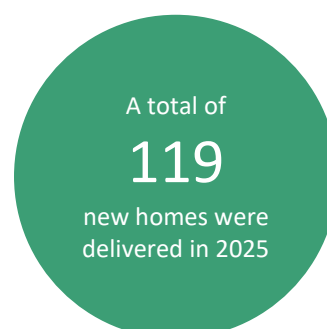
Hepsor, in cooperation with AS LHV Pank, is preparing a bond programme and plans to list the bonds on the Main List of Nasdaq Tallinn Stock Exchange. Further information regarding the approval of the prospectus by the Estonian Financial Supervision and Resolution Authority, as well as the start and terms of the bond offering, will be disclosed in due course.

Residential development projects

In 2025, the Group companies Hepsor Fortuuna OÜ and Hepsor N450 OÜ sold the properties located at Paevälja 5, 7 and 9, and Narva mnt 150 and 150a, to the joint venture Hepsor SOF OÜ, in which the Group holds a 50% interest. The total transaction value amounted to EUR 9.0 million, excluding VAT. The transactions generated a profit of EUR 1.8 million, which was recognised in the second and third quarters.

In the third quarter of 2025, a new residential development project located in Riga at Starta 17 was added to Hepsor's development portfolio. The project foresees the construction of 255 new homes in several stages.

During the first nine months of 2025, the Group concluded primary sales agreements for 136 homes under the law of obligations contract or real rights contract, with a total value of 27.1 million euros which is 120% higher compared to the same period last (9M 2024: 70 homes and 12.3 million euros). This growth is supported by a stable financial environment with stabilised interest rates, where the 6-month EURIBOR remains at approximately 2%, and a positive economic growth outlook according to both the Estonian and Latvian central banks. Additionally, several of our previously pre-development phase projects have entered the construction stage, increasing our supply and expanding options for different customer segments.



As at 30 September 2025, the Group had a total of 10 residential development projects on sale, of which five had been completed and five were either under construction or scheduled to start construction later in 2025. In completed residential development projects, a total of 355 new homes and 453 m² of commercial space have been built. As of the reporting date, 87% of these, or 309 homes, have been sold under property rights or reservation agreements.

During the first nine months of 2025, 119 homes were handed over to customers (9M 2024: 142 homes), including 17 homes in the third quarter (Q3 2024: 96 homes).

As at 30 September 2025, the Group had 374 new homes under construction, including 173 in Latvia and 201 in Estonia.

Commercial real estate

In 2024, we started the construction of StokOfiss U34, a multifunctional commercial building at Ulbrokas 34 in Riga. The leasable area of the building is 8,740 m². In July 2025, a partial occupancy permit for the building was issued. As of 30 September 2025, 70% of the total leasable area is covered by lease agreements.

As of 30 September 2025, 80% of the total leasable area in Hepsor's completed commercial real estate portfolio is covered by lease agreements.

Canada

Hepsor's Canadian operations focus on supporting detailed land-use planning for development projects, thereby securing increased building rights. As of 30 September 2025, the Group has invested in five development projects. In August 2025, a decision by the Toronto City Council came into effect, granting building rights for Hepsor's first Weston Road development project. The City Council's decision provides for the construction of two residential towers of 35 and 39 storeys. During the detailed planning process, the building volume was successfully increased from 27,000 m² to 62,000 m².

Future outlook

In the fourth quarter of 2025, the Group will commence construction of two development projects in Riga:

- ✓ Veidema quarter, stage I, located at Ganību dambis 17a – a stock-office type development project combining office and warehouse functions;
- ✓ Kirsu Kalna Majas residential development project, located at Eiženijas iela 18 – pre-sales began in the third quarter of the year, and in the fourth quarter the construction of two apartment buildings with a total of 54 homes is planned to begin.

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

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

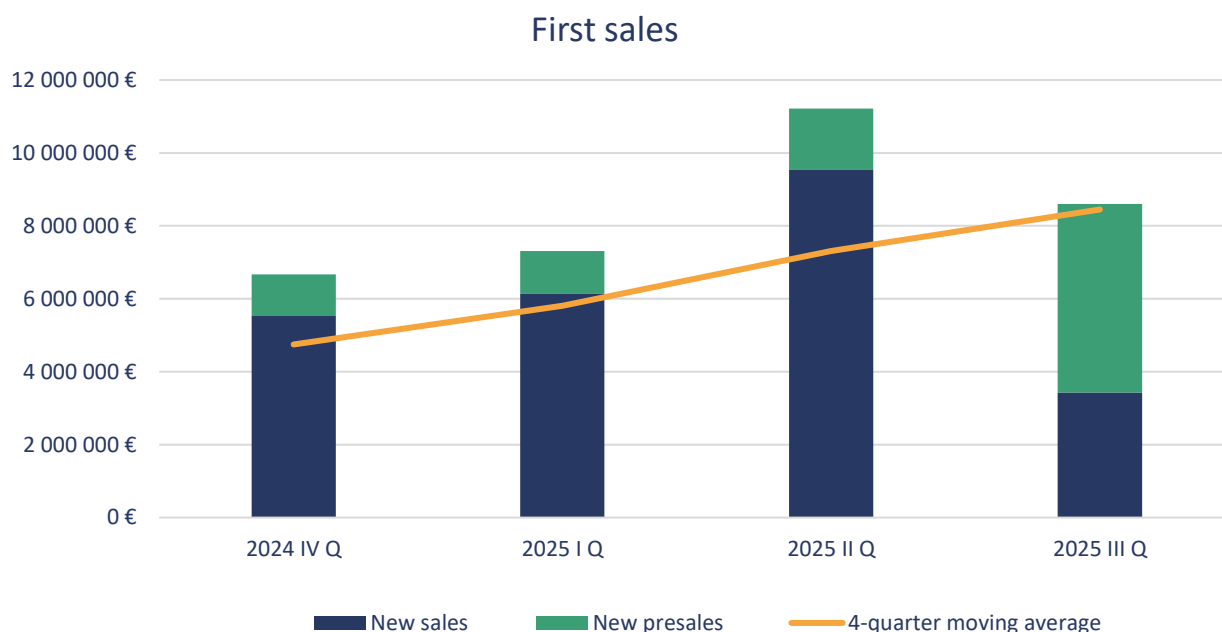
Hepsor announces that it plans to hold an autumn-winter investor meeting on November 13 in Estonia and November 14 in Latvia, where the Group's CEO, Martti Krass, will give an overview of Group's financial results, development portfolio, as well as planned investments and bond program. Anyone interested is welcome to participate by notifying meedia@hepsor.ee.

Martti Krass

Member of the Management Board

Development projects under construction and for sale

Residential development projects in pre-sale and sale (as of 30 September 2025):

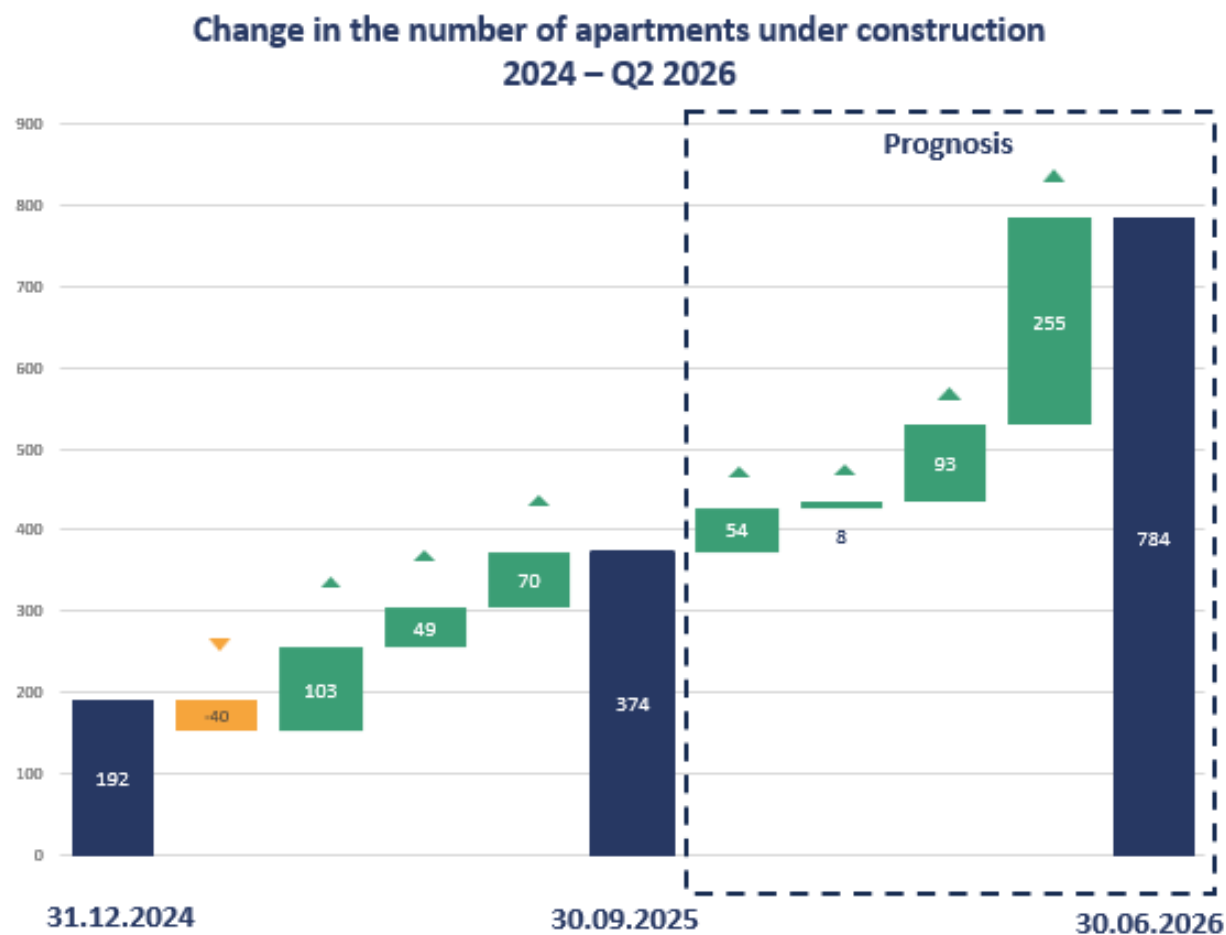


Initial sales are recorded based on the law of obligations and property law contracts concluded during the quarter. A property law contract is considered an initial sale if it has not been preceded by a contract under the law of obligations.

	Total apartments	Sold as of 30 September 2025		Unsold
		Pre-sold	Sold	
Completed total	355	2	310	43
In construction total	374	33	0	341
Total	729	35	310	384

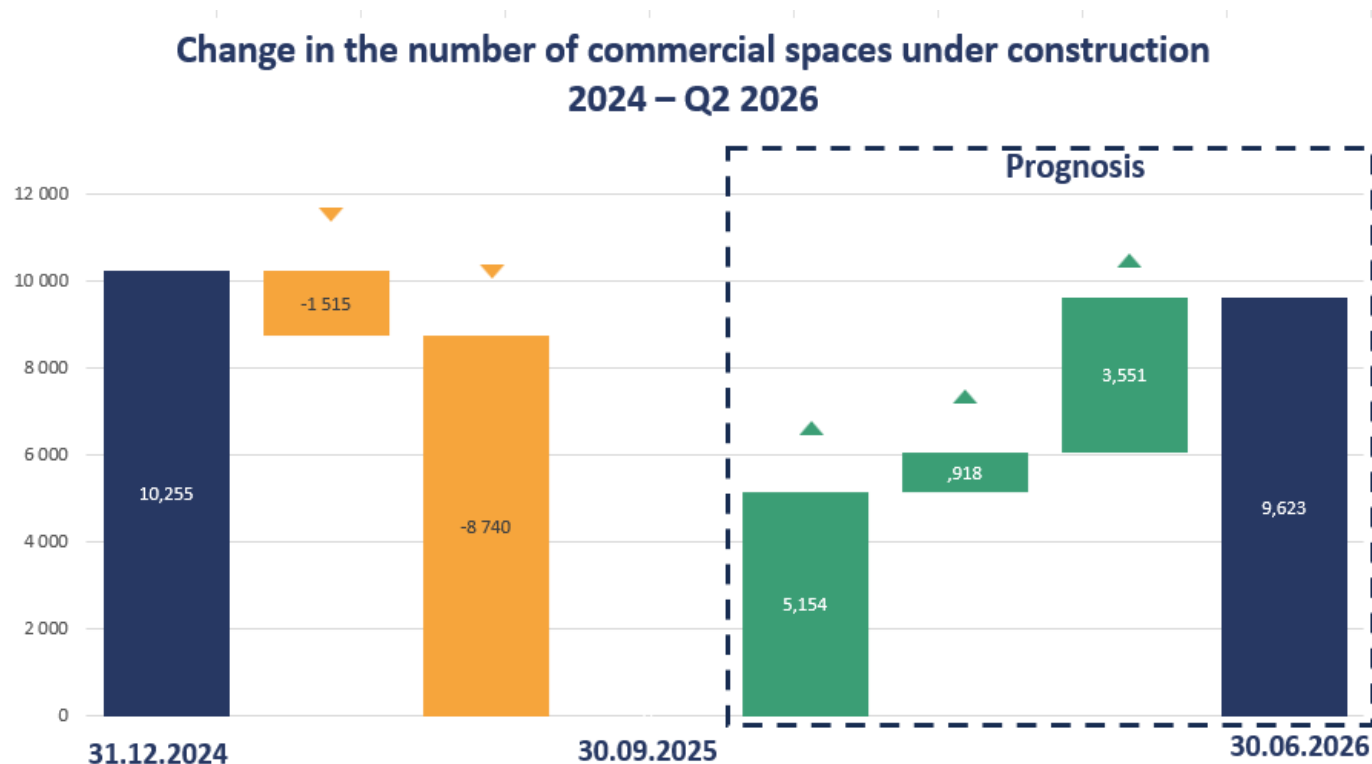
Residential development projects under construction (as of 30 September 2025):

As of 30 September 2025, the company had 374 apartments under construction (30 September 2024: 192 apartments), of which 201 (30 September 2024: 152) were in Estonia and 173 (30 September 2024: 40) in Latvia.



	Construction started (units)	Construction ended (units)	Number of apartments under construction
Annenhof majas, Riga	40		
Manukatuuri Vabrik first stage, Tallinn	152		
As of 31 December 2024	192	0	192
Annenhof majas, Riga		-40	
360° Dzelzavas Residences, Riga	103		
M12, Tallinn	49		
Zaļā Jugla I stage, Riga	70		
As of 30 September 2025	222	-40	374
Kirsu Kalna Majas, Riga	54		
V7, Tallinn	8		
Paevälja quarter I phase, Tallinn	93		
Starta 17, Riga	255		
30.06.2026 Prognosis	410	0	784

Commercial spaces under construction (as of 30 September 2025):



	Construction started (m²)	Construction ended (m²)	Commercial space under construction (m²)
Manufaktuuri Vabrik I stage	1,515		
StokOfiss 34	8,740		
As of 31 December 2024	10,255	0	10,255
Manufaktuuri Vabrik I stage		-1,515	
StokOfiss 34		-8,740	
As of 30 September 2025	0	-10,255	0
Veidama quarter I stage	5,154		
Paevälja quarter I stage	918		
Peetri business centre	3,551		
30.06.2026 Prognosis	9,623	0	9,623

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

Occupancy of commercial real estate development projects (as of 30 September 2025):

Project	Leasable space (m²)	As of 31.12.2024 leased		01.01.2025-30.09.2025 Signed lease agreements m²	As of 30.09.2025		
		Leased m²	Vacancy %		Total leased m²	Vacancy m²	Vacancy %
Completed projects	16,625	6,949	61%	6,434	13,383	3,242	20%
Total	16,625	6,949	61%	6,434	13,383	3,242	20%

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

Overview of development projects

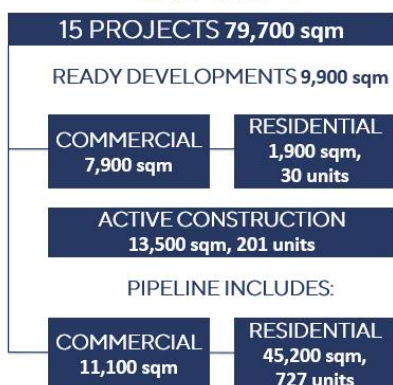
As of 30 September 2025, the Group had a total of 30 active development projects in various stages (30 September 2024: 30 projects) and 178,200 square meters of saleable area (30 September 2024: 175,000 square meters).

HEPSOR OPERATES IN 3 COUNTRIES

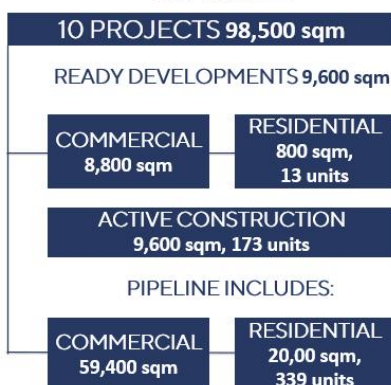
30 ONGOING PROJECTS



ESTONIA EE



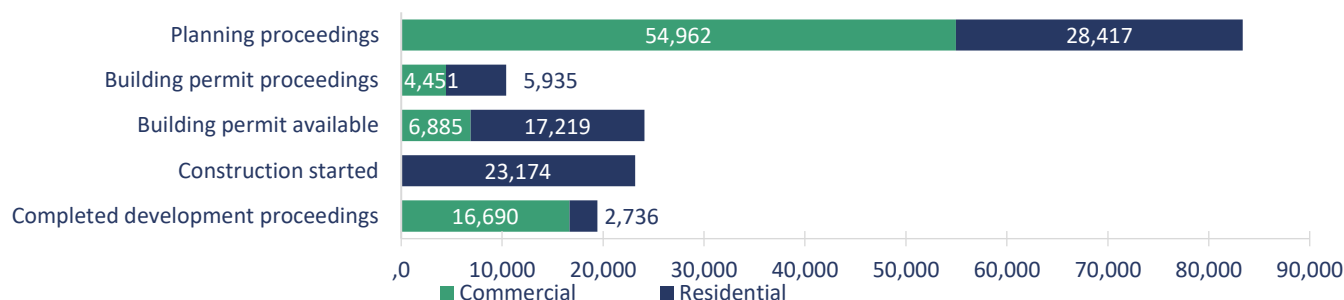
LATVIA LV



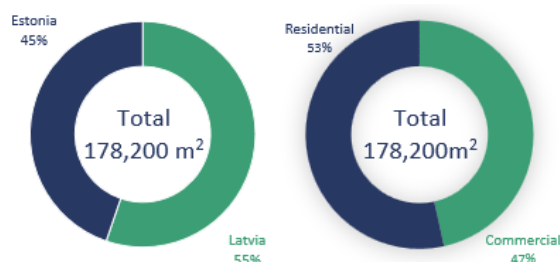
CANADA CA



Distribution of development portfolio between different development phases (as of 30 September 2025):



Distribution of development portfolio between countries and type (as of 30 September 2025):



*Excluding Canadian projects

Project address	Project name	Company name	Hepsor share	Project status	Distribution of units for sale		Projected sales revenue (MEUR)	Planned start of construction	Planned project completion
					Homes (units)	Commercial (m²)			
Nõmme tee 57, Tallinn	Lilleküla Homes	Hepsor N57 OÜ	100%	Under construction and/or available for sale	1	0	0.2	IV Q 2022	IV Q 2025
Manufaktuuri 7, Tallinn	Manufaktuuri 7	Hepsor Phoenix 2 OÜ	50%	Under construction and/or available for sale	17	466	3.2	I Q 2023	IV Q 2026
Paldiski mnt 227, Tallinn	Ojakalda Homes	Hepsor 3 Tornio OÜ	100%	Under construction and/or available for sale	15	0	2.8	III Q 2022	I Q 2026
Alvari 1,1a,5, Tallinn	Alvari 1, 1a	Hepsor A1 OÜ	100%	Planning proceedings	145	777	37.8	N/A	N/A
Manufaktuuri 12, Tallinn	M12	Hepsor Phoenix 4 OÜ	50%	Under construction and/or available for sale	49	0	12.6	III Q 2025	II Q 2027
Võistluse 7, Tallinn	V7	Hepsor V7 OÜ	50%	Building permit proceedings	8	0	2.6	I Q 2026	II Q 2027
Manufaktuuri 5, Tallinn	Manufaktuuri Vabrik	Hepsor Phoenix 3 OÜ	50%	Under construction and/or available for sale	152	0	48.6	III Q 2023	III Q 2028
Manufaktuuri 5, Tallinn	Manufaktuuri 5 II phase	Hepsor Phoenix 3 OÜ	50%	Building permit proceedings	171	1,731	48.7	N/A	N/A
Paevälja 5,7,9, Tallinn	Paevälja quarter I phase	Hepsor SOF OÜ	50%*	Building permit proceedings	93	918	20	II Q 2026	I Q 2028
Narva mnt 150, 150a, Tallinn	Paevälja quarter II-III phase	Hepsor SOF OÜ	50%*	Planning proceedings	209	0	40.6	II Q 2027	II Q 2030
Kadaka tee 197, Tallinn	H&R residentsid	H&R Residentsid OÜ	50%	Planning proceedings	101	0	17.6	N/A	N/A
Meistri 14, Tallinn	Grüne Office	Hepsor M14 OÜ	51%	Completed earning cashflow	0	3,474	N/A	II Q 2023	N/A
Vana Tartu mnt 49, Tallinn	Peetri business centre	Hepsor VT49 OÜ	50%	Building permit proceedings	0	3,551	N/A	I Q 2026	N/A
Pärnu mnt 113, Tallinn	P113 Health centre	Hepsor P113 OÜ	45%*	Completed earning cashflow	0	4,002	N/A	IV Q 2022	N/A
Narva mnt 150B, Tallinn	Narva mnt 150b	Hepsor N450 OÜ	100%	Planning proceedings	0	4,185	N/A	N/A	N/A
Ranka Dambis 5, Riga	Nameja Rezidence	Hepsor RD5 SIA	100%	Under construction and/or available for sale	6	0	1.0	III Q 2024	I Q 2026
Jurmala Gatve 74, Riga	Annenhof Mājas	Hepsor JG SIA	100%	Under construction and/or available for sale	7	0	1.3	I Q 2025	I Q 2026
Braila iela 23, Riga	Zaļā Jugla	Hepsor Jugla SIA	100%	Under construction and/or available for sale	105	0	16.2	III Q 2025	III Q 2028
Eiženijas iela 18, Riga	Kirsu Kalna Mājas	Hepsor E18 SIA	100%	Building permit proceedings	54	0	7.6	IV Q 2025	II Q 2027
Dzelzavas iela 74C, Riga	360° Dzelzavas Residences	Hepsor DZ74 SIA	50%	Under construction and/or available for sale	103	0	14.3	II Q 2025	II Q 2027
Smaidu	Smaidu park	SIA "Riga Properties 4"	50%	Planning proceedings	0	74,314	N/A	N/A	N/A
Starta 17, Riga	Starta 17	Hepsor S17 SIA	100%	Building permit proceedings	255	0	39.0	II Q 2026	IV Q 2029
Ulbrokas 34, Riga	StockOffice U34	Hepsor U34 SIA	59,30%	Completed earning cashflow	0	8,747	N/A	II Q 2024	N/A
Ganibu Dambis 17, Riga	Veidama quarter I stage	Hepsor Ganibu Dambis SIA	100%	Building permit proceedings	0	5,154	N/A	III Q 2025	N/A
Ganibu Dambis 17a, Riga	Veidama quarter II stage	Hepsor Ganibu Dambis SIA	100%	Building permit proceedings	0	18,961	N/A	N/A	N/A
Saules aleja 2a, Riga	Saules aleja	Hepsor SA2 SIA	51%	Planning proceedings	0	4,190	N/A	N/A	N/A
Total					1,491	130,470	313		

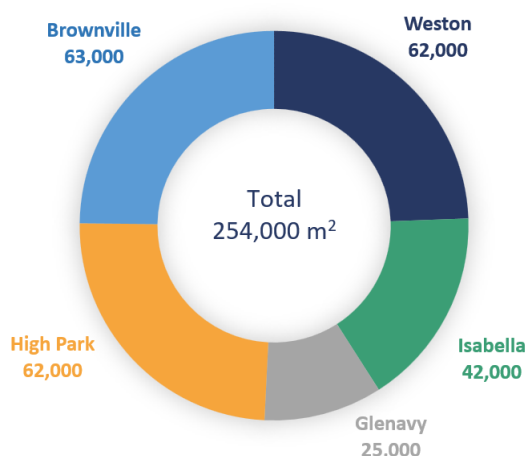
*Associates and joint ventures

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

Development Projects in Canada (as of 30 September 2025)

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

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



Development projects in Tallinn (as of 30 September 2025)



Planning proceedings

- 1 Narva mnt 150, 150a
- 2 Narva mnt 150b
- 3 Alvari 1, 1a
- 4 Kadaka tee 197

Building permit proceedings

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

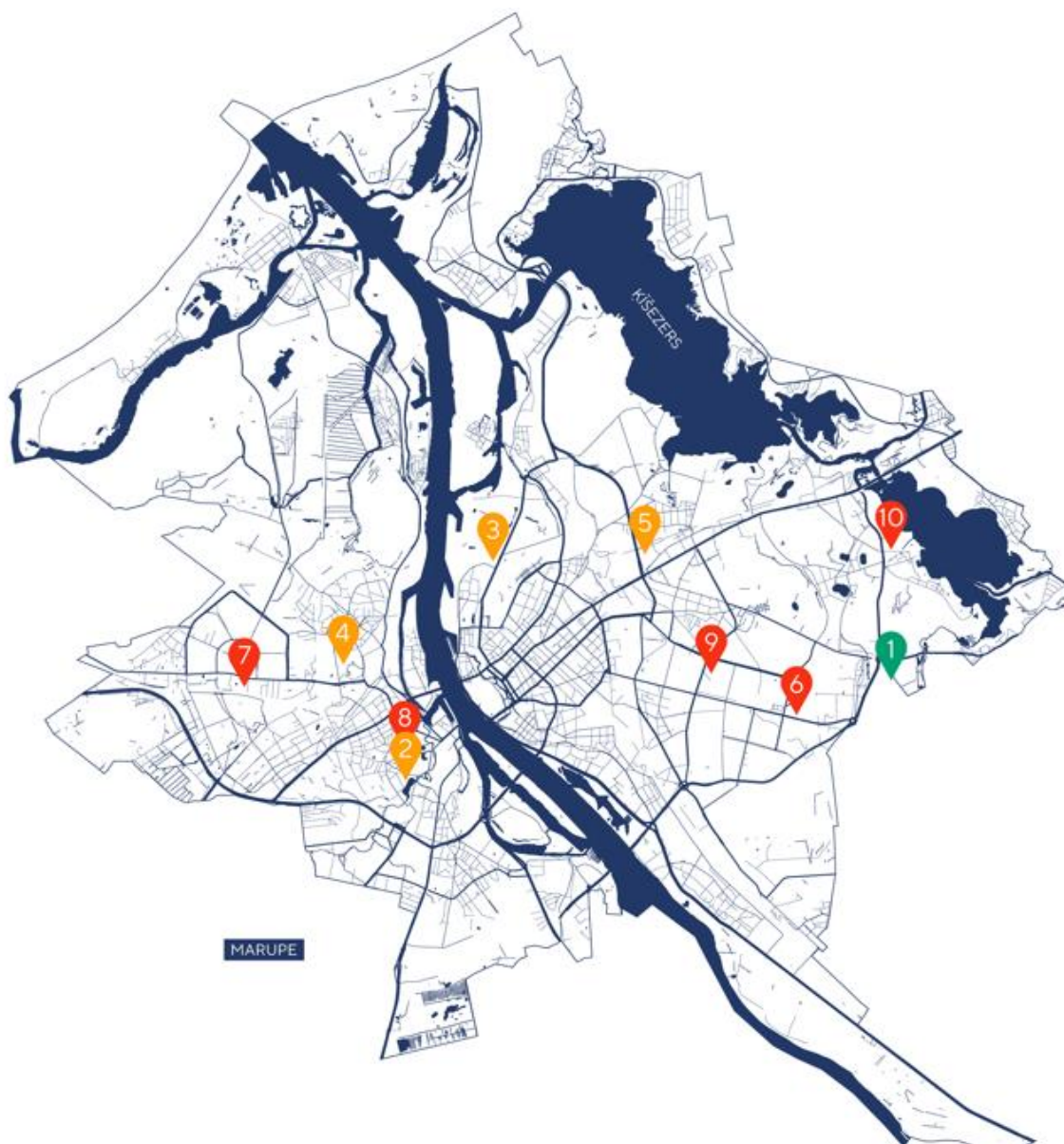
Under construction and/or available for sale

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

Completed, earning cash flow

- 14 Meistri 14
- 15 Pärnu mnt 113

Development projects in Riga (as of 30 September 2025)



Planning proceedings

- 1 RP4 Drelini

Building permit proceedings / available

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

Under construction and/or available for sale

- 6 Ulbrokas 34
- 7 Jurmalas Gatve 74
- 8 Ranka Dambis 5
- 9 Dzelzavas 74C
- 10 Braila 23

Projects in Toronto (as of 30 September 2025)



Land development projects

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

Main events

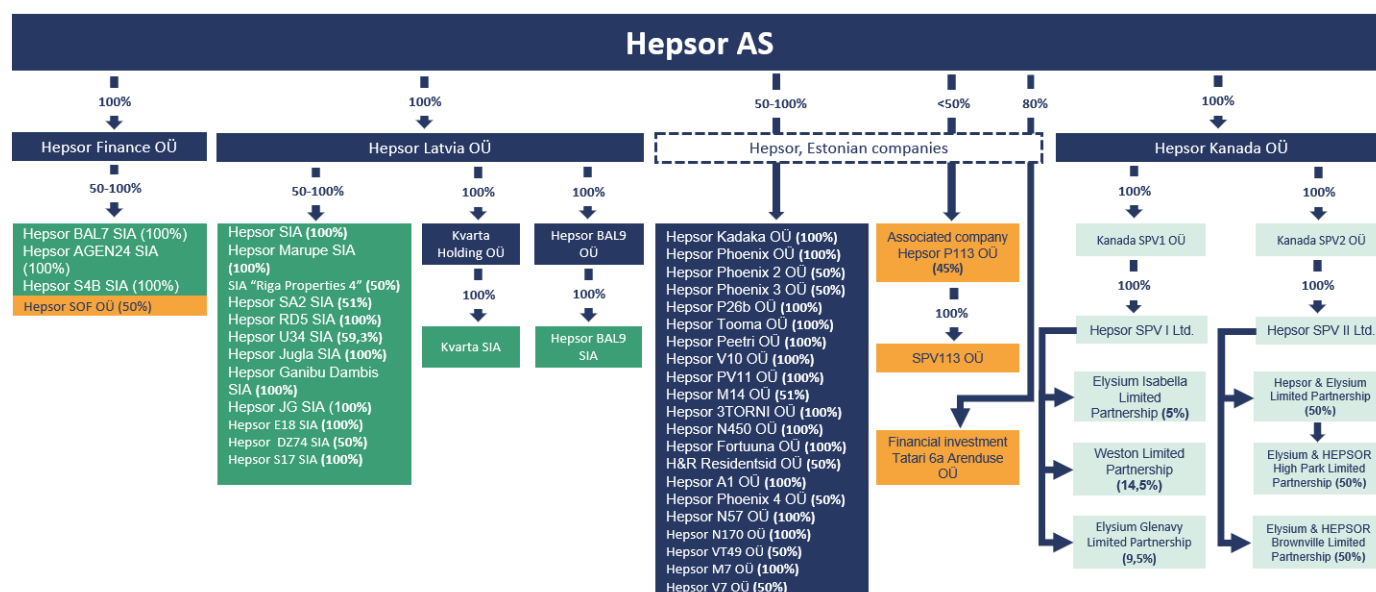
- ✓ Hepsor AS's subsidiary, Hepsor Finance OÜ, signed a shareholders' agreement under which a 50% stake in Hepsor SOF OÜ was sold to the EftEN Special Opportunities Fund, managed by EftEN Capital. The sale of the stake in Hepsor SOF OÜ laid the foundation for the joint implementation of a development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

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

- ✓ On 19 August, Hepsor AS paid dividends to its shareholders in the amount of 0.26 euros per share, totalling 1.0 million euros.
- ✓ On 12 September, Hepsor Group companies Hepsor Phoenix 3 OÜ and Hepsor Phoenix 4 OÜ signed loan agreements with AS LHV Pank in the total amount of 40.3 million euros to finance two development projects in the Manufaktuuri quarter in Tallinn – Manufaktuuri Vabrik (Phase I) and Manufaktuuri 12.
- ✓ On 15 September 2025, Hepsor Jugla SIA, a company belonging to the Hepsor AS Group, and construction company Mitt & Perlebach SIA signed a construction contract valued at 8.2 million euros, plus VAT. The contract was concluded for the construction works of the first phase of the Zaļā Jugla residential development project, located at Braila iela 23, Jugla, Riga.

Group Structure

As of 30 September 2025, the Group consisted of the parent company, 46 subsidiaries, one associate, one joint venture and one subsidiary of an associate company (as of 30 September 2024: parent company, 46 subsidiaries, one associate company and its subsidiary). Tatari 6a Arenduse OÜ, Weston Limited Partnership, Elysium Isabella Limited Partnership, Elysium Glenavy Limited Partnership, Elysium & Hepsor High Park Limited Partnership, and Elysium & Hepsor Brownville Limited Partnership are accounted for as financial investments.



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

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

Key financials

in thousands of euros	9M 2025	9M 2024	9M 2023	Q3 2025	Q3 2024	Q3 2023
Revenue	30,888	27,855	36,048	8,825	20,433	15,458
Gross profit/-loss	4,942	4,231	6,824	2,082	3,854	2,033
EBITDA	3,092	2,486	5,452	1,630	3,237	1,632
Operating profit/-loss	3,013	2,334	5,311	1,603	3,190	1,585
Net profit/-loss	1,525	1,177	4,778	1,243	2,703	1,190
Incl net profit/-loss attributable to the owners of parent	937	-155	2,272	1,133	1,371	469
Comprehensive income/-loss	535	-80	2,871	973	1,370	1,002
Incl comprehensive profit/-loss attributable to the owners of parent	1,355	-329	2,284	1,892	1,241	441
Earnings per share	0.24	-0.04	0.59	0.29	0.36	0.12

in thousands of euros	30 September 2025	30 September 2024	31 December 2024
Total assets	80,666	93,442	88,813
Incl inventories	53,994	77,000	64,141
Total liabilities	59,053	71,356	66,803
Incl subordinated loans from subsidiary owners and other equity-like instruments classified as liabilities	15,939	17,171	16,393
Total interest-bearing loan liabilities	44,912	57,297	54,688
Incl subordinated loans from subsidiary owners	14,239	15,471	14,693
Total equity	21,613	22,086	22,010
Incl equity attributable to the owners of parent	21,323	20,664	20,912

Key Ratios

	9M 2025	9M 2024	9M 2023	Q3 2025	Q3 2024	Q3 2023
Gross profit margin	16.0%	15.2%	18.9%	23.6%	18.9%	13.2%
Operating profit margin	9.8%	8.4%	14.7%	18.2%	15.6%	10.3%
EBITDA margin	10.0%	8.9%	15.1%	18.5%	15.8%	10.6%
Net profit margin	4.9%	4.2%	13.3%	14.1%	13.2%	7.7%
Net profit margin attributable to owners of the parent	3.0%	-0.6%	6.3%	12.8%	6.7%	3.0%
General expense ratio	6.6%	7.0%	4.2%	7.5%	3.3%	2.9%

	30 June 2025	30 June 2024	31 December 2024
Equity ratio	26.8%	23.6%	24.8%
Adjusted equity ratio	46.6%	42.0%	43.2%
Debt ratio	55.7%	61.3%	61.6%
Adjusted debt ratio	38,0%	44,8%	45,0%
Current ratio	3.9	2.5	2.3
Return of equity	12.4%	-0.6%	9.7%
Return on equity attributable to the owners of the parent	3.7%	-5.9%	2.0%
Return on assets	3.1%	-0.1%	2.4%

Definitions of ratios

Gross profit margin = gross profit / revenue

Operating profit margin = operating profit / revenue

EBITDA margin = (operating profit + depreciation) / revenue

Net profit margin = net profit / revenue

Net profit margin attributable to the parent company's owners = net profit attributable to the parent company's owners/revenue

General expense ratio = (marketing expenses + general and administrative expenses) / revenue

Equity ratio = end-of-period equity / total assets

Adjusted equity ratio = (equity at the end of the period + subordinated loans from subsidiary owners and other equity-like instruments classified as liabilities) / total assets

Debt ratio = interest-bearing liabilities / total assets

Adjusted debt ratio = (interest-bearing liabilities- subordinated loans from subsidiary owners)/total assets

Current ratio = current assets / current liabilities

Return on equity = net profit of trailing 12 months / arithmetic average shareholder's equity

Return on equity attributable to the owners of the parent = net profit of trailing 12 months attributable to owners of the parent / arithmetic average shareholder's equity attributable to owners of the parent

Return on assets = net profit of trailing 12 months / average total assets

Operating Results

Sales Revenue

The Group's sales revenue for the nine months of 2025 was 30.9 million euros (9M 2024: 27.9 million euros), of which sales revenue in Estonia was 22.9 million euros (9M 2024: 23.7 million euros), that is 74.1% (9M 2024: 84.9%) of total sales revenue and Latvia amounted to 8.0 million euros (9M 2024: 4.2 million euros), accounting for 25.9% of the Group's total sales revenue (9M 2024: 15.1%).

Sales revenue for the third quarter of the reporting year was 8.8 million euros (Q3 2024: 20.4 million euros), of which sales revenue in Latvia was 1.9 million euros (Q3 2024: 3.5 million euros), accounting for 21.2% of the Group's total sales revenue (Q3 2024: 17.0%).

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

In the first nine months of 2025, the Group sold a total of 119 apartments through real rights agreements (9M 2024: 142 apartments), of which 17 apartments were sold in the third quarter (Q3 2024: 96 apartments). In Tallinn, a total of 74 apartments were sold during the nine-month period and in Latvia, a total of 45 apartments were sold during the same period.

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

In addition to apartment sales, the Group also provides project management services and earns rental income. During the first nine months of 2025, the Group generated 1.4 million euros in other revenue (9M 2024: 1.1 million euros), accounting for 4.5% of the Group's total sales revenue (9M 2024: 3.9%).

In the third quarter, other revenue totalled 0.5 million euros (Q3 2024: 0.4 million euros), accounting for 6.0% of the Group's total sales revenue (Q3 2024: 1.7%).

Profitability

The Group's gross profit for the third quarter of 2025 amounted to 2.1 million euros, with a gross profit margin of 23.6% (Q3 2024: 3.9 million euros and 18.9%) and for the first nine months of 2025, gross profit totalled 4.9 million euros with a gross profit margin of 16.0% (9M 2024: 4.2 million euros and 15.2%). Compared to the same period last year, the gross profit was affected by a lower number of apartments sold, however, in the second quarter, the plots at Paevälja 5, 7, and 9 were sold, and in the third quarter, the properties at Narva mnt 150 and 150a were sold, resulting in the recognition of gross profit of 1.9 million euros in the second and third quarters.

The gross profit from development projects sold in Q3 2025 amounted to 1.9 million euros (Q3 2024: 3.8 million euros), with a gross margin of 23.1% (Q3 2024: 19.3%) and for the nine-month period, gross profit from sold development projects was 4.9 million euros (9M 2024: 4.7 million euros), with a gross margin of 16.6% (9M 2024: 17.4%).

The Group's operating profit for the third quarter of 2025 amounted to 1.6 million euros, while the operating profit for the first nine months totalled 3.0 million euros (Q3 2024: 3.2 million euros and 9M 2024: 2.3 million euros). The operating profit margin

for Q3 2025 was 18.2% (Q3 2024: 15.6%), and for the nine-month period, the operating profit margin reached 9.8% (9M 2024: 15.2%).

The Group's net profit for the third quarter of 2025 amounted to 1.2 million euros (Q3 2024: 2.7 million euros), of this, profit attributable to owners of the parent company was 1.1 million euros (Q3 2024: 1.4 million euros), while net profit attributable to non-controlling interests was 0.1 million euros (Q3 2024: 1.3 million euros).

For the first nine months of 2025, the Group recorded a net profit of 1.5 million euros (9M 2024: 1.2 million euros), of which the net profit attributable to owners of the parent was 0.9 million euros (9M 2024: net loss 0.2 million euros).

The net profit margin for the third quarter was 14.1%, and 4.9% for the nine-month period (Q3 2024: 13.2%; 9M 2024: 4.2%). The profit margin attributable to owners of the parent was 12.8% in Q3 2025 (Q3 2024: 6.7%) and -3.0% for the nine-month period (9M 2024: -0.6%).

Balance Sheet

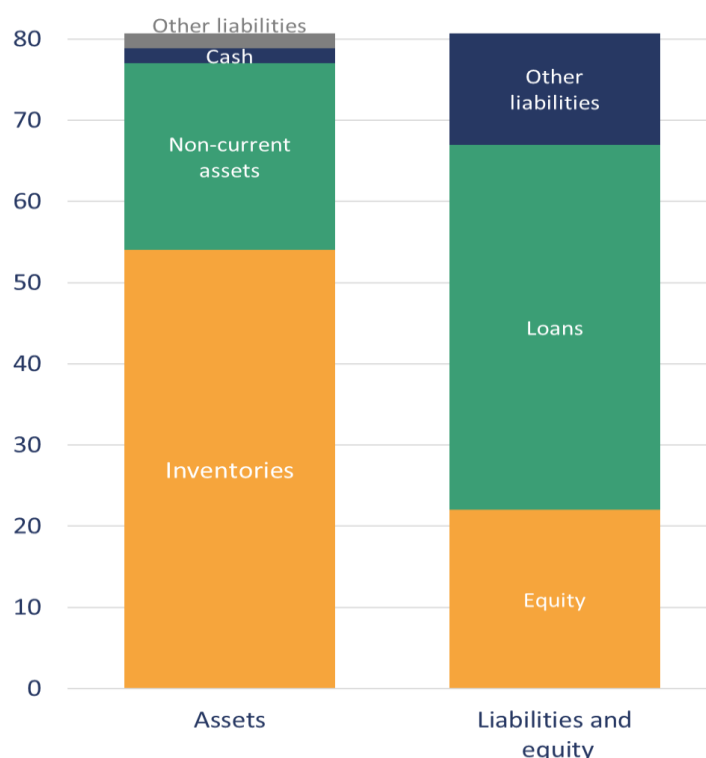
The Group's total assets decreased by 13.7% over the year, amounting to 80.7 million euros as of 30 September 2025 (30 September 2024: 93.4 million euros). Inventories made up 67.0% or 54.0 million euros of total assets (30 September 2024: 82.4% and 77.0 million euros). The decrease in inventories over the year was due to the reclassification of inventories as investment property (Grüne Maja), the sale of the company Hotell L4 OÜ (formerly Hepsor L4 OÜ), the sale of the properties at Paevälja 5, 7, and 9 and Narva mnt 150 and 150a, as well as apartment sales – 171 apartments sold. During the period from 1 October 2024 to 30 September 2025, the Group acquired two new residential development projects in Riga – a development project with 103 apartments at Dzelzavas iela 74C and a development project with 255 apartments at Starta iela 17.

As of 30 September 2025, cash and cash equivalents accounted for 2.3% or 1.9 million euros of the total assets. As of 30 September 2024, cash and cash equivalents accounted for 7.3% or 6.8 million euros of total assets.

The Group's loan liabilities totalled 44.9 million euros as of 30 September 2025, compared to 57.2 million euros at the same time last year. Loans granted by the shareholders of subsidiary companies, which are related to the subsidiary's development project risk, amounted to 14.3 million euros (30 September 2024: 15.5 million euros).

The Group's total equity decreased by 2.1% to 21.6 million euros. The Group's equity attributable to the owners of the parent company increased by 3.2% during the reporting period, reaching 21.3 million euros. The change in equity was influenced by the profit for the reporting year, the payment of dividends in the amount of 1.0 million euros, which was recognised as a distribution of retained earnings, and the acquisition of a 20% shareholding in Hepsor Latvia (Note 20).

Balance sheet structure 30.09.2025
(m€)



Cash Flows

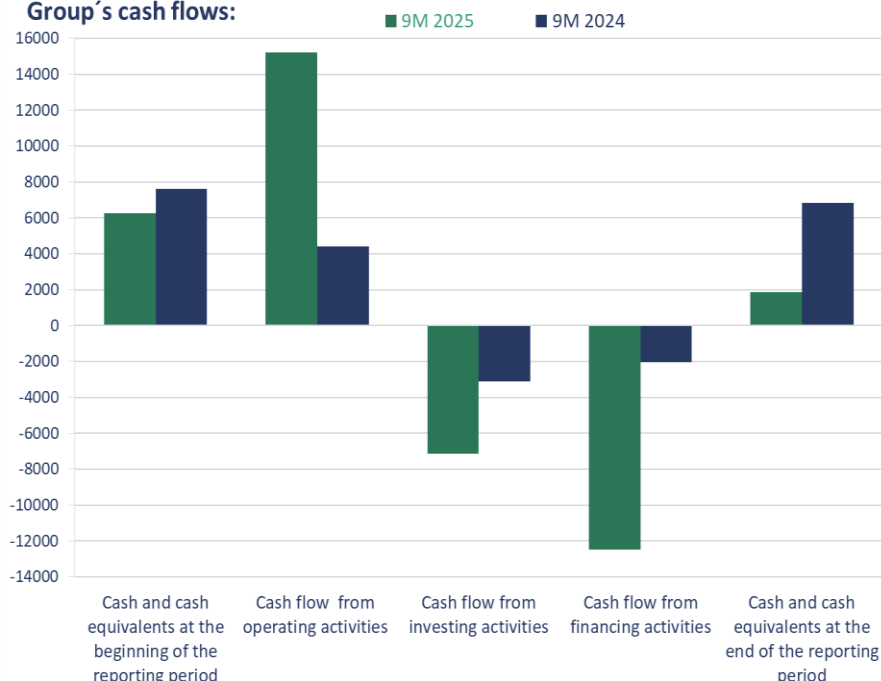
The Group's cash and cash equivalents amounted to 6.2 million euros at the beginning of 2025 (beginning of 2024: 7.6 million euros) and to 1.9 million euros as of 30 September 2025 (30 September 2024: 6.8 million euros). The negative cash flow for the period was 4.4 million euros (9M 2024: 0.8 million euros).

In the first nine months of 2025, the Group's cash flow from operating activities was positive at 15.2 million euros (9M 2024: 4.4 million euros). The major influence on operating cash flow was the decrease in inventories. Due to changes in inventories, the Group generated positive cash flow of 11,5 million euros in the first nine months of 2025 (9M 2024: 3.7 million euros).

In the first nine months of 2025, the Group's cash flow from investing activities was negative in the amount of 7.3 million euros (9M 2024: 3.1 million euros). During the reporting period, the Group invested 1.7 million euros in Canadian projects and paid 1.4 million euros for the stakes in Hepsor Dz74 SIA and Hepsor S17 SIA. During the first nine months of 2025, the Group provided loans to associates and joint ventures in the amount of 4.1 million euros (9M 2024: 0.8 million euros).

In the first nine months of 2025, the Group's cash flow from financing activities was negative at 12.5 million euros (9M 2024: 2.0 million euros). The net amount of loans received in 2025 was -8.5 million euros (9M 2024: 0.2 million euros). During the reporting period, the Group paid 2.9 million euros in interest (9M 2024: 4.0 million euros).

Group's cash flows:



Share and Shareholders

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

As of 30 September 2025, Hepsor AS had 8,814 shareholders.

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

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

Shareholder structure by number of shares held as of 30 September 2025:

Number of shares	Number of shareholders	% of shareholders	Number of shares	% of shares
100 001-...	6	0.07%	3,012,161	76.99%
10 001-100 000	9	0.10%	337,355	8.62%
1001-10 000	47	0.53%	141,539	3.62%
101-1000	761	8.63%	208,841	5.34%
1-100	7,991	90.66%	212,626	5.43%
Total	8,814	100.00%	3,912,522	100.00%

During the period from 1 October 2024 to 30 September 2025, a total of 7,479 transactions involving Hepsor shares were carried out, during which 166,228 shares changed ownership for a total amount of 809,147 euros. The highest transaction price during the period was 7.26 euros, and the lowest was 3.60 euros. As of 30 September 2025, the market capitalization of the shares was 23.8 million euros, and the equity attributable to the owners of the parent company of the Group was 21.6 million euros (30 September 2024: 22.1 million euros). The equity for the reporting year was significantly affected by the decision to pay a dividend in the amount of 1.0 million euros, which was recorded as a distribution of retained earnings.

Market cap at 30
September 2025

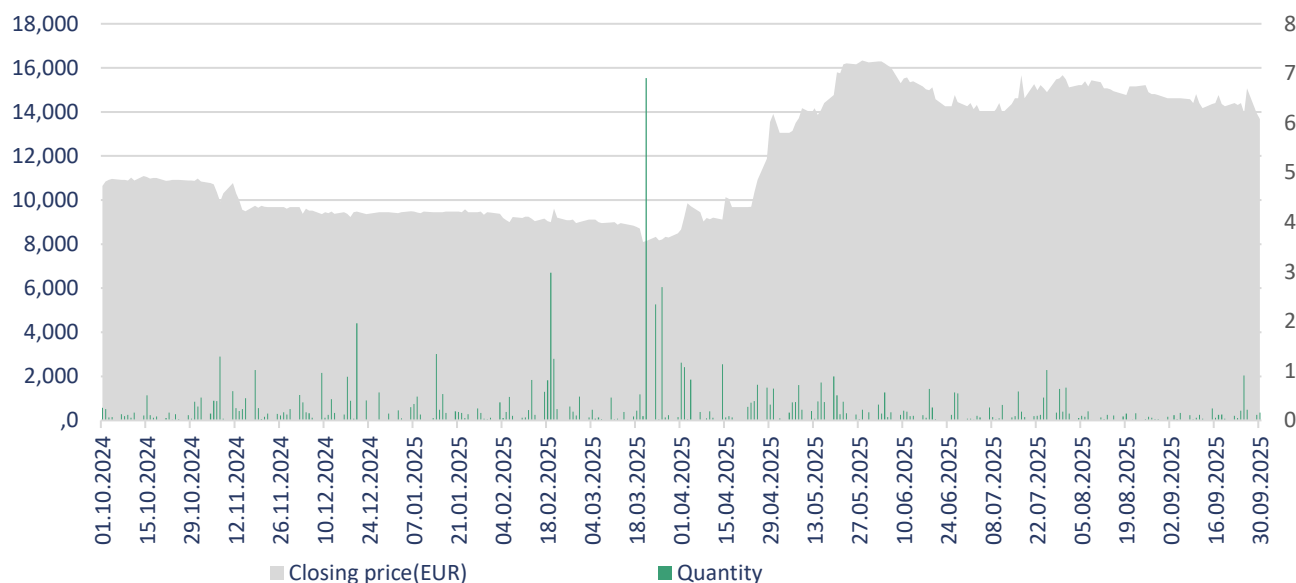
23.8

million euros

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

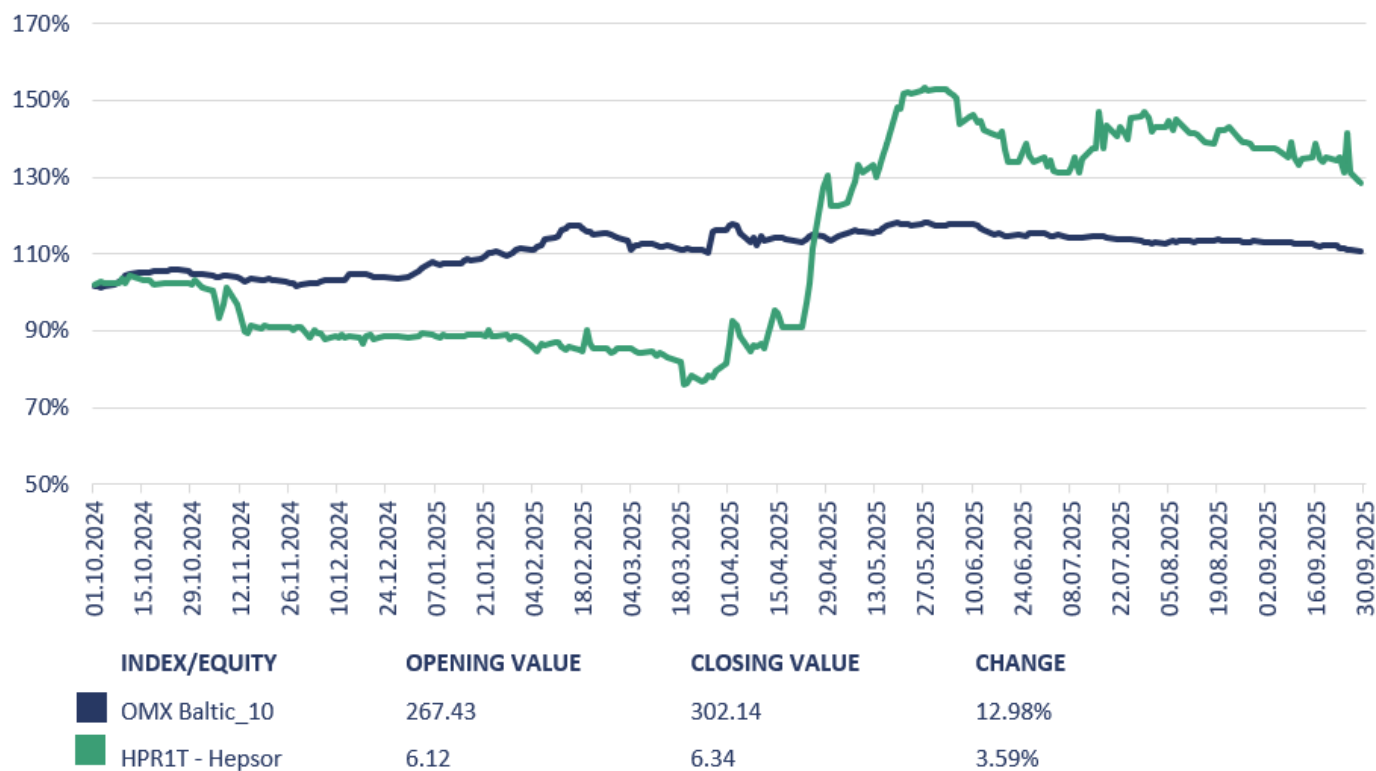
The increase in Hepsor's share capital was registered in the commercial register on 17 July 2025, from which date the share capital of Hepsor is 3,912,522 euros, divided into 3,912,522 shares with a nominal value of 1 euro each. According to the decision of the Management Board of Nasdaq Tallinn on 18 July 2025, the 57,821 additionally issued shares of Hepsor were listed and admitted to trading on the main list of Nasdaq Tallinn as of 22 July 2025.

Trading volume and price range of Hepsor AS shares, 12 months (1 October 2024 – 30 September 2025):



Source: Nasdaq Baltic

Change in Hepsor share price in comparison with the benchmark OMX Tallinn index, 12 months (1 October 2024 – 30 September 2025):



Source: Nasdaq Baltic

Consolidated Financial Statements

Consolidated statement of financial position

in thousands of euros	Note	30 September 2025	31 December 2024	30 September 2024
Assets				
Current assets				
Cash and cash equivalents		1,867	6,249	6,830
Trade and other receivables	3	1,796	761	2,054
Current loan receivables	4	0	200	511
Inventories	2	53,994	64,141	77,000
Total current assets		57,657	71,351	86,395
Non-current assets				
Property, plant and equipment		274	288	138
Intangible assets		1	2	3
Investment properties	5	7,980	7,980	0
Financial investments	6	7,550	6,424	4,293
Investments in joint ventures		1	0	0
Non-current loan receivables	4	6,572	2,428	2,302
Other non-current receivables		631	340	311
Total non-current assets		23,009	17,462	7,047
Total assets	22	80,666	88,813	93,442
Liabilities and equity				
Current liabilities				
Loans and borrowings	7	8,192	23,336	24,726
Current lease liabilities		13	52	35
Prepayments from customers		1,211	724	940
Trade and other payables	8	5,255	6,542	8,715
Total current liabilities		14,671	30,654	34,416
Non-current liabilities				
Loans and borrowings	7	36,720	31,352	32,571
Non-current lease liabilities		162	162	29
Other non-current liabilities	9	7,500	4,635	4,340
Total non-current liabilities		44,382	36,149	36,940
Total liabilities	22	59,053	66,803	71,356
Equity				
Share capital		3,913	3,855	3,855
Share premium		8,917	8,917	8,917
Reserves		385	385	385
Retained earnings		8,398	8,853	8,929
Total equity		21,613	22,010	22,086
incl. total equity attributable to owners of the parent		21,323	20,912	20,664
incl. non-controlling interest		290	1,098	1,422
Total liabilities and equity		80,666	88,813	93,442

Consolidated statement of profit and loss and other comprehensive income

in thousands of euros	Note	9M 2025	9M 2024	Q3 2025	Q3 2024
Revenue	13, 22	30,888	27,855	8,825	20,433
Cost of sales (-)	13	-25,946	-23,624	-6,743	-16,579
Gross profit		4,942	4,231	2,082	3,854
Marketing expenses (-)	14	-676	-603	-228	-213
Administrative expenses (-)	15	-1,356	-1,342	-438	-453
Other operating income		314	84	232	14
Other operating expenses (-)		-211	-36	-45	-12
Operating profit (-loss) of the year	22	3,013	2,334	1,603	3,190
Financial income	18.1	322	262	165	61
Financial expenses (-)	18.2	-1,527	-1,419	-525	-548
Profit before tax		1,808	1,177	1,243	2,703
Corporate income tax		-283	0	0	0
Net profit (-loss) for the year		1,525	1,177	1,243	2,703
Attributable to owners of the parent		937	-155	1,133	1,371
Non-controlling interest		588	1,332	110	1,332
Other comprehensive income (-loss)					
Changes related to change of ownership		-81	76	-81	0
Change in value of embedded derivatives with minority shareholders		-534	-1,203	-106	-1,203
The effects of changes in foreign exchange rates		-375	-130	-83	-130
Other comprehensive income (-loss) for the period		-990	-1,257	-270	-1,333
Attributable to owners of the parent		418	-174	759	-130
Non-controlling interest		-1,408	-1,083	-1,029	-1,203
Comprehensive income (-loss) for the period		535	-80	973	1,370
Attributable to owners of the parent		1,355	-329	1,892	1,241
Non-controlling interest		-820	249	-919	129
Earnings per share					
Basic (euros per share)		0.24	0.59	0.29	0.36
Diluted (euros per share)		0.24	0.59	0.29	0.36

Consolidated statement of changes in equity

in thousands of euros	Attributable to equity owners of the parent				Non-controlling interests	Total equity
	Share capital	Share premium	Reserves	Retained earnings		
Balance of 31 December 2023	3,855	8,917	385	7,836	1,168	22,161
2024						
Net profit/-loss for the year	0	0	0	-155	1,332	1,177
Other comprehensive income/-loss for the period	0	0	0	-174	-1,083	-1,257
Voluntary reserve capital	0	0	0	0	5	5
Balance of 30 September 2024	3,855	8,917	385	7,507	1,422	22,086
Balance of 31 December 2024	3,855	8,917	385	7,755	1,098	22,010
2025						
Net profit/-loss for the year	0	0	0	937	588	1,525
Other comprehensive income/-loss for the period	0	0	0	418	-1,408	-990
Voluntary reserve	0	0	0	0	12	12
Dividends paid	0	0	0	-1,002	0	-1,002
Issue of shares	58	0	0	0	0	58
Balance of 30 September 2025	3,913	8,917	385	8,108	290	21,613

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

Consolidated statement of cash flows

in thousands of euros	Note	9M 2025	9M 2024
Net cash flows from (to) operating activities			
Operating profit/(-loss) of the year	21	3,013	2,334
Adjustments for:			
Depreciation of property, plant and equipment		79	152
Other adjustments		126	71
Income tax paid		-324	0
Changes in working capital:			
Change in trade receivables and prepayments		-1,038	-505
Change in inventories	18	11,484	3,720
Change in liabilities and prepayments		1,869	-1,386
Cash flows from (to) operating activities		15,209	4,386
Net cash flows from (to) investing activities			
Payments for property, plant and equipment		-64	-13
Proceeds from sale of property, plant and equipment		1	0
Payments for intangible assets		0	-2
Payments for financial investments		-1,675	-2,374
Payments for acquisition of joint ventures		-1	0
Proceeds from sale of joint ventures		1	0
Payments for acquisition of subsidiaries		-1,421	-1
Proceeds from sale of subsidiaries		0	1
Interest received		5	38
Loans granted	4	-4,144	-773
Cash flows from (to) investing activities		-7,298	-3,124
Net cash flows from (to) financing activities			
Loans raised	7	14,356	23,134
Loan repayments	7	-22,896	-22,742
Interest paid	19	-2,878	-4,043
Payments of finance lease principal		-7	-7
Payments of right to use lease liabilities		-32	-115
Non-controlling interest contributions to share capital		0	209
Share capital payments to a non-controlling interest		0	-134
Dividends paid	11	-1,002	0
Other receipts from financing activities		11	1,700
Other payments from financing activities		-14	-38
Cash flows from (to) financing activities		-12,462	-2,036
Net cash flow		-4,551	-774
Cash and cash equivalents at beginning of year		6,249	7,604
Cash and cash equivalents acquired through acquisition of subsidiaries		169	0
Increase/decrease in cash and cash equivalents		-4,382	-774
Cash and cash equivalents at end of year		1,867	6,830

Notes to the consolidated interim financial statements

Note 1. General information

Hepsor AS (hereinafter “the Group”) consolidated unaudited interim report for Q3 and nine months 2025 has been prepared in accordance with IAS 34 Interim Financial Reporting of International Financial Reporting Standards as adopted in the European Union (“IFRS (EU)”). The Group has consistently applied the accounting policies throughout all periods presented, unless stated otherwise. The interim report for Q3 2025 follows the same accounting principles and methods used in the 2024 audited consolidated financial statements. The interim financial statements contain the audited financial results for 2024 and unaudited comparative figures for Q3 2024.

The Group has not made any changes to its critical accounting estimates which may affect the consolidated unaudited interim financial statements for Q3 2025.

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

Note 2. Inventories

Inventories are classified as development projects ready for sale once a usage permit has been granted for the project. As of 30 September 2025, usage permits have been issued for residential development projects at the following addresses: Manufaktuuri 7, Nõmme tee 57, and Paldiski mnt 227c in Estonia, as well as Ranka dambis 5 and Jūrmalas gatve 74 in Latvia. In addition, a partial usage permit has been issued for the commercial real estate development project located at Ulbrokas 34, Latvia. As of 30 September 2025, the Group had 58 unsold apartments in development projects classified as ready for sale (31 December 2024: 30; 30 September 2024: 40), with 15 located in Riga and 43 in Tallinn.

As of 30 September 2025, the changes in inventories as stated in cash flow statements have been adjusted by loan interest expense. The capitalised loan interest amounted to 1,337 thousand euros (31 December 2024: 3,740 thousand euros; 30 September 2024: 3,281 thousand euros). Further information about interest expenses is provided in Note 19.

Project statuses are classified as following:

in thousands of euros	30 September 2025	31 December 2024	30 September 2024
A – planning proceedings	10,470	11,624	14,789
B – building permit proceedings	3,277	11,083	7,030
C – building permit available /construction not yet started	4,895	0	3,274
D – construction started / sale started	14,337	19,576	15,565
E – construction ready for sale	21,015	21,858	36,342
Total inventories	53,994	64,141	77,000

The following development projects are stated as inventories:

in thousands of euros				30 September 2025		31 December 2024		30 September 2024	
Address	Project company	Location	Segment	Acquisition cost	Project status	Acquisition cost	Project status	Acquisition cost	Project status
Work in progress									
Paldiski mnt 227c, Tallinn	Hepsor 3Torni OÜ	Estonia	Residential	0	-	9,530	E	11,235	E
Narva mnt 150b, Tallinn	Hepsor N450 OÜ	Estonia	Residential/Commercial	1,229	A	4,071	A	4,015	A
Manufaktuuri 5, Tallinn	Hepsor Phoenix 3 OÜ	Estonia	Residential/Commercial	9,257	D	7,556	D	6,551	D
Manufaktuuri 7, Tallinn	Hepsor Phoenix 2 OÜ	Estonia	Residential/Commercial	0	-	7,260	E	11,336	D
Lembitu 4, Tallinn	Hepsor L4 OÜ	Estonia	Commercial	0	-	0	-	3,274	C
Alvari 2/Paevälja 9, Tallinn	Hepsor Fortuuna OÜ	Estonia	Residential	0	-	1,885	B	1,668	A
Alvari 1, Tallinn	Hepsor A1 OÜ	Estonia	Residential	2,209	A	2,022	A	2,022	A
Kadaka tee 197, Tallinn	H&R Residentsid OÜ	Estonia	Residential	1,374	A	1,305	A	1,282	A
Manufaktuuri 12, Tallinn	Hepsor Phoenix 4 OÜ	Estonia	Residential	1,791	D	1,131	B	1,057	B
Vana-Tartu mnt 49, Tallinn	Hepsor VT49 OÜ	Estonia	Commercial	1,285	B	1,153	B	1,126	A
Võistluse 7, Tallinn	Hepsor V7 OÜ	Estonia	Residential	473	B	425	B	408	-
Saules alley 2, Riga	Hepsor SA2 SIA	Latvia	Residential	1,081	B	1,079	B	727	B
Ranka dambis 5, Riga	Hepsor RD5 SIA	Latvia	Residential	0	-	0	-	0	D
Ulbrokas 34, Riga	Hepsor U34 SIA	Latvia	Commercial	0	-	6,794	D	4,745	C
Braila 23, Riga	Hepsor Jugla SIA	Latvia	Residential	742	D	618	B	550	B
Ganibu dambis 17a, Riga	Hepsor Ganibu Dambis SIA	Latvia	Commercial	4,895	C	4,431	B	4,352	B
Jūrmalas gatve 74, Riga	Hepsor JG SIA	Latvia	Residential	0	-	5,226	D	4,269	D
Smaidu, Dreilini	Riga Properties 4 SIA	Latvia	Commercial	4,401	A	4,226	A	4,250	A
Eiženijas 18, Riga	Hepsor E18 SIA	Latvia	Residential	438	B	361	B	344	B
Dzelzavas 74c, Riga	Hepsor Dz74c SIA	Latvia	Residential	2,547	D	0	-	0	-
Starta 17, Riga	Hepsor S17 SIA	Latvia	Residential	1,257	A	0	-	0	-
- other properties		Estonia		0	-	0	-	18	A
Total work in progress				32 979		59,073		63,229	
Ready for sale real estate development									
Manufaktuuri 22, Tallinn (parking spaces)	Hepsor Phoenix OÜ	Estonia	Residential	16	E	16	E	16	E
Meistri 14, Tallinn	Hepsor Meistri 14 OÜ	Estonia	Commercial	0	E	0	E	7,667	E
Nõmme tee 57, Tallinn	Hepsor N57 OÜ	Estonia	Residential	122	E	2,349	E	2,787	E
Paldiski mnt 227c, Tallinn	Hepsor 3Torni OÜ	Estonia	Residential	2,864	E	0	-	0	-
Manufaktuuri 7, Tallinn	Hepsor Phoenix 2 OÜ	Estonia	Residential/Commercial	3,741	E	0	-	0	-
Strelnieku 4b, Riga	Hepsor S4B SIA	Latvia	Residential	0	-	77	E	312	E
Ranka dambis 5, Riga	Hepsor RD5 SIA	Latvia	Residential	671	E	2,626	E	2,989	E
Jūrmalas gatve 74, Riga	Hepsor JG SIA	Latvia	Residential	1,237	E	0	-	0	-
Ulbrokas 34, Riga	Hepsor U34 SIA	Latvia	Commercial	12,364	E	0	-	0	-
Total ready for sale real estate development				21,015		5,068		13,771	
Total inventories				53,994		64,141		77,000	

Note 3. Trade and other receivables

in thousands of euros	30 September 2025	31 December 2024	30 September 2024
Trade receivables	1,355	463	1,700
Allowance for doubtful receivables	-13	-13	-1
Net trade receivables	1,342	450	1,699
Prepayments			
Tax prepayment			
Value added tax	249	147	167
Other taxes	7	0	1
Other prepayments for goods and services	135	113	137
Total prepayments	391	260	305
Other current receivables			
Interest receivables	0	2	14
Other current receivables	63	49	36
Other current receivables	63	51	50
Total trade receivables	1,796	761	2,054

Note 4. Loans granted

in thousands of euros	Unrelated legal entities	Related legal entities (Note 23)	Total
2025			
Loan balance as of 31 December 2024	200	2,428	2,628
- current portion	200	0	200
- non-current portion	0	2,428	2,428
Loan granted	296	4,144	4,440
Elimination of loan on acquisition of subsidiary	-296	0	-296
Demerger of subsidiary	-200	0	-200
Loan balance as of 30 September 2025	0	6,572	6,572
- current portion	0	0	0
- non-current portion	0	6,572	6,572
contractual/effective interest rate per annum	0-12%	7-12%	
2024			
Loan balance as of 31 December 2023	311	1,729	2,040
Loan granted	200	573	773
Loan balance as of 30 September 2024	511	2,302	2,813
- current portion	511	0	511
- non-current portion	0	2,302	2,302

Note 5. Investment properties

Hepsor M14 OÜ's office building development project in Tallinn, Meistri 14 was completed in 2021. As of 31 December 2024, the building was classified as a property investment which is measured at fair value. The Group performed the valuation using the five-year discounted cash flow method. Since the purpose of the property investment is to generate rental income, the method used reflects best the fair value of the property investment. The valuation is based on existing cash flows, the rate of

return, and an appropriate discount rate that takes into account the expected return of similar assets for average investors. At the end of 2024, return rate of 7.1% and discount rate of 8.1% were used for the asset valuation. As of 31 December 2024, the fair value of the asset was estimated at 8.0 million euros.

Note 6. Financial investments

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

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

As of 30 September 2025, the carrying amount of the financial investments is 7,550 thousand euros (31 December 2024: 6,424 thousand euros, 30 September 2024: 4,291 thousand euros).

Note 7. Loans and borrowings

In February 2025, Hepsor AS entered into an addendum to its loan agreement with AS LHV Pank which reduced the Group loan limit from 9 million euros to 6 million euros. The maturity date of the loan is March 12, 2026. The shares of Hepsor AS held by the members of Management and Supervisory Board of the Group and the shares of Hepsor Finance OÜ were pledged as collateral to secure the loan. The loan agreement states two financial covenants that are measured quarterly:

- a) LHV Pank loan and equity ratio of maximum 55%,
- b) the ratio of loan commitment taken by the consolidation Group to the total assets, cash and cash equivalents and investments to property developments of the consolidation Group is a maximum of 70% (seventy percent). Starting from 31 December 2024, financial investments will also be included in the Group's assets.

On 12 August 2025, a new loan agreement in the amount of 2 million euros was signed with AS LHV Pank. The loan is secured by a mortgage on the properties located in Lasnamäe, Tallinn, owned by the subsidiaries of the Group.

In addition to bank loan, a joint mortgage has been established as collateral for unrelated legal entities on behalf of Riga 4 Properties SIA in the amount of 2.75 million euros until the loan obligations are fulfilled.

As of 30 September 2025, the Group has the following loan obligations:

in thousands of euros	Bank loans	Unrelated legal entities	Related legal entities (Note 23)	Total
2025				
Loan balance as of 31 December 2024	33,828	19,489	1,371	54,688
- current loan payable	17,753	4,345	1,238	23,336
- non-current loan payable	16,075	15,144	133	31,352
Received	9,764	4,592	0	14,356
Repaid	-15,763	-5,895	-1,238	-22,896
Elimination of loan on acquisition of subsidiary	0	-1,226	0	-1,226
Effect of the effective interest rate	0	-10	0	-10
Loan balance as of 30 September 2025	27,829	16,950	133	44,912
- current loan payable	4,857	3,335	0	8,192
- non-current loan payable	22,972	13,615	133	36,720
Contractual interest rate per annum	EU6+3.25%-8%; 5.46%	0-15%	0-12%	
2024				
Loan balance as of 31 December 2023	36,309	19,213	1,383	56,905
Received	17,081	1,343	4,710	23,134
Repaid	-21,207	-285	-1,250	-22,742
Total loan balance as of 30 September 2024	32,183	20,271	4,843	57,297
- current loan payable	15,271	4,612	4,843	24,726
- non-current loan payable	16,912	15,659	0	32,571

As of 30 September 2025, 85% (31 December 2024: 89%; 30 September 2024: 89%) of all loans granted to the Group have been received against the risk of development projects.

in thousands of euros	Bank loans	Unrelated legal entities	Related legal entities	Total
Balance as of 30 September 2025				
Loans for development projects	21,079	16,950	133	38,162
Loans to headquarters to finance development projects	6,750	0	0	6,750
Total	27,829	16,950	133	44,912
Balance as of 31 December 2024				
Loans for development projects	27,888	19,489	1,371	48,748
Loans to headquarters to finance development projects	5,940	0	0	5,940
Total	33,828	19,489	1,371	54,688
Balance as of 30 September 2024				
Loans for development projects	26,183	20,271	4,843	51,297
Loans to headquarters to finance development projects	6,000	0	0	6,000
Total	32,183	20,271	4,843	57,297

As of 30 September 2025, the Group had the following bank loans under the following conditions:

Lender	Country	Loan balance	Contract term	Loan limit	Interest per annum	Collateral	Cost value of the collateral (Note 2, 5)	Guarantee given
LHV Pank AS	Estonia	4,559	2027	4,900	5.46%	Mortgage - Meistri 14, Tallinn	7,980	-
LHV Pank AS	Estonia	1,871	2026	13,900	6M Euribor+4.5%	Mortgage - Paldiski mnt 227c, Tallinn	2,864	-
LHV Pank AS	Estonia	1,666	2026	5,758	6M Euribor+4.5%	Mortgage - Manufaktuuri 7, Tallinn	3,741	-
LHV Pank AS	Estonia	354	2029	7,600	6M Euribor+8%	Mortgage - Manufaktuuri 5, Tallinn	9,257	3,000
Bigbank AS	Latvia	1,865	2028	2,000	6M Euribor+4.5%	Mortgage - Ganību dambis 17A Riga; Commercial pledge	4,895	-
Bigbank AS	Latvia	257	2026	3,259	6M Euribor+4.9%	Mortgage - Ranka dambis 5, Riga	671	460
Bigbank AS	Latvia	1,027	2028	4,000	6M Euribor+4.6%	Mortgage - Jūrmalas gatve 74, Riga	1,237	430
Bigbank AS	Latvia	8,692	2027	9,000	6M Euribor+4.4%	Mortgage - Ulbrokas 34, Riga; Commercial pledge	12,364	890
Bigbank AS	Latvia	903	2028	8,600	6M Euribor+4.4%	Mortgage - Dzelzavas 74c, Riga	2,547	430

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

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

As of 30 September 2024, the Group had the following bank loans under the following conditions:

Lender	Country	Loan balance	Contract term	Loan limit	Interest per annum	Collateral	Cost value of the collateral	Guarantee given
LHV Pank AS	Estonia	4,698	2027	4,900	5.46%	Mortgage - Meistri 14, Tallinn	7,667	-
LHV Pank AS	Estonia	1,300	2025	1,300	6M Euribor+8%	Mortgage - Lembitu 4, Tallinn	3,274	-
LHV Pank AS	Estonia	6,584	2025	13,900	6M Euribor+5.9%	Mortgage - Paldiski mnt 227c, Tallinn	11,235	-
LHV Pank AS	Estonia	1,571	2026	2,450	6M Euribor+6.5%	Mortgage - Nõmme Road 57, Tallinn	2,787	-
LHV Pank AS	Estonia	2,443	2026	17,500	6M Euribor+6.5%	Mortgage - Manufaktuuri 7, Tallinn	11,336	-
Bigbank AS	Latvia	1,905	2025	2,000	6M Euribor+4.5%	Mortgage - Ganību dambis 17A Riga; Commercial pledge	4,352	-
Bigbank AS	Latvia	3,339	2026	4,000	6M Euribor+5.2%	Mortgage- Ranka dambis 5, Riga	2,989	1,200
Bigbank AS	Latvia	2,731	2026	4,000	6M Euribor+5.2%	Mortgage - Jūrmalas gatve 74, Riga	4,269	1,000
Bigbank AS	Latvia	1,612	2027	9,000	6M Euribor+4.4%	Mortgage - Ulbrokas 34, Riga; Commercial pledge	4,745	450

Note 8. Trade and other payables

in thousands of euros	30 September 2025	31 December 2024	30 September 2024
Trade payables	1,115	1,138	2,058
Taxes payable			
Value added tax	350	663	1,169
Personal income tax	26	40	28
Social security tax	41	65	47
Corporate income tax	0	41	0
Other taxes	170	7	26
Total taxes payable	587	816	1,270
Accrued expenses			
Payables to employees	167	113	133
Interest payable (Note 19)	388	1,011	1,054
Other accrued expenses	162	67	63
Total accrued expenses	717	1,191	1,250
Other current payables			
Embedded derivatives (Note 10)	2,409	2,074	3,264
Other payables	427	1,323	873
Total other current payables	2,836	3,397	4,137
Total trade and other payables	5,255	6,542	8,715

Note 9. Other non-current liabilities

in thousands of euros	30 September 2025	31 December 2024	30 September 2024
Non-current interest payables (Note 19)	3,061	2,539	2,225
Other non-current payables	2,597	2,096	2,115
Deferred income	1,842	0	0
Total other non-current liabilities	7,500	4,635	4,340

Note 10. Embedded derivatives

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

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

in thousands of euros	30 September 2025	31 December 2024	30 September 2024
<i>Residential development project in Gregora iela 2a, Riga</i>	0	200	0
<i>Residential development project in Manufaktuuri 7, Tallinn</i>	2,409	1,874	1,203
Total change in liabilities arising from embedded derivatives	2,409	2,074	1,203

Note 11. Share capital

According to the Articles of Association of Hepsor AS, the company's minimum share capital is 3 million euros and the maximum share capital is 12 million euros. On 8 July 2025, the Supervisory Board of Hepsor AS adopted a resolution to increase the share capital of Hepsor AS by 57,821 euros. As at 30 September 2025, the share capital of Hepsor AS amounted to 3,913 thousand euros. Hepsor AS has 3,912,522 shares with a nominal value of 1 euro each.

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

Note 12. Contingent liabilities

12.1 Contingent liabilities arising from embedded derivatives

In accordance with the shareholders' agreements between the Group and the minority shareholders of its subsidiaries, the Group had, as of 30 September 2025, a contingent liability to pay 4,958 thousand euros (31 December 2024: 5,921 thousand euros; 30 September 2024: 9,433 thousand euros) to the minority shareholders upon the realisation of the business plans. The obligation amounts are estimates calculated based on the business plans valid at the time of reporting for the respective development projects. Contingent liabilities arising from embedded derivatives are assessed at each reporting date. As of 30 September 2025, the expected realisation period for the contingent liabilities presented in the report is between 2025 and 2029.

12.2 Lawsuit

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

12.3 Group guarantees given

Additional information on the guarantees is provided in Note 7.

Note 13. Revenue

in thousands of euros	9M 2025	9M 2024	Q3 2025	Q3 2024
Revenue from sale of real estate	29,514	26,755	8,298	20,076
Revenue from project management services	383	134	173	40
Revenue from rent	777	806	278	266
Revenue from other services	214	160	76	51
Total	30,888	27,855	8,825	20,433

Additional information on sales revenue is provided in Note 22.

Note 14. Cost of sales

in thousands of euros	9M 2025	9M 2024	Q3 2025	Q3 2024
Cost of real estate sold	-24,610	-22,099	-6,382	-16,192
Personnel expenses (Note 17)	-552	-637	-169	-206
Depreciation	-3	-25	-1	-8
Other costs	-781	-862	-191	-324
Total	-25,946	-23,624	-6,743	-16,579

Note 15. Marketing expenses

in thousands of euros	9M 2025	9M 2024	Q3 2025	Q3 2024
Personnel expenses (Note 17)	-169	-114	-56	-47
Depreciation	-24	-35	-8	-12
Other marketing expenses	-483	-454	-164	-154
Total	-676	-603	-228	-213

Note 16. Administrative expenses

in thousands of euros	9M 2025	9M 2024	Q3 2025	Q3 2024
Personnel expenses (Note 17)	-848	-827	-267	-256
Depreciation	-52	-97	-18	-32
Traveling and transport expenses	-54	-80	-18	-25
Purchased service expenses	-243	-207	-81	-75
Other administrative expenses	-159	-131	-54	-65
Total	-1,356	-1,342	-438	-453

Note 17. Personnel expenses

in thousands of euros	9M 2025	9M 2024	Q3 2025	Q3 2024
Salaries	-1,195	-1,176	-369	-386
Social security and other payroll taxes	-374	-402	-123	-123
Total (Notes 14, 15, 16)	-1,569	-1,578	-492	-509

As of 30 September 2025, the Group, together with the members of the Management Board and the Supervisory Board, had 27 (30 September 2024: 29) employees, of which 15 in Estonia (30 September 2024: 15) and 12 in Latvia (30 September 2024: 14).

Gross fees paid to the members of Management and Supervisory Boards during the reporting period amounted to 383 thousand euros (9M 2024: 365 thousand euros).

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

Note 18. Finance income and expenses

18.1 Finance income

in thousands of euros	9M 2025	9M 2024	Q3 2025	Q3 2024
Interest income	291	154	160	61
Proceeds from sale of subsidiaries	0	0	0	0
Other finance income	31	108	5	0
Total	322	262	165	61

18.2 Finance expenses

in thousands of euros	9M 2025	9M 2024	Q3 2025	Q3 2024
Interest expenses (Note 19)	-1,452	-1,377	-505	-548
Loss on foreign exchange	0	0	0	0
Other finance expenses	-75	-42	-20	0
Total	-1,527	-1,419	-525	-548

In 2025 borrowing costs in the amount of 1,337 thousand euros (Q3 2024: 3,281 thousand euros) have been capitalised as the cost of inventories.

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

in thousands of euros	30 September 2025	30 September 2024
Inventories		
Reclassification of cash flows from operating activities to financing activities (Note 2)	1,337	3,281
Decrease (-)/ increase (+) of change inventories balances (Note 2)	10,147	439
Change in inventories	11,484	3,720
Interest paid		
Interest expense in statement of profit or loss and other comprehensive income (Note 18)	-1,452	-1,377
Reclassification of cash flows from operating activities to financing activities (Note 2)	-1,337	-3,281
Decrease (-)/ increase (+) of interest payables (Notes 8, 9)	-101	610
Conversion of interest into voluntary reserve	12	5
Interest paid total	-2,878	-4,043

Note 20. Subsidiaries

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

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

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

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

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

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

in thousands of euros	Other comprehensive income	Cash flow	
	Comprehensive income attributable to owners of the parent	Comprehensive income attributable to non-controlling interest	Cash flows from investing activities
Hepsor V7 OÜ	0	0	1
Hepsor SOF OÜ	0	0	-1
Hepsor 3Torni OÜ	-49	49	-1
Hepsor Dz74c SIA	0	0	-174
Hepsor Latvia OÜ	842	-923	-20
Hepsor S17 SIA	0	0	-1,226
Total	793	-874	-1,421

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

in thousands of euros	Other comprehensive income	Cash flow		
	Comprehensive income attributable to owners of the parent	Comprehensive income attributable to non-controlling interest	Cash flows from investing activities	Cash flows from financing activities
Hepsor VT 49 OÜ	0	1	1	0
Kvarta Holding OÜ	0	0	-1	0
Hepsor U34 SIA	-44	253	0	209
Hepsor Marupe SIA	0	-134	0	-134
Total	-44	120	0	75

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

In April, the non-controlling shareholder of Hepsor VT49 OÜ paid for their 50% ownership stake.

In May, the share capital of Hepsor U34 was increased by 430 thousand euros, as a result of which the Hepsor group's participation in Hepsor U34 SIA decreased by 8.6%, being 47.4%.

The share capital of Hepsor Marupe SIA was reduced by 267 thousand euros, of which 134 thousand euros were paid to the owner of non-controlling stake.

Hepsor AS established a subsidiary company Hepsor V7 OÜ with a 50% ownership stake.

In June, Hepsor Latvia OÜ acquired the remaining 50% stake in Kvarta Holding OÜ, becoming the sole owner of the company. Kvarta Holding OÜ's participation in the subsidiary Kvarta SIA decreased from 100% to 50%.

Note 21. Associates and joint ventures

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

	Ownership and voting rights %		
	30 September 2025	31 December 2024	30 September 2024
Hepsor P113 OÜ	45	45	45
Hepsor SOF OÜ	50	0	0

Financial information about associates and joint ventures:

in thousands of euros	30 September 2025	30 September 2025	31 December 2024	30 September 2024
	Hepsor P113 OÜ	Hepsor SOF OÜ	Hepsor P113 OÜ	Hepsor P113 OÜ
Current assets				
Cash and cash equivalents	330	211	210	491
Trade and other receivables	122	48	292	34
Inventories	0	9,792	0	0
Total current assets	452	10,051	502	501
Non-current assets				
Investment property	10,610	0	10,610	9,400
Shares of subsidiaries	3	0	3	3
Trade and other receivables	53	0	0	0
Total non-current assets	10,666	0	10,613	9,403
Total assets	11,118	10,051	11,115	9,928
Current liabilities				
Loans and borrowings	34	0	0	7,184
Trade and other payables	168	25	178	165
Total current liabilities	202	25	178	7,349
Non-current liabilities				
Loans and borrowings	14,970	9,436	13,537	6,103
Other non-current liabilities	137	556	771	667
Total non-current liabilities	15,107	9,992	14,308	6,770
Total liabilities	15,309	10,017	14,486	14,119
Total equity	-4,191	34	-3,371	-4,191
Total liabilities and equity	11,118	10,051	11,115	9,928

As of 30 September 2025, 98% of the P113 Tervisemaja building, owned by Hepsor P113 OÜ, is covered by lease agreements. As of 30 September 2025, Hepsor AS has provided a loan of 2,692 thousand euros to its associate, Hepsor P113 OÜ.

Hepsor AS's subsidiary, Hepsor Finance OÜ, entered into a shareholders' agreement under which a 50% ownership stake in Hepsor SOF OÜ was sold to the EfTEN Special Opportunities Fund, a trust fund managed by EfTEN Capital. The sale of the stake in Hepsor SOF OÜ established the basis for the joint implementation of a development project located in Lasnamäe. In April, Hepsor SOF OÜ acquired from a subsidiary of the Hepsor Group the properties located at Paevälja pst 5, 7, and 9, Tallinn and in July, the properties located at Narva mnt 150 and 150a. As at 30 September 2025, the subsidiaries of Hepsor AS had granted loans to the associate Hepsor SOF OÜ in the total amount of 3,880 thousand euros.

Note 22. Operating segments

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

The Group reports separately information about the following operating segments:

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

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

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

Revenue by geographical area:

in thousands of euros	9M 2025	9M 2024	Q3 2025	Q3 2024
Estonia	22,876	23,676	7,538	16,951
Latvia	8,012	4,179	1,873	3,482
Total	30,888	27,855	9,411	20,433

Additional information on sales revenue is provided in Note 13.

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

in thousands of euros	Residential development			Commercial development		Headquarters		Total
9M 2025	Estonia	Latvia	Canada	Estonia	Latvia	Estonia	Latvia	
Revenue	22,162	7,511	0	533	298	181	203	30,888
incl. revenue from rent	98	1	0	439	239	0	0	777
Operating profit/-loss	3,846	1,113	-23	429	86	-1,644	-794	3,013
Assets	24,486	8,958	7,922	13,111	22,266	3,389	534	80,666
Liabilities	14,997	4,871	3,930	9,503	15,462	6,995	3,295	59,053

in thousands of euros	Residential development			Commercial development		Headquarters		Total
9M 2024	Estonia	Latvia	Canada	Estonia	Latvia	Estonia	Latvia	
Revenue	22,996	3,953	0	550	222	129	5	27,855
incl. revenue from rent	84	27	0	473	222	0	0	806
Operating profit/-loss	3,831	666	-12	450	45	-1,609	-1,037	2,334
Assets	39,838	13,618	4,345	15,900	13,970	4,898	873	93,442
Liabilities	25,639	10,008	0	11,217	8,313	13,040	3,139	71,356

in thousands of euros	Residential development			Commercial development		Headquarters		Total
Q3 2025	Estonia	Latvia	Canada	Estonia	Latvia	Estonia	Latvia	
Revenue	6,694	1,636	0	177	168	81	69	8,825
incl. revenue from rent	23	-1	0	147	109	0	0	278
Operating profit/-loss	1,893	284	-5	141	51	-529	-232	1,603
Assets	24,486	8,958	7,922	13,111	22,266	3,389	534	80,666
Liabilities	14,997	4,871	3,930	9,503	15,462	6,995	3,295	59,053

in thousands of euros	Residential development			Commercial development		Headquarters		Total
Q3 2024	Estonia	Latvia	Canada	Estonia	Latvia	Estonia	Latvia	
Revenue	16,729	3,408	0	182	74	39	1	20,433
incl. revenue from rent	28	7	0	157	74	0	0	266
Operating profit/-loss	3,411	540	-6	145	-9	-542	-349	3,190
Assets	39,838	13,618	4,345	15,900	13,970	4,898	873	93,442
Liabilities	25,639	10,008	0	11,217	8,313	13,040	3,139	71,356

Note 23. Related parties

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

Balances and loan transactions with related parties:

in thousands of euros	30 September 2025	31 December 2024	30 September 2024
Receivables			
Loans granted (Note 4)			
Associated companies			
Opening balance as of 1 January	2,428	1,729	1,729
Loans granted	4,144	718	573
Effective interest rate impact	0	-19	0
Balance at the end of period	6,572	2,428	2,302
Trade and other receivables			
Management and all companies directly or indirectly owned by	14	9	91
Associated companies	1	1	0
Interest receivables			
Associated companies	598	309	268
Payables			
Prepayments from customers			
Management and all companies directly or indirectly owned by	3	564	0
Loans and borrowings (Note 7)			
Management and all companies directly or indirectly owned by			
Opening balance as of 1 January	1,371	1,383	1,383
Loans received	0	4,710	4,710
Loans repaid	-1,238	-4,722	-1,250
Balance at the end of period	133	1,371	4,843
Trade payables			
Management and all companies directly or indirectly owned by them	740	942	2,482
Interest payables			
Management and all companies directly or indirectly owned by them	14	27	42

Purchases and sales of goods and services:

in thousands of euros	9M 2025	9M 2024	Q3 2025	Q3 2024
Sales of goods and services				
Associated companies	104	91	51	24
Management and all companies directly or indirectly owned by them	40	290	4	206
Total sales of goods and services	144	242	55	230
Purchases of goods and services				
Management and all companies directly or indirectly owned by them	7,434	16,321	3,285	5,182
<i>incl. construction service</i>	<i>7,266</i>	<i>16,224</i>	<i>3,294</i>	<i>5,163</i>
Interest income earned				
Associated companies	289	108	163	39
Interest expenses incurred				
Management and all companies directly or indirectly owned by them				
Accrued interest	80	90	7	46
Interest paid	93	116	19	13

Note 24. Events after the reporting period

- ✓ On 8 October 2025, the Hepsor AS Group announced that, in cooperation with AS LHV Pank, it is preparing a bond programme and plans to list the bonds on the Main List of Nasdaq Tallinn Stock Exchange. Hepsor will issue a separate announcement regarding the approval of the prospectus by the Estonian Financial Supervision and Resolution Authority (Finantsinspektsioon), the start of the bond offering and the terms and conditions thereof.
- ✓ On 20 October 2025, the Hepsor AS Group company Hepsor Jugla SIA signed a loan agreement with BluOr Bank AS in the amount of 8.4 million euros. The purpose of the loan is to finance the construction of the first stage of the residential development project Zajā Jugla and the development of related infrastructure at Braila iela 23, Jugla, Riga.

Note 25. Risk management

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

Strategic risk

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

Market risk

Market risk is the risk arising from changes in the markets with which the Group is involved. The main market risks are price risk and interest rate risk. The Group is exposed to price risk, which arises from fluctuations in the market values of the Group's real estate development projects or price increases due to changes in input costs. The Group cannot guarantee that it will be able to sell its projects in the future at prices similar to or higher than the expected market value of these development projects. If the

Group faces difficulties in selling projects at the prices assumed in the business plans, it may have a negative impact on the Group's operations, financial position, prospects, results, and the implementation of its strategy. To mitigate market risk, the Group's management continuously monitors market developments and takes these into account when making development decisions.

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

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

Credit risk

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

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

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

Liquidity risk

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

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

Capital risk

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

Currency risk

The Group's activities are mainly carried out in the currency of the economic environment of the companies: in Estonia and Latvia in euros (EUR) and in Canada in Canadian dollars (CAD). The Group's currency risk arises from the translation of the functional currency of the Canadian subsidiary into the Group's functional and presentation currency. In order to mitigate

currency risks, the Group concludes as many contracts as possible in euros. The majority of intra-group transactions are carried out in euros. The growth of business in Canada leads to the Group's exposure to currency risks. As of 30 September 2025, the Group is not significantly exposed to currency risks, therefore, the Group has not used instruments to hedge currency risks.

Management Board's Confirmation

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

Martti Krass
Member of Management Board
Tallinn, 28 October 2025