



# AS MERKO EHITUS

## GROUP

### 2024 9 months and III quarter consolidated unaudited interim report

Business name:	AS Merko Ehitus
Main activities:	Holding companies General contracting of construction Real estate development
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Reporting period:	01.01.2024 – 30.09.2024
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Management Board:	Ivo Volkov, Tõnu Toomik, Urmas Somelar
Auditor:	AS PricewaterhouseCoopers

# TABLE OF CONTENTS

BRIEF OVERVIEW OF THE GROUP.....	3
MANAGEMENT REPORT .....	5
MANAGEMENT BOARD'S DECLARATION .....	20
INTERIM FINANCIAL STATEMENTS .....	21
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME .....	21
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	22
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	23
CONSOLIDATED CASH FLOW STATEMENT .....	24
NOTES .....	25
NOTE 1 ACCOUNTING POLICIES USED.....	25
NOTE 2 OPERATING SEGMENTS .....	25
NOTE 3 COST OF GOODS SOLD .....	29
NOTE 4 EARNINGS AND DIVIDENDS PER SHARE .....	29
NOTE 5 CASH AND CASH EQUIVALENTS.....	30
NOTE 6 TRADE AND OTHER RECEIVABLES.....	30
NOTE 7 INVENTORIES .....	30
NOTE 8 OTHER LONG-TERM LOANS AND RECEIVABLES.....	31
NOTE 9 INVESTMENT PROPERTY .....	31
NOTE 10 PROPERTY, PLANT AND EQUIPMENT .....	31
NOTE 11 INTANGIBLE ASSETS .....	32
NOTE 12 BORROWINGS .....	32
NOTE 13 PAYABLES AND PREPAYMENTS .....	33
NOTE 14 SHORT-TERM PROVISIONS .....	33
NOTE 15 OTHER LONG-TERM PAYABLES.....	33
NOTE 16 RELATED PARTY TRANSACTIONS .....	34
NOTE 17 CONTINGENT LIABILITIES.....	37
DEFINITION OF RATIOS.....	38

# BRIEF OVERVIEW OF THE GROUP

**Companies in the Merko Ehitus group develop real estate, construct buildings and infrastructure. We operate in the Baltic states.**

**We create a better living environment and build the future.**

Long-term experience, a wide scope of construction services, quality and reliability have made Merko the brand of the leading construction company and apartment developer in the Baltics.

**ESTONIA**

- Real estate development
- Buildings
- Infrastructure
- Road construction (separate company Tallinna Teede AS)
- Concrete works
- Electrical construction (50% share in AS Connecto Eesti)

**LATVIA**

- Real estate development
- Buildings
- Infrastructure (selected projects)

**LITHUANIA**

- Real estate development
- Buildings
- Infrastructure (selected projects)
- PPP-projects

**The construction company with the largest equity in the Baltics**, long-term capability to self-finance its projects

**A strong position on the Baltic construction market**, the leading residential real estate developer

International quality, environmental protection and occupational safety **certificates ISO 9001, ISO 14001, ISO 45001**

## SHARES

The shares are listed in the Main List of NASDAQ Tallinn since 1997.

The main shareholder is AS Riverito (**72%**)

## 2023 KEY FIGURES

Revenue **466.3 million** euros

Net profit **46.0 million** euros

**635** employees





**MERKO VALUES**

- I am competent
- I keep my word
- I care and take responsibility
- I initiate and make it happen
- I look for new ideas

**MERKO ESSENCE**



**STRATEGY**

AS Merko Ehitus subsidiaries provide construction services in the field of building and infrastructure construction and develop residential real estate in their home markets of Estonia, Latvia and Lithuania. We want to be the preferred partner for those who value quality, both in the performance of construction works and in the development and sale of apartments, as well as in contributing to society. As a caring and development-oriented employer, we ensure that our employees are professional and motivated, each of whom contributes to the joint result of each company, each unit and Merko itself. By focusing on profitability, cost base efficiency and the best employees, we ensure the investor a long-term profitable investment.

# MANAGEMENT REPORT

## COMMENTARY FROM MANAGEMENT

Merko Ehitus revenue for the 9 months of 2024 was EUR 379 million and net profit was EUR 44.8 million. Third-quarter revenue was EUR 175 million; net profit EUR 27.3 million. Sales of construction services made up about 90% of the 9-month revenue.

According to the management of Merko Ehitus, the construction of some projects was accelerated at the request of the clients, which increased current construction volumes, helped reduce costs and increase efficiency. As a result, Merko ended the 9 months with a stronger result than planned. Group companies reached the home stretch for several large and complex projects, including the largest construction project in Merko's history, Arter quarter, with close to 80% of its 150-million-euro volume now completed. One of the Arter buildings is finished, interior works on the second building are being completed and work on the interior of the highest building is continuing. According to the management of Merko Ehitus, the group's companies had been conservative in cost forecasting and assessment of risks, managed to avoid realisation of the latter during the long construction period. Thus, the sales revenue and profit of several ongoing projects budgeted for next year materialised in the current year. Merko secured order-book is at a good level, remaining above more than EUR 400 million throughout this year. The market is still tight and competition is intense, and there is a significant increase in risk appetite in the bid prices of some construction service providers.

**2024 9M**  
**REVENUE**  
**379 MILLION EUROS**

**PROFIT**  
**BEFORE TAX**  
**49.6 MILLION EUROS**

The company's strong financial position and the launch of fewer new development projects have helped Merko keep interest costs low during high-interest-rate period. The rapid growth of construction prices has subsided and been supplanted by a moderate annual 1–2% growth as per earlier forecast. Until there is no foreseeable drop in energy prices and wages, there is no reason to expect the construction price index to decrease. An increasingly stronger contribution to the group's results comes from the joint enterprise Connecto Eesti, dealing in energy infrastructure construction and maintenance. Connecto's business volumes are high due to major investments being channelled into this field.

The results in the real estate development business area are, as expected, significantly more modest than last year, but still clearly more positive than expected in the start of this year. A livelier market can be noticed in all of home markets; with Lithuania clearly standing out with its long-lasting positive economic sentiment. Success in apartment sales in Estonia, Latvia and Lithuania is quite clearly linked to consumer confidence. The group's management is moderately optimistic about the future and assesses Merko's inventory of finished apartments as appropriate to market needs – besides apartments under construction, ready-to-move-in homes can also be purchased.

In the nine months of 2024, the group companies entered into new construction contracts worth EUR 292 million and the secured order-book as of the end of September stood at EUR 431 million. The largest contracts signed in Q3 were for the Tartu mnt 1 office building (the future headquarters of LHV Group) and the fourth stage of the mainline of Rail Baltica in Harju County in Estonia; a student hotel in Riga, Latvia; and additional work on a wind farm in Pagėgiai, Lithuania.

The largest sites under construction in Q3 were, in Estonia, the TKM Group logistics centre, the Hampton by Hilton and Hyatt hotel buildings, Arter Quarter, Estonian Defence Forces buildings on Ämari base, a tram line between Old City Harbour and Rail Baltica Ülemiste passenger terminal and the first stage of Ülemiste multimodal transport junction and the Rail Baltica's Tõdva highway overpasses. In Lithuania, the largest construction sites were wind farm infrastructure in Kelmė, Pagėgiai and Telšiai regions, a substation in Kelmė and various national defence buildings and infrastructure. In Latvia, a solar farm in Vārme Municipality was under construction.

In the first nine months of current year, Merko has delivered 194 apartments and 11 commercial units to buyers and invested EUR 31 million into the real estate business. As of the end of September, the group companies had 591 unsold apartments which were either ready or under construction, and 87 apartments covered by preliminary sale contracts. Merko launched the construction of 175 apartments and sales in four projects this year: a new phase of Veerenni in Tallinn, Õielehe in Jüri, a new phase of Erminurme in Tartu and the first phase of Lucavsala in Riga. The largest development projects under construction were Uus-Veerenni, Noblessner and Lahekalda in Tallinn, Erminurme in Tartu; Viesturdārzs, Mežpilsēta and Magnolijas in Riga; and Vilnelės Skverai in Vilnius.

## OVERVIEW OF THE III QUARTER AND 9 MONTHS RESULTS

### PROFITABILITY

2024 9 months' pre-tax profit was EUR 49.6 million and Q3 2024 was EUR 31.3 million (9M 2023: EUR 33.8 million and Q3 2023 was EUR 13.6 million), which brought the pre-tax profit margin to 13.1% (9M 2023: 10.0%).

Net profit attributable to shareholders for 9 months 2024 was EUR 44.8 million (9M 2023: EUR 32.1 million) and for Q3 2024 net profit attributable to shareholders was EUR 27.3 million (Q3 2023: EUR 12.7 million). 9 months net profit margin was 11.8% (9M 2023: 9.5%).

### REVENUE

Q3 2024 revenue was EUR 175.1 million (Q3 2023: EUR 122.5 million) and 9 months' revenue was EUR 378.7 million (9M 2023: EUR 339.8 million). 9 months' revenue increased by 11.4% compared to same period last year. The share of revenue earned outside Estonia in 9 months 2024 was 60.1% (9M 2023: 34.5%).

### SECURED ORDER BOOK

As of 30 September 2024, the group's secured order book was EUR 430.9 million (30 September 2023: EUR 448.6 million). In 9 months 2024, group companies signed contracts in the amount of EUR 292.1 million (9M 2023: EUR 379.4 million). In Q3 2024, new contracts were signed in the amount of EUR 152.6 million (Q3 2023: EUR 124.7 million).

### REAL ESTATE DEVELOPMENT

In 9 months 2024, the group sold a total of 194 apartments; in 9 months 2023, the group sold 665 apartments. The group earned a revenue of EUR 36.0 million from sale of own developed apartments in 9 months 2024 and EUR 106.1 million in 9 months 2023. In Q3 of 2024 a total of 74 apartments were sold, compared to 153 apartments in Q3 2023, and earned a revenue of EUR 14.6 million from sale of own developed apartments (Q3 2023: EUR 25.5 million).

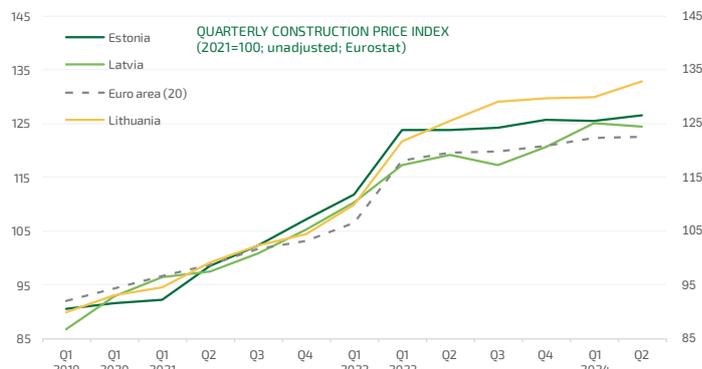
### CASH POSITION

At the end of the reporting period, the group had EUR 61.1 million in cash and cash equivalents, and equity of EUR 234.6 million (51.3% of total assets). Comparable figures as of 30 September 2023 were EUR 31.3 million and EUR 198.4 million (49.7% of total assets), respectively. As of 30 September 2024, the group's net debt was negative EUR 22.2 million (30 September 2023: positive EUR 28.4 million).

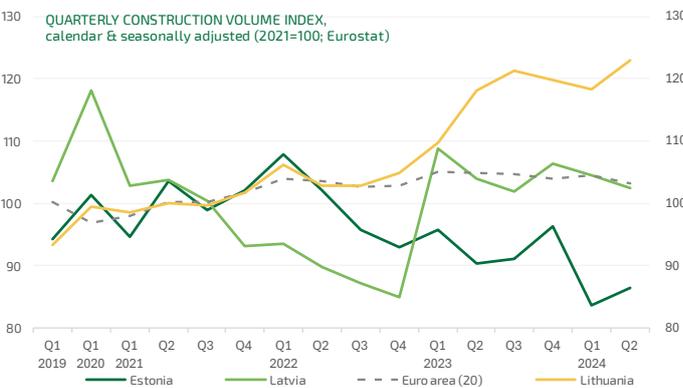
# OUTLOOK OF CONSTRUCTION AND REAL ESTATE MARKET

## CONSTRUCTION SERVICES

The pattern that has emerged in the beginning of the year remained dominant in the development of construction prices: alongside marginal fluctuations in the prices of construction materials, the consolidated index was kept in slight growth by the growing workforce expenses and the price of construction machinery. The price of construction materials was in turn influenced by local optimums – demand (or lack thereof) for specific materials due to the type of buildings and infrastructure being built. At the same time, there is a continuing trend of prices on a more active market rising faster due to stronger demand – the Lithuanian construction price index is displaying stronger growth than those in Estonia or Latvia. Although the Q3 Eurostat data were not available at the time of this report, local data showed price indexes unchanging in all of the Baltic states. We maintain our expectation that there will be more pressure for prices to rise and temporary decreases will be more reflective of the lower activity level and volumes on the market. No fundamental factors suggesting the possibility of falling prices have emerged on the market, even though competition on the construction market is high. A successive round of tax hikes has been announced in all of the Baltic states, which has an uniform effect on local construction companies and will keep on gradually raising the prices of construction services.



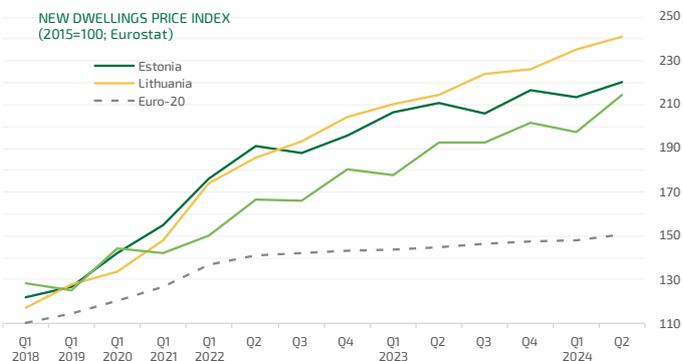
Although Estonia managed to recover in summer somewhat from the decline in construction volumes in Q1 of 2024, the fulfilment of Rail Baltica orders has not entered full swing, let alone a recovery of road and housing construction. In Latvia, road and residential construction is somewhat more active and this is also reflected in the stability of construction volumes. Lithuania, which became the leader in the Baltics in terms of economic activity over the last twelve to eighteen months, still has a strong construction market and the construction volume index clearly attests to that. It is hard to project how construction volumes will fare from here out, since all countries are embroiled in complicated budgetary negotiations; Lithuania is also getting a new cabinet. The total volume in the Baltics as a whole is dragged down by the weakness of the real estate market, and a decline in residential and commercial construction volumes, compensation of which in other segments will depend on budgetary possibilities and government priorities.



We remain conservative in our longer-range outlooks and proceed from lack of economic growth in Estonia, modest growth in Latvia and Lithuania and the related dearth of private sector capital investments. In recent weeks, the meagre budgetary funding with respect to Rail Baltica's ambitions and uncertainty of continuing EU support have become hot topic. Should the construction process slow even more due to lack of financial cover, the construction sector as a whole would be expected to see a decline in business volumes. Defence investments will continue to be strong throughout the region but will be unable to compensate for a decline in other segments.

## DEVELOPMENT OF APARTMENTS

Activity level on the real estate market continues to be below the long-term average level. Latvia saw a significant increase in activity in the summer. Looking back at the first nine months of 2024, there were no developments or changes that would dispel uncertainty in potential buyers or encourage developers to invest in increasing supply. Demand and supply have settled into a new equilibrium and even the most optimistic buyers are not expecting kind of price drops caused by a bubble of excessive development volumes. As a result, the prices of new developments shown in real estate market statistics are moving upward due to the completion of the developments started in 2023 and their delivery to buyers.



We stick to our assessment that the forecast for the near future is stable prices with insignificant fluctuations and no major change in the market activity level. In the longer view, events on the real estate market depend on whether the bureaucracy surrounding planning and permit proceedings will grow or shrink and also on the requirements for housing arising from the Green Deal. Falling interest rates have not so far exerted visible influence on interest from buyers or investors' activity. The growth in the supply of new developments will remain limited since despite many promises to speed up and simplify proceedings from acquisition of plots to building permits, market participants are seeing proceedings continuing to get longer.

## BUSINESS ACTIVITIES

The group business reporting is divided into two business segments:

- construction service;
- real estate development.

### CONSTRUCTION SERVICE

The construction service in Baltic states consists of services in the fields of general construction, civil engineering and concrete works and, through the joint venture AS Connecto Eesti also electrical construction. Additionally in Estonia road construction services.

million EUR

	9M 2024	9M 2023	VARIANCE	Q3 2024	Q3 2023	VARIANCE	12M 2023
Revenue	338.2	208.7	+62.1%	159.5	87.7	+81.9%	298.2
% of total revenue	89.3%	61.4%		91.1%	71.6%		63.9%
Operating profit	39.2	11.6	+237.5%	29.3	6.9	+321.6%	20.5
Operating profit margin	11.6%	5.6%		18.3%	7.9%		6.9%

In the 9 months of 2024, the revenue of the construction service segment was EUR 338.2 million (9M 2023: EUR 208.7 million). The sales revenue of construction service has increased by 62.1% compared to the same period last year. The construction service segment revenue for 9 months 2024 made up 89.3% of the group's total revenue (9M 2023: 61.4%). In this segment, the group earned an operating profit of EUR 39.2 million for 9 months (9M 2023: EUR 11.6 million). The operating profit margin was 11.6% (9M 2023: 5.6%). The operating profit was mainly affected by expiration of the old fixed-price contracts, the decrease of their share in turnover of the reporting period.

Larger projects in progress in the third quarter in construction service segment in Estonia included the logistics centre for TKM Group, Hampton by Hilton and Hyatt hotel buildings, Arter Quarter, Defence Forces' buildings in the Ämari campus, tram line connecting Old Harbour and Rail Baltic's Ülemiste passenger terminal and the first phase of Ülemiste terminal as well as Rail Baltica road viaducts in Tõdva. In Lithuania, larger projects were construction of wind farm infrastructure works in Kelmė, Pagėgiai and Telšiai region and a substation in Kelmė as well as various NATO training centres buildings and infrastructures were underway. In Latvia, the group was working on the construction of a solar panel power plant in Vārme parish.

### REAL ESTATE DEVELOPMENT

The real estate development segment includes residential real estate development and construction of joint venture projects, long-term real estate investments and commercial real estate projects in Estonia, Latvia and Lithuania. To ensure the finest quality, as well as maximum convenience and assurance for apartment buyers, Merko handles all phases of development: acquisition of the real estate, planning, design of the development project, construction, marketing and sales, and warranty-period customer service.

million EUR

	9M 2024	9M 2023	VARIANCE	Q3 2024	Q3 2023	VARIANCE	12M 2023
Revenue	40.5	131.2	-69.2%	15.6	34.8	-55.2%	168.1
incl. revenue from sale of apartments	36.0	106.1		14.6	25.5		137.5
incl. construction service to joint venture projects	1.7	20.0		0.1	6.8		24.7
% of total revenue	10.7%	38.6%		8.9%	28.4%		36.1%
Operating profit	10.2	20.5	-50.1%	3.8	5.7	-34.5%	26.7
Operating profit margin	25.3%	15.6%		24.1%	16.5%		15.9%

In 9 months 2024, the group sold a total of 194 apartments (incl. 23 apartments in a joint venture) and 11 commercial premises (incl. 10 in a joint venture); in 9 months 2023, 665 apartments (incl. 104 apartments in a joint venture) and 22 commercial premises (incl. 8 in a joint venture). The group earned a revenue of EUR 36.0 million (VAT not included) from sale of developed apartments in 9 months 2024 and EUR 106.1 million (VAT not included) in 9 months 2023. In the revenue and operating profit of the real estate development segment also are reflected the sales of commercial premises and parking spaces of the real estate development projects and the result of public-private-partnership contracts, based on which the group companies provide property management services for earlier constructed buildings.

For development projects in joint venture, the real estate development business segment revenue reflects the construction services provided to the project by the group and the operating profit includes the realised construction profit for the period. The

profit from development gained from sale of those apartments to end-customers is recognised in the group's reporting based on the equity method.

In 9 months of 2024, real estate development segment revenues decreased by 69.2% compared to the same period last year and formed 10.7% of the group's total revenue (9 months of 2023: 38.6%).

The segment's operating profit for the 9 months of 2024 amounted to EUR 10.2 million (9 months of 2023: EUR 20.5 million) and the operating profit margin was 25.3% (9 months of 2023: 15.6%). The profitability of the apartment development projects varies by project and depends greatly on the cost structure of the specific project, including the land acquisition price. In addition, the group earned one-off profit from the sale of investment property.

In 9 months of 2024, the group launched the construction of a total of 175 new apartments in the Baltic states (9 months of 2023: the group did not launch apartments construction). In the 9 months, the group invested a total of EUR 29.9 million (9 months of 2023: EUR 64.7 million) in the ongoing development projects.

After the reporting date, the group has started the construction of 84 apartments in the first stage of the Arena Garden Towers residential development project in Riga.

One of the group's objectives is to keep a sufficient portfolio of land plots to ensure stable inventory of property development projects, which considers the market conditions. As of 30 September 2024, the group's inventories included land plots with development potential, where the construction works have not started, in the amount of EUR 87.4 million (30.09.2023: EUR 89.6 million).

#### GROUP'S INVENTORIES WITH DEVELOPMENT POTENTIAL BY COUNTRY

million EUR

	30.09.2024	30.09.2023	31.12.2023
Estonia	30.9	32.5	32.5
Latvia	23.6	24.1	23.9
Lithuania	31.5	31.5	31.5
Norway	1.4	1.5	1.5
<b>Total</b>	<b>87.4</b>	<b>89.6</b>	<b>89.4</b>

In 9 months of 2024, the group has obtained new land plots for real estate development purposes at acquisition cost of EUR 1.1 million (9 months of 2023: in the amount of EUR 5.7 million).

## SECURED ORDER BOOK

As of 30 September 2024, the group's secured order book amounted to EUR 430.9 million, compared to EUR 448.6 million as of 30 September 2023, having decreased by 3.9% in the annual comparison. The secured order book excludes the group's own residential development projects and construction works related to developing real estate investments.

In 9 months of 2024, EUR 292.1 million worth of new contracts were signed, which is decreased by 23.0% compared to the same period of the previous year (9 months of 2023: EUR 379.4 million). The value of new contracts signed in the third quarter of 2024 amounted to EUR 152.6 million; in the third quarter of 2023 the value of new contracts signed amounted to EUR 124.7 million.

#### LARGEST CONSTRUCTION CONTRACTS SIGNED IN THE THIRD QUARTER OF 2024

BRIEF DESCRIPTION OF CONTRACT	COUNTRY	COMPLETION TIME	VALUE MILLION EUR
Design-and-build contract of an office building located at Tartu mnt 1, Tallinn	Estonia	In early 2028	64.3
Design and construction contract for the construction of the fourth stage of Rail Baltica Harjumaa main line railway infrastructure on Saku-Harjumaa border section. In carrying out the works, AS Merko Ehitus Eesti is the leading partner with a 51:49 ratio	Estonia	Autumn 2028	59.9
Design-and-build construction contract of student hotel "Duck Republik" located in Riga, Slokas iela 51	Latvia	May of 2026	12.3

After the balance sheet date, the group has concluded the following major construction contracts:

- On 6 November 2024, AS Merko Ehitus Eesti, part of AS Merko Ehitus group, and the Estonian Centre for Defence Investment signed a design-and-build construction contract for the construction of a National Defence House in the defence forces Raadi campus in Tartu. The total estimated cost of the project is 9.5 million euros.

As of 30 September 2024, the private sector orders accounted for approximately 53% of the total balance in the group's secured order book (30.09.2023: approximately 52%). Private sector share growth was affected by contracts for large-scale renewable energy park facilities. In other areas, the private sector remains in a wait-and-see approach, assessing profitability conservatively and risks as high in an environment of relatively high interest rates and weak economic growth. Planned high-priority investments in the public sector will continue despite the factors inhibiting the private sector.

The group is focusing on the existing home markets, keeping a diversified operating portfolio as a strategic aim, balancing construction activities with real estate development in different countries.

## CASH FLOWS

At the end of reporting period, the group had cash and cash equivalents in the amount of EUR 61.1 million (30.09.2023: EUR 31.3 million). As the group's cash position continues to be strong, the group has not utilised all its credit lines of existing overdrafts and loan agreements within reporting period. As of the end of the reporting period, the group entities had concluded overdraft contracts with banks in a total amount of EUR 55.0 million, of which EUR 53.2 million was unused (30.09.2023: EUR 57.0 million, of which EUR 50.0 million was unused).

The 9-month cash flow from operating activity was positive at EUR 23.0 million (9 months of 2023: positive EUR 63.7 million), cash flow from investing activity was positive at EUR 1.2 million (9 months of 2023: positive EUR 0.8 million) and the cash flow from financing activity was negative at EUR 40.4 million (9 months of 2023: negative EUR 50.8 million).

The cash flow from operating activities had positive effect from EBITDA of EUR 49.4 million (9 months of 2023: positive effect of EUR 32.4 million), from the changes in receivables and liabilities related to construction contracts of EUR 15.4 million (9 months of 2023: positive effect of EUR 21.2 million), from the changes in trade and other payables related to operating activities of EUR 6.4 million (9 months of 2023: positive effect of EUR 7.1 million) as well from the change in the provisions of EUR 1.2 million (9 months of 2023: positive effect of EUR 0.9 million). The negative effects to cash flow from operating activities came from the change in trade and other receivables related to operating activities of EUR 31.5 million (9 months of 2023: negative effect of EUR 7.9 million) and from the change in inventories of EUR 5.1 million (9 months of 2023: positive effect of EUR 15.7 million). The cash flows from inventories are mainly affected by the construction and sales cyclicity of developed apartments: the negative cash flow is due to the increase in the volume of inventories related to the construction of apartments, then the positive cash flow is due to the decrease in inventories at the sale of the apartments. Interest was paid EUR 1.9 million (9 months of 2023: EUR 2.6 million) and corporate income tax was paid at EUR 7.9 million (9 months of 2023: EUR 2.8 million).

To support cash flows from operating activities, including increased volumes in apartment development, the group has raised additional external capital. At the same time, the debt ratio has remained at a moderate level (8.5% as of 30.09.2024; 15.0% as of 30.09.2023; 12.9% as of 31.12.2023).

Cash flows from investing activities include negative effect from the disposal of subsidiary in the amount of EUR 4.2 million (9 months of 2023: EUR 0), from the acquisition of non-current assets in the amount of EUR 1.1 million (9 months of 2023: EUR 1.3 million) as well from the purchase of other financial investments in the amount of EUR 5.0 million (9 months of 2023: EUR 0). The positive impact in cash flows from investing activities came from the sale of non-current assets in the amount of EUR 0.5 million (9 months of 2023: EUR 1.1 million), from the sale of investment property of EUR 6.5 million (9 months of 2023: EUR 0), EUR 3.0 million from the dividends received from the joint venture (9 months of 2023: EUR 1.2 million) and EUR 1.5 million interest received from banks (9 months of 2023: EUR 0).

In cash flows from financing, the larger negative factors were dividend payment of EUR 22.9 million (9 months of 2023: EUR 17.7 million), the repayments of lease liabilities in the amount of EUR 1.2 million (9 months of 2023: net negative cash flow of EUR 1.0 million) and the change in loans related to net amount of loans received and repaid of project specific loans obtained using investment property as collateral in the amount of EUR 1.3 million (9 months of 2023: negative cash flow in the net amount of EUR 1.2 million), from the net change in loans received and repaid in connection with development projects in the amount of EUR 8.3 million (9 months of 2023: net negative cash flow of EUR 13.2 million), which resulted from the repayment of loans taken for residential development projects, as well from the change in loans related to other activities in the amount of EUR 6.6 million (9 months of 2023: net negative cash flow of EUR 17.8 million).

## RATIOS

(attributable to equity holders of the parent)

<b>INCOME STATEMENT SUMMARY</b>		<b>9M 2024</b>	<b>9M 2023</b>	<b>9M 2022</b>	<b>Q3 2024</b>	<b>Q3 2023</b>	<b>Q3 2022</b>	<b>12M 2023</b>
Revenue	million EUR	378.7	339.8	266.2	175.1	122.5	110.0	466.3
Gross profit	million EUR	63.1	43.2	31.1	39.4	17.4	13.8	65.0
Gross profit margin	%	16.7	12.7	11.7	22.5	14.2	12.5	13.9
Operating profit	million EUR	47.1	30.1	18.5	32.3	12.0	9.9	44.5
Operating profit margin	%	12.4	8.8	7.0	18.5	9.8	9.0	9.5
Pre-tax profit	million EUR	49.6	33.8	18.7	31.3	13.6	10.3	52.0
Pre-tax profit margin	%	13.1	10.0	7.0	17.9	11.1	9.4	11.1
Net profit	million EUR	44.7	32.0	16.8	27.3	12.7	9.6	45.9
attributable to equity holders of the parent	million EUR	44.8	32.1	17.0	27.3	12.7	9.8	46.0
attributable to non-controlling interest	million EUR	(0.1)	(0.1)	(0.3)	(0.0)	0.0	(0.2)	(0.1)
Net profit margin	%	11.8	9.5	6.4	15.6	10.4	8.9	9.9
<b>Other income statement indicators</b>		<b>9M 2024</b>	<b>9M 2023</b>	<b>9M 2022</b>	<b>Q3 2024</b>	<b>Q3 2023</b>	<b>Q3 2022</b>	<b>12M 2023</b>
EBITDA	million EUR	49.4	32.4	20.6	33.1	12.8	10.7	48.1
EBITDA margin	%	13.0	9.5	7.8	18.9	10.5	9.7	10.3
General expense ratio	%	4.9	4.7	5.4	4.3	4.5	4.2	5.1
Labour cost ratio	%	9.5	10.2	11.6	7.7	9.5	9.2	10.8
Revenue per employee	thousand EUR	618	521	404	286	188	167	718

<b>OTHER SIGNIFICANT INDICATORS</b>		<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2022</b>	<b>31.12.2023</b>
Return on equity	%	27.0	26.2	18.7	23.4
Return on assets	%	13.6	13.0	8.5	11.8
Return on invested capital	%	27.1	20.5	14.6	20.6
Assets	million EUR	457.8	398.9	407.3	425.3
Equity	million EUR	234.4	198.0	166.1	211.9
Equity attributable to equity holders of the parent	million EUR	234.6	198.4	166.6	212.1
Equity ratio	%	51.3	49.7	40.9	49.9
Debt ratio	%	8.5	15.0	27.1	12.9
Current ratio	times	2.0	2.0	1.8	2.0
Quick ratio	times	0.9	0.7	0.5	0.9
Accounts receivable turnover	days	49	36	31	38
Accounts payable turnover	days	46	39	56	40
Average number of employees	people	613	652	659	649
Secured order book	million EUR	430.9	448.6	341.0	477.5

Ratio definitions are provided on page 38 of the report.

## RISK MANAGEMENT

Risk management is part of strategic management and is inseparable from daily operations of the group. In managing risks, the main objective of the group is to determine most significant risks and to manage these risks in a balanced way so that the group achieves its strategic and financial objectives.

Merko Ehitus divides risks into four main categories: business risk, market risk (incl. interest risk and foreign exchange risk), financial risk (incl. credit risk and liquidity risk) and operational risk (incl. health and safety risk and environmental risk). The topic of risk management has been thoroughly covered on the group's website: [group.merko.ee/en/investors/risk-management/](https://group.merko.ee/en/investors/risk-management/).

### *Legal risk*

Due to different interpretations of contracts, regulations and laws related to group's principal activities, there is a risk that some buyers, contractors or supervisory authorities evaluate the company's activities from the perspective of laws or contracts from a different position and dispute the legitimacy of the company's activities.

As of 30 September 2024, a provision has been set up at the group in the amount of EUR 0.8 million for covering potential claims and legal costs (30.09.2023: EUR 2.1 million).

Below is presented an overview of the key legal disputes and proceedings, which have taken place or ended during 2024 or are ongoing as of 30 September 2024 and which concern group entities is presented:

### **Estonia**

#### Appeal for the revocation of the order of the Minister of the Environment

The court cases in connection with Minister of the Environment regulation No 22 of 27 March 2015, which redrew the boundaries of species protection sites to exclude properties on Paekalda street owned by AS Merko Ehitus subsidiaries. On 2 February 2016, AS Merko Ehitus group companies filed a complaint in Tallinn Administrative Court for compensation of damage. The claims consist of direct patrimonial damage (reduction in the value of immovable property and expenditures made on development activity) and claims for revenue foregone (failed development activity in 2006-2015). By a decision of 5 March 2021, the Supreme Court sent the appeal regarding the claim for compensation for direct property damage caused by the lawful activities of the Republic of Estonia to the Tallinn Administrative Court for reconsideration. In its decision of 19 April 2024, Tallinn Administrative Court rejected the complaint. The court ruled that the value of the disputed immovable properties has not significantly dropped. OÜ Merko Kodud appealed to Tallinn Circuit Court. The impact of this claim has not been taken into account in the group's reporting.

### **Latvia**

#### Latvian Competition Council administrative proceeding

On 9 August 2021, SIA Merks, a subsidiary of AS Merko Ehitus, received the [decision of the Latvian Competition Council](#) in the administrative proceedings initiated with regard to the company in 2019. The Group has disclosed information about the proceedings on an ongoing basis in stock market notices, annual and interim reports and in the [relevant subsection of the website](#).

On 13 September 2021, SIA Merks and AS Merko Ehitus contested the decision of the Latvian Competition Council in the Latvian administrative court. Before the court decision comes into effect, the fine of EUR 2.7 million levied by the Competition Council will not become payable and the possible claims for damages of third persons will not be subject to review nor other possible consequences arising from law will be applicable before the court decision enters into force. Currently it has not been possible to assess reliably the impact of potential damage claims on the company due to the large number of inputs open to change, the lack of practice of implementing joint and several liability and the ambiguity of other legal aspects.

The last court session to discuss the content of the appeal claim took place on 26 September 2023. In its judgement, announced on 25 January 2024, the court of appeal upheld the decision of the Competition Council. On 26 February 2024, SIA Merks and AS Merko Ehitus filed an appeal in cassation with the Supreme Court of Latvia in appeal against the decision of the Latvian Competition Council. The cassation appeal has been accepted and respective proceedings started, yet at the time of the preparation of the report there is no additional information about the deadlines and actions of the proceedings.

AS Merko Ehitus continues to hold the conclusions of the Latvian Competition Council with regard to the business activities of SIA Merks both factually and legally unjustified and will use all the possibilities granted under the rule of law to overturn such conclusions.

As of the reporting date, SIA Merks has been sold with sufficient provisions to cover a potential fine.

## EMPLOYEES AND LABOUR COSTS

As of 30 September 2024, Merko Ehitus group employed 616 people (including temporary and part-time staff). Compared to the same period last year, the number of group's employees decreased by 47 (-7.1%). The number of employees decreased in Estonia, Latvia and Norway and increased in Lithuania.

Professionals with longstanding experience are the company's key value. The group's objective is to pay its employees competitive salary. The interests of employees and the company are balanced by performance-based remuneration.

The group defines labour cost as salary (incl. fixed salary, additional pay, holiday pay, and performance pay), taxes based on salary, fringe benefits and taxes on fringe benefits. In 9 months 2024, the labour cost was EUR 35.9 million (9 months 2023: EUR 34.6 million), which increased by 3.9% compared to the same period previous year, while labour cost ratio decreased by 0.7 pp from 10.2% to 9.5% in comparable periods.

## ETHICAL BUSINESS PRACTICES

Group's core values include ethical business practices, considered a long-term important success factor. By following highly ethical principles, we promote profitable growth, gain the trust of our stakeholders, and support fair competition and equal treatment.

We conduct business honestly, follow ethical principles in our activities and make sure our employees know and follow business ethics standards in their everyday work. To embed the principles the Group has established a Code of Business Ethics.

The topic of business ethics has been thoroughly covered on the group's website: [group.merko.ee/en/corporate-responsibility/](https://group.merko.ee/en/corporate-responsibility/).

## SHARE AND SHAREHOLDERS

### INFORMATION ON SECURITY

Issuer	AS Merko Ehitus
Name of security	Share of Merko Ehitus
Ticker	MRKIT
Residency of issuer	Estonia
Stock Exchange List	Nasdaq Tallinn, Baltic Main List
Industry	Construction
ISIN	EE3100098328
Nominal value	Without nominal value
Number of issued securities	17,700,000
Number of listed securities	17,700,000
Currency	EUR
Listing date	11 August 2008

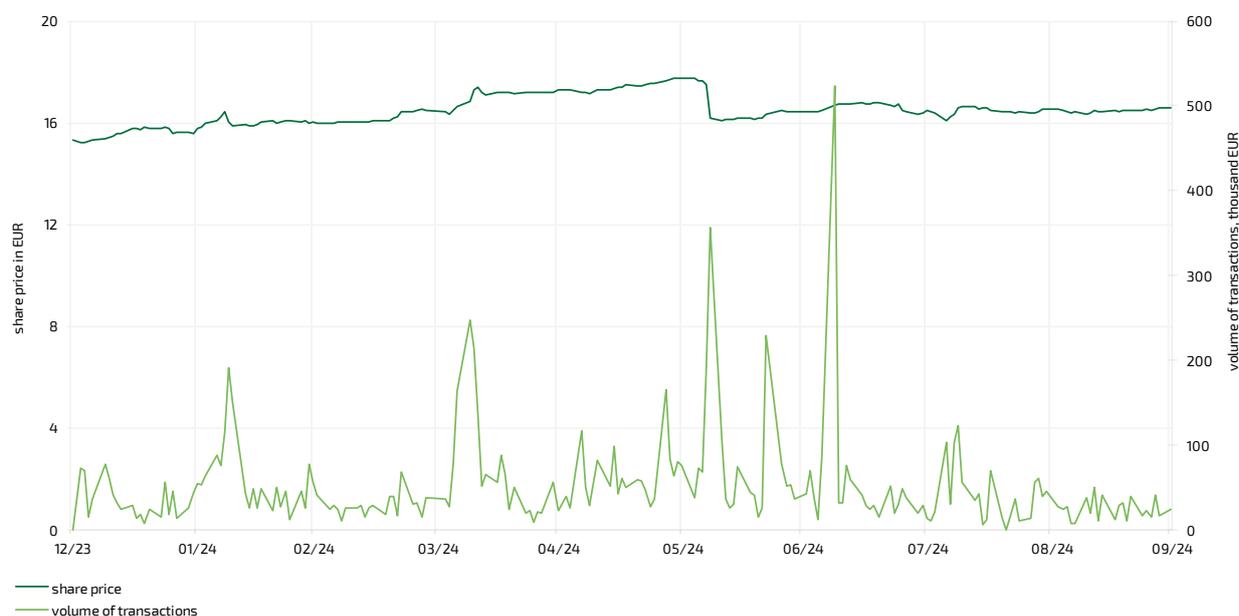
The shares of Merko Ehitus are listed in the Main List of Nasdaq Tallinn. As of 30 September 2024, the company has 17,700,000 shares. The number of shares has not changed during 2024.

A total of 18,312 transactions were conducted with the shares of Merko Ehitus in 9 months of 2024, with 0.59 million shares (3.3% of total shares) traded, generating a turnover of EUR 9.8 million (comparable figures in 9 months 2023 were accordingly: 23,580 transactions with 0.68 million shares traded (3.8% of total shares), generating a turnover of EUR 10.4 million). The lowest value-per-share transaction was recorded at the price of EUR 15.10 and the highest at EUR 17.78 per share (9 months of 2023: EUR 14.14 and EUR 16.36, accordingly). On 30 September 2024, the closing price of the share was EUR 16.60 (30.09.2023: EUR 14.70). As of 30 September 2024, by the Nasdaq Baltic stock exchange, the market capitalisation of AS Merko Ehitus was EUR 293.8 million, which has increased by 12.9% compared to the end of the equivalent period of the prior year (30.09.2023: EUR 260.2 million).

	30.09.2024	30.09.2023	30.09.2022	31.12.2023
Number of shares	17,700,000	17,700,000	17,700,000	17,700,000
Earnings per share (EPS), euros	2.53	1.82	0.96	2.60
Equity per share, euros	12.29	10.72	9.33	11.11
P/B ratio	1.35	1.37	1.32	1.38
P/E ratio	5.01	5.23	7.05	5.88
Market value, million EUR	293.8	260.2	217.7	270.8

Ratio definitions are provided on page 38 of the report.

### CHANGE IN THE PRICE AND TRANSACTION VOLUME OF MERKO EHITUS SHARE AT NASDAQ TALLINN STOCK EXCHANGE IN 2024



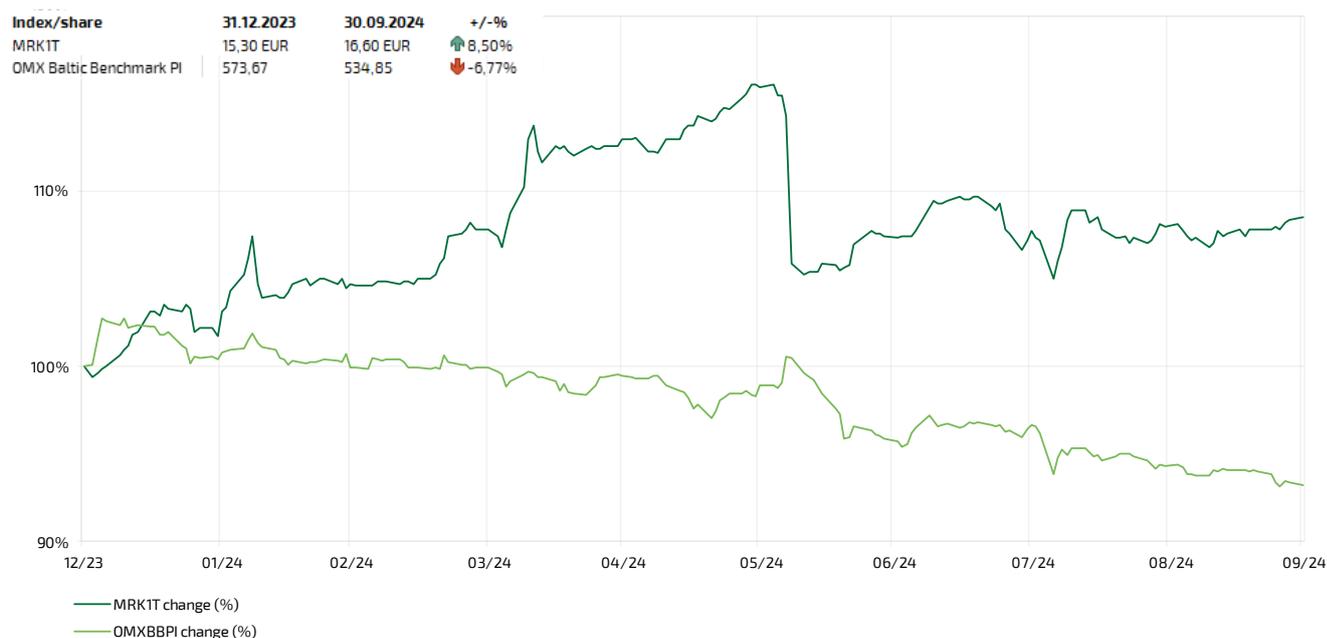
## STRUCTURE OF SHAREHOLDERS ACCORDING TO NUMBER OF SHARES AS OF 30.09.2024

NUMBER OF SHARES	NUMBER OF SHAREHOLDERS	% OF SHAREHOLDERS	NUMBER OF SHARES	% OF SHARES
1,000,001 - ...	1	0.01%	12,742,686	71.99%
100,001 – 1,000,000	6	0.05%	1,363,671	7.70%
10,001 – 100,000	43	0.32%	918,926	5.19%
1,001-10,000	542	4.12%	1,464,668	8.28%
101-1,000	2,894	22.00%	959,489	5.42%
1-100	9,668	73.50%	250,560	1.42%
<b>Total</b>	<b>13,154</b>	<b>100%</b>	<b>17,700,000</b>	<b>100%</b>

## SHAREHOLDERS OF AS MERKO EHITUS AS OF 30.09.2024 AND CHANGE COMPARED TO THE PREVIOUS QUARTER

	NUMBER OF SHARES	% OF TOTAL 30.09.2024	% OF TOTAL 30.06.2024	CHANGE
AS Riverito	12,742,686	71.99%	71.99%	-
OÜ Midas Invest	429,500	2.43%	2.43%	-
Firebird Republics Fund Ltd	356,335	2.01%	1.93%	14,716
Firebird Avrora Fund Ltd	208,178	1.18%	1.13%	8,490
OÜ Alar Invest	136,000	0.77%	0.77%	-
Firebird Fund L.P.	118,243	0.67%	0.64%	5,094
Clearstream Banking AG	115,415	0.65%	0.64%	1,446
Siseinfo OÜ	100,000	0.56%	0.56%	-
Hans Palla	61,000	0.34%	0.34%	-
Alforme OÜ	50,000	0.28%	0.28%	-
<b>Total largest shareholders</b>	<b>14,317,357</b>	<b>80.89%</b>	<b>80.72%</b>	<b>29,746</b>
Total other shareholders	3,382,643	19.11%	19.28%	(29,746)
<b>Total</b>	<b>17,700,000</b>	<b>100%</b>	<b>100%</b>	<b>-</b>

## PERFORMANCE OF THE SHARE OF MERKO EHITUS AND COMPARISON INDEX OMX BALTIC BENCHMARK PRICE INDEX IN 2024



## DIVIDENDS AND DIVIDEND POLICY

The distribution of dividends to the shareholders of the company is recorded as a liability in the financial statements as of the moment when the payment of dividends is approved by the company's shareholders.

According to the current dividends policy the objective is paying the shareholders 50-70% of the annual profit.

On 8 May 2024, the shareholders of AS Merko Ehitus approved the Supervisory Board's proposal to the shareholders to pay out the total amount of EUR 23.0 million (EUR 1.30 per share) as dividends from net profit brought forward, which is equivalent to a 50% dividend rate and an 8.5% dividend yield for the year 2023 (using the share price as of 31 December 2023). Comparable figures in 2023 were accordingly: EUR 17.7 million (EUR 1.00 per share) as dividends, which is equivalent to a 51% dividend rate and a 7.1% dividend yield for the year 2022 (using the share price as at 31 December 2022).

## CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE AND STRUCTURE

AS Merko Ehitus operates as a holding company for group of companies in Estonia, Latvia and Lithuania that offer complete solutions in the field of construction and real estate development. The group's largest companies are AS Merko Ehitus Eesti (100%), OÜ Merko Kodud (100%), Tallinna Teede AS (100%), SIA Merks Mājas (100%), UAB Merko Statyba (100%) and UAB Merko Bustas (100%).

The main area of activity of the holding company is developing and implementing strategies for the Merko Ehitus group's various business segments by way of planning resources, deciding on major investments, targeting and overseeing the activity of subsidiaries and coordinating partner relations. The holding company AS Merko Ehitus has a three-member Management Board: Ivo Volkov, Tõnu Toomik and Urmas Somelar.

The overview of the Management Board and Supervisory Board have been presented on pages 17-18 and in Note 16 of the interim financial statements, and published, together with the track record and photographs, on the company's website at [group.merko.ee/en/corporate-governance-2/](http://group.merko.ee/en/corporate-governance-2/).

It is important to maintain a simple organisational structure in the group and in management to be guided primarily by the group's objectives and requirements. For the purposes of maximum efficiency in the group management, we in some cases differentiate the management structure and legal structure. Management of the group's operating activity takes place in a country-specific manner and is coordinated at the level of the holding company.

As of 30 September 2024, the management structure is as follows:



*\*In Estonia, the sister companies Merko Ehitus Eesti AS, Merko Kodud OÜ and Tallinna Teede AS are from the group's point of view managed based on the same principles, but have their executive management formed completely independent from each other.*

### GROUP'S LEGAL STRUCTURE

The group's legal structure is predominantly based on economic and legal rationality and does not in all cases conform one-to-one to the group's management structure. The detailed list of group companies is provided in Note 16 of the interim financial statements.

#### *Changes in the legal structure of the group*

On 27 July 2023, OÜ Merko Kaevandused and OÜ Metsara-Metspere Kinnisvara, both belonging to AS Merko Ehitus group, signed a merger agreement. The merging company is OÜ Merko Kaevandused, as a result of the merger, the merged company OÜ Metsara-Metspere Kinnisvara ended without liquidation proceedings. The merger date was 1st of January 2024, after which all transactions of the acquired company will be deemed to be made on the account of OÜ Merko Kaevandused. The Commercial Register made the final entry in its registers on 11 January 2024.

On 5 October 2023 AS Merko Ehitus' 100% subsidiaries AS Merko Ehitus Eesti and OÜ Merko Kodud signed a notarised division agreement, according to which AS Merko Ehitus Eesti transfers the assets and liabilities related to property development activities to OÜ Merko Kodud. The purpose of the division is to align legal structure with structure of the business segments of the AS Merko Ehitus group and harmonize the structure across the home markets of Merko Ehitus. The balance sheet date of the division was 1 January 2024. The division entered into force on 29 February 2024 with an entry in the commercial register.

On March 20, Merko Ehitus group's 100% subsidiary OÜ Merko Investments signed a division plan, according to which real estate development activities along with the corresponding assets and liabilities were transferred to OÜ Merko Residential Investments,

which was established as a result of the division. The balance sheet date of the division was 1 April 2024. The division entered into force on 14 May 2024 with an entry in the commercial register.

On 21 March 2024, the joint venture PS MB.MEE was registered in the Latvian Commercial Register, founded by SIA Merko Būve as the lead partner and AS Merko Ehitus Eesti, both being 100% subsidiaries of AS Merko Ehitus group.

On 1 April 2024 was sold 100% share in SIA Industrialais Parks, a company belonging to AS Merko Ehitus group. Since this was a single-asset entity, the sale of the company was not recognized as a business combination but as a sale of investment property.

On 1 August 2024 came into effect the sale-purchase agreement of 100% share in SIA Merks, a company that belonged to AS Merko Ehitus group.

On 1 August 2024, the Management Board of AS Merko Ehitus, in coordination with the Supervisory Board, decided to stop offering construction services and making further investments in Norway. After completion of the existing construction contracts, the 100% subsidiary AS Peritus Entreprenør will be sold or liquidated.

On 14 August 2024 AS Merko Ehitus established a 100% subsidiary OÜ Merko Ehitus Ventures.

On September 25, Merko Ehitus group's 100% subsidiaries OÜ Merko Ehitus Ventures and AS Merko Ehitus Eesti signed an agreement, according to which 50% of the share in AS Connecto Eesti, so far owned by Merko Ehitus Eesti, will be transferred to OÜ Merko Ehitus Ventures through the division. The balance sheet date of the division shall be 1 January 2025.

## GENERAL MEETING OF SHAREHOLDERS

The company's highest governing body is the General Meeting of Shareholders, the competencies of which are established by legislation and the articles of association of the company.

The annual general meeting of shareholders was held on 8 May 2024. The general meeting resolved to approve the annual report and the profit allocation proposal for 2023. The dividends in the sum of EUR 23.0 million (EUR 1.30 per share) paid out to the shareholders on 21 June 2024.

The Management Board made a presentation on the company's financial results and future prospects.

In accordance with the Commercial Code, its Articles of Association and Good Governance Code, AS Merko Ehitus calls the annual and extraordinary general meeting of shareholders by notifying the shareholders through the Tallinn Stock Exchange and by publishing a meeting call in one national daily newspaper at least 3 weeks in advance. The general meeting shall be held at the place shown in the notice, on a working day and between 9 a.m. and 6 p.m., enabling most of the shareholders to participate in the General Meeting of Shareholders.

Before their publication, agendas of annual and extraordinary general meetings of the company's shareholders are approved by the Supervisory Board that shall also present to the general meeting subjects for discussion and voting. Agenda items of the general meeting, recommendations of the Supervisory Board with relevant explanations, procedural guidance for participation in the general meeting and how and when new agenda items can be proposed are published together with the notice on calling the general meeting.

General meetings can be attended by any shareholder or their authorised representative. AS Merko Ehitus does not allow participation in general meetings by electronic means of communication equipment, since the deployment of reliable solutions for the identification of shareholders, some of whom reside abroad, while ensuring the privacy of participating shareholders, would be too complicated and costly.

Annual and extraordinary general meeting of shareholders shall be chaired by an independent person. In 2024, the general meeting was chaired by groups' Head of Finance Urmas Somelar who introduced the procedure for conducting the general meeting and the procedure of asking questions from the Management Board and Supervisory Board about the company's activities.

On behalf of the company, usually the Chairman of the Management Board shall participate in the General Meeting of AS Merko Ehitus, and if necessary, other members of the Management and Supervisory Boards shall be involved. The company's auditor also participates.

The annual general meeting of shareholders of AS Merko Ehitus held in 2024 was attended by Ivo Volkov (Chairman of the Management Board), Tõnu Toomik (Member of the Management Board), Urmas Somelar (Head of Finance) and Janno Hermanson (Auditor). The Supervisory Board was represented by Indrek Neivelt, per agreement between the members of the Supervisory Board.

## SUPERVISORY BOARD

The Supervisory Board plans the activities of the company, organises the management of the company and supervises the activities of the Management Board. The Supervisory Board notifies the general meeting of shareholders of the results of a review. The Chairman of the Supervisory Board organises the work of the Supervisory Board. The main duties of the Supervisory Board are to approve the group's material strategic and tactical decisions and to supervise the activities of the group's Management Board. The Supervisory Board's actions are guided by the company's articles of association, guidelines of the general meeting, and law.

According to the Articles of Association of AS Merko Ehitus, the Supervisory Board has 3 to 5 members who shall be elected for the term of three years.

As of 30 September 2024, the Supervisory Board of AS Merko Ehitus had three members, of whom, in accordance with the requirements of the Corporate Governance Recommendations, Kristina Siimar and Indrek Neivelt were independent members.

## MANAGEMENT BOARD

The Management Board is a governing body, which represents and manages AS Merko Ehitus in its daily activities in accordance with the law and the Articles of Association. The Management Board has to act in the most economically purposeful manner, taking into consideration the best interests of the company and all shareholders, while ensuring the company's sustainable development in accordance with set objectives and strategy. To ensure that the company's interests are met in the best way possible, the Management and Supervisory Boards shall extensively collaborate. At least once a quarter, a joint meeting of the Supervisory and Management Boards shall take place, in which the Management Board shall inform the Supervisory Board of significant issues regarding the company's business operations, the fulfilment of the company's short and long-term goals and the risks possibly influencing it. For every meeting of the Supervisory Board, the Management Board shall prepare a management report and submit it well in advance of the meeting so that the Supervisory Board can study it. The Management Board prepares reports for the Supervisory Board also in between the meetings, if it is considered necessary by the Supervisory Board or its Chairperson.

Pursuant to the Articles of Association approved at the general meeting of shareholders in 2012, the Management Board may have up to three members.

The Supervisory Board of AS Merko Ehitus appointed current Chairman of the Management Board of group's subsidiary AS Merko Ehitus Eesti Mr. Ivo Volkov as the Chairman of the Management Board of AS Merko Ehitus for the three-year period, starting from 1 January 2024. As of 1 January 2024, the Management Board of AS Merko Ehitus will continue with three members: Mr. Ivo Volkov (Chairman), Mr. Tõnu Toomik and Mr. Urmas Somelar.

The responsibilities of Ivo Volkov, Chairman of the Management Board, include, among others, fulfilling daily obligations of the CEO of AS Merko Ehitus, managing and representing the company, ensuring compliance with the Articles of Association, legal acts, organising the work of the Management Board and supervisory boards of the more important subsidiaries, coordinating the development of strategies and providing for their implementation, being responsible for business development and finance. Tõnu Toomik is responsible for the management of the portfolio of properties and coordination of construction segment development activities across the whole group. Urmas Somelar is responsible for the financial management, investor relations and compliance.

## SUPERVISORY AND MANAGEMENT BOARDS OF SUBSIDIARIES

Authorisation and responsibility of supervisory boards of subsidiaries of AS Merko Ehitus are based on their Articles of Association and intergroup rules. Generally, Supervisory Boards of subsidiaries consist of members of the Management Board and Supervisory Board of the company that is the main shareholder of the specific subsidiary. Supervisory Board meetings of the most significant subsidiaries are held usually once a month, otherwise according to the group's needs, Articles of Association of subsidiaries and legal provisions. Generally, no separate fee is paid to members of the Supervisory Board of subsidiaries. Members of the Supervisory Board will also receive no termination benefit in case their contract of service is terminated before due date or not extended. The chairman or member of the Management Board of the subsidiary shall be named by the subsidiary's Supervisory Board.

Below are the supervisory boards and management boards of the significant subsidiaries that are wholly-owned by AS Merko Ehitus as of 30 September 2024:

COMPANY	SUPERVISORY BOARD	MANAGEMENT BOARD
AS Merko Ehitus Eesti	Ivo Volkov, Tõnu Toomik, Martin Rebane, Urmas Somelar	Jaan Mäe (Chairman), Veljo Viitmann
OÜ Merko Kodud	-	Indrek Tarto
OÜ Merko Investments	-	Ivo Volkov, Urmas Somelar
OÜ Merko Residential Investments	-	Ivo Volkov, Urmas Somelar
SIA Merks Mājas	-	Egija Smila (Chairman), Roberts Rēboks
UAB Merko Statyba	Ivo Volkov (Chairman), Tõnu Toomik, Urmas Somelar	Saulius Putrimas (Chairman) Jaanus Rästas
UAB Merko Bustas	Ivo Volkov (Chairman), Tõnu Toomik, Urmas Somelar	Saulius Putrimas (Manager)

### *Changes in the management of group subsidiaries*

The Supervisory Board of AS Merko Ehitus Eesti, part of AS Merko Ehitus group, decided to extend the powers of the Members of the Management Board, Mr. Jaan Mäe and Mr. Veljo Viitmann from 1 January 2024 for three years. As of 1 January 2024, the Management Board of AS Merko Ehitus Eesti will continue with two members: Mr. Jaan Mäe (Chairman) and Mr. Veljo Viitmann.

AS Merko Ehitus appointed Mr. Ivo Volkov as a Member of the Supervisory Board of AS Merko Ehitus Eesti for the three-year period, starting from 1 January 2024. With the same decision, the powers of the current council member Tõnu Toomik were extended until

31 December 2026. The Supervisory Board of AS Merko Ehitus Eesti will continue with four members: Mr. Ivo Volkov (Chairman), Mr. Tõnu Toomik, Mr. Martin Rebane and Mr. Urmas Somelar.

With the 21 March 2024 decisions of AS Merko Ehitus, the powers of Ivo Volkov, Tõnu Toomik and Urmas Somelar, the current Supervisory Board members of UAB Merko Statyba and UAB Merko Bustas, were extended for the next three years.

The Management Board of AS Merko Ehitus decided to appoint Ms. Egija Smila as the country head for the group's Latvian subsidiaries for a period of three years, with the term of authority beginning on 1 May 2024. In addition, Ms. Egija Smila was appointed as a Member of the Management Board of SIA Merks Mājas, with the term of authority beginning on 15 May 2024.

The sole shareholder of SIA Merks Mājas, part of AS Merko Ehitus group, decided to appoint Mr. Roberts Rēboks as a Member of the Management Board of the company, starting from 6 June 2024. With effect from 22 July 2024, the Management Board of SIA Merks Mājas continued with two members: Mrs. Egija Smila and Mr. Roberts Rēboks.

## MANAGEMENT BOARD'S DECLARATION

Members of the Management Board of AS Merko Ehitus declare and confirm that the consolidated unaudited interim report for the 9 months of 2024, which consists of the management report and the interim financial statements, prepared according to the current International Financial Reporting Standards as adopted by the European Union, provides, to the best of their knowledge, a true and fair view of the development of business operations, assets, liabilities, financial position, results of the operations, cash flows, and profit or loss of AS Merko Ehitus and the consolidated undertakings as a whole, includes a description of the principal risks and uncertainties, and reflects transactions with related parties. The parent company and the companies, which are part of the consolidation group, are going concerns.

Ivo Volkov	Chairman of the Management Board	07.11.2024
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Tõnu Toomik	Member of the Management Board	07.11.2024
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Urmas Somelar	Member of the Management Board	07.11.2024
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# INTERIM FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

unaudited

in thousand euros

	Note	2024 9 months	2023 9 months	2024 III quarter	2023 III quarter	2023 12 months
Revenue	2	378,676	339,838	175,108	122,491	466,304
Cost of goods sold	3	(315,597)	(296,642)	(135,738)	(105,114)	(401,267)
<b>Gross profit</b>		<b>63,079</b>	<b>43,196</b>	<b>39,370</b>	<b>17,377</b>	<b>65,037</b>
Marketing expenses		(3,366)	(3,013)	(1,073)	(918)	(4,312)
General and administrative expenses		(15,115)	(12,896)	(6,485)	(4,635)	(19,423)
Other operating income		4,965	3,399	572	621	4,171
Other operating expenses		(2,512)	(614)	(46)	(467)	(991)
<b>Operating profit</b>		<b>47,051</b>	<b>30,072</b>	<b>32,338</b>	<b>11,978</b>	<b>44,482</b>
Finance income/costs		2,524	3,765	(1,071)	1,639	7,500
incl. finance income/costs from investments in subsidiaries		(3,119)	-	(3,119)	-	-
finance income/costs from joint ventures		6,634	6,061	2,979	2,242	10,220
interest expense		(1,469)	(2,011)	(353)	(674)	(2,697)
foreign exchange gain (loss)		(931)	(192)	(875)	98	(153)
other financial income (expenses)		1,409	(93)	297	(27)	130
<b>Profit before tax</b>		<b>49,575</b>	<b>33,837</b>	<b>31,267</b>	<b>13,617</b>	<b>51,982</b>
Corporate income tax expense		(4,867)	(1,827)	(4,004)	(898)	(6,081)
<b>Net profit for financial year</b>		<b>44,708</b>	<b>32,010</b>	<b>27,263</b>	<b>12,719</b>	<b>45,901</b>
incl. net profit attributable to equity holders of the parent		44,781	32,148	27,302	12,698	46,048
net profit attributable to non-controlling interest		(73)	(138)	(39)	21	(147)
<b>Other comprehensive income, which can subsequently be classified in the income statement</b>						
Currency translation differences of foreign entities		129	(16)	105	(88)	(41)
<b>Comprehensive income for the period</b>		<b>44,837</b>	<b>31,994</b>	<b>27,368</b>	<b>12,631</b>	<b>45,860</b>
incl. net profit attributable to equity holders of the parent		44,902	32,116	27,401	12,626	45,993
net profit attributable to non-controlling interest		(65)	(122)	(33)	5	(133)
Earnings per share for profit attributable to equity holders of the parent (basic and diluted, in EUR)	4	2.53	1.82	1.54	0.72	2.60

The notes set out on pages 25-37 are an integral part of these interim financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

unaudited

in thousand euros

	Note	30.09.2024	30.09.2023	31.12.2023
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	5	61,115	31,282	77,330
Short-term deposits		5,000	-	-
Trade and other receivables	6	108,930	86,895	68,754
Prepaid corporate income tax		377	2	2
Inventories	7	199,628	206,603	195,435
		<b>375,050</b>	<b>324,782</b>	<b>341,521</b>
<b>Non-current assets</b>				
Investments in joint ventures		25,549	17,756	21,915
Other shares and securities		80	80	80
Other long-term loans and receivables	8	21,580	21,104	24,490
Deferred income tax assets		5,849	1,852	3,298
Investment property	9	12,645	15,534	16,823
Property, plant and equipment	10	16,609	17,238	16,613
Intangible assets	11	466	508	520
		<b>82,778</b>	<b>74,072</b>	<b>83,739</b>
<b>TOTAL ASSETS</b>		<b>457,828</b>	<b>398,854</b>	<b>425,260</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Borrowings	12	11,541	23,325	19,673
Payables and prepayments	13	161,699	124,285	133,898
Income tax liability		6,838	1,846	4,260
Short-term provisions	14	7,325	10,268	10,451
		<b>187,403</b>	<b>159,724</b>	<b>168,282</b>
<b>Non-current liabilities</b>				
Long-term borrowings	12	27,357	36,377	35,142
Deferred income tax liability		1,715	1,878	4,441
Other long-term payables	15	6,925	2,841	5,495
		<b>35,997</b>	<b>41,096</b>	<b>45,078</b>
<b>TOTAL LIABILITIES</b>		<b>223,400</b>	<b>200,820</b>	<b>213,360</b>
<b>EQUITY</b>				
Non-controlling interests		(220)	(380)	(155)
<b>Equity attributable to equity holders of the parent</b>				
Share capital		7,929	7,929	7,929
Statutory reserve capital		793	793	793
Currency translation differences		(16)	(815)	(838)
Retained earnings		225,942	190,507	204,171
		<b>234,648</b>	<b>198,414</b>	<b>212,055</b>
<b>TOTAL EQUITY</b>		<b>234,428</b>	<b>198,034</b>	<b>211,900</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>457,828</b>	<b>398,854</b>	<b>425,260</b>

The notes set out on pages 25-37 are an integral part of these interim financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

unaudited

in thousand euros

	Equity attributable to equity holders of the parent				Total	Non-controlling interest	Total
	Share capital	Statutory reserve capital	Currency translation differences	Retained earnings			
<b>Balance as at 31.12.2022</b>	<b>7,929</b>	<b>793</b>	<b>(783)</b>	<b>176,248</b>	<b>184,187</b>	<b>(495)</b>	<b>183,692</b>
Profit (loss) for the reporting period	-	-	-	32,148	32,148	(138)	32,010
Other comprehensive income	-	-	(32)	-	(32)	16	(16)
<b>Total comprehensive income (loss) for the reporting period</b>	<b>-</b>	<b>-</b>	<b>(32)</b>	<b>32,148</b>	<b>32,116</b>	<b>(122)</b>	<b>31,994</b>
Increase of share capital by non-monetary contribution and buyout of non-controlling interest (Note 16)	-	-	-	(189)	(189)	237	48
Dividends (Note 4)	-	-	-	(17,700)	(17,700)	-	(17,700)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,889)</b>	<b>(17,889)</b>	<b>237</b>	<b>(17,652)</b>
<b>Balance as of 30.09.2023</b>	<b>7,929</b>	<b>793</b>	<b>(815)</b>	<b>190,507</b>	<b>198,414</b>	<b>(380)</b>	<b>198,034</b>
<b>Balance as at 31.12.2023</b>	<b>7,929</b>	<b>793</b>	<b>(838)</b>	<b>204,171</b>	<b>212,055</b>	<b>(155)</b>	<b>211,900</b>
Profit (loss) for the reporting period	-	-	-	44,781	44,781	(73)	44,708
Other comprehensive income	-	-	121	-	121	8	129
<b>Total comprehensive income (loss) for the reporting period</b>	<b>-</b>	<b>-</b>	<b>121</b>	<b>44,781</b>	<b>44,902</b>	<b>(65)</b>	<b>44,837</b>
Disposal of subsidiary (Note 16)	-	-	701	-	701	-	701
Dividends (Note 4)	-	-	-	(23,010)	(23,010)	-	(23,010)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>701</b>	<b>(23,010)</b>	<b>(22,309)</b>	<b>-</b>	<b>(22,309)</b>
<b>Balance as at 30.09.2024</b>	<b>7,929</b>	<b>793</b>	<b>(16)</b>	<b>225,942</b>	<b>234,648</b>	<b>(220)</b>	<b>234,428</b>

The share capital of AS Merko Ehitus consists of 17,700,000 shares without nominal value.

The notes set out on pages 25-37 are an integral part of these interim financial statements.

## CONSOLIDATED CASH FLOW STATEMENT

unaudited

in thousand euros

	Note	2024 9 months	2023 9 months	2023 12 months
<b>Cash flows from operating activities</b>				
Operating profit		47,051	30,072	44,482
Adjustments:				
Depreciation and impairment		2,348	2,322	3,658
(Profit)/loss from sale of non-current assets		(2,808)	(838)	(960)
Change in receivables and liabilities related to construction contracts		15,427	21,200	35,359
Interest income from operating activities		(1,401)	(1,642)	(2,146)
Change in provisions		1,235	899	3,878
Change in trade and other receivables related to operating activities		(31,519)	(7,937)	777
Change in inventories		(5,074)	15,653	25,713
Change in trade and other payables related to operating activities		6,375	7,136	9,379
Interest received		1,403	2,505	2,145
Interest paid		(1,932)	(2,648)	(3,524)
Other finance income (costs)		(138)	(219)	(268)
Corporate income tax paid		(7,942)	(2,831)	(3,550)
<b>Total cash flows from operating activities</b>		<b>23,025</b>	<b>63,672</b>	<b>114,943</b>
<b>Cash flows from investing activities</b>				
Disposal of subsidiary		(4,217)	-	-
Purchase of other financial investments		(5,000)	-	-
incl purchase of deposits with maturities greater than 3 months		(5,000)	-	-
Purchase of investment property		-	(216)	(357)
Disposal of investment property		6,499	-	-
Purchase of property, plant and equipment (excl. leased assets)		(1,060)	(1,128)	(1,204)
Proceeds from sale of property, plant and equipment		475	1,083	1,232
Purchase of intangible assets		(67)	(142)	(194)
Interest received		1,547	24	297
Dividends received		3,000	1,200	1,200
<b>Total cash flows from investing activities</b>		<b>1,177</b>	<b>821</b>	<b>974</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings		13,245	46,027	48,160
Repayments of borrowings		(29,437)	(78,196)	(85,364)
Repayments of lease liabilities		(1,244)	(962)	(1,312)
Dividends paid		(22,940)	(17,679)	(17,679)
<b>Total cash flows from financing activities</b>		<b>(40,376)</b>	<b>(50,810)</b>	<b>(56,195)</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>(16,174)</b>	<b>13,683</b>	<b>59,722</b>
Change of deposits with maturities greater than 3 months		5,000	-	-
Total change		(11,174)	13,683	59,722
<b>Cash and cash equivalents at the beginning of the period</b>	5	<b>77,330</b>	<b>17,665</b>	<b>17,665</b>
<b>Effect of exchange rate changes</b>		<b>(41)</b>	<b>(66)</b>	<b>(57)</b>
<b>Cash and cash equivalents at the end of the period</b>	5	<b>61,115</b>	<b>31,282</b>	<b>77,330</b>
Deposits with maturities greater than 3 months at the end of period		5,000	-	-
Total at the end of the period		66,115	31,282	77,330

The notes set out on pages 25-37 are an integral part of these interim financial statements.

# NOTES

## NOTE 1 ACCOUNTING POLICIES USED

The consolidated interim financial statements of the AS Merko Ehitus group for 9 months 2024 were prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting" for condensed interim financial statements. The interim financial statements follow the same accounting principles and methods used in the 2023 financial statements. The accounting methods used to prepare the interim financial statements are in conformity with the International Financial Reporting Standards as they were adopted by the European Union. 2023 audited annual report and 2023 9 months unaudited interim report comparative figures are presented in the present financial report.

According to the best knowledge of the Management Board, the consolidated interim financial statements for the 9 months 2024 presents a true and fair view of the group's economic results based on the principle of going concern. The influence of seasonality of construction and the influence of the cyclical nature of development activity on the period's results can be considered insignificant.

## NOTE 2 OPERATING SEGMENTS

in thousand euros

The top operating decision-maker, i.e. the Management Board of parent company AS Merko Ehitus, monitors the business operations of the group by operating segments and countries.

Reporting of the group's operations are segmented as:

- construction service,
- real estate development.

Construction service segment includes in Baltic states the services in the fields of general construction, civil engineering, electrical construction and concrete works services, additionally in Estonia road construction. Other operating areas (managerial services, supervision service, etc.) are insignificant to the group and they are reported within the construction service segment. The real estate development segment primarily consists of the group's own real estate development – construction and sale; to a lesser degree, it also includes real estate maintenance and leasing.

The business result of a segment is assessed based on external revenue, operating profit and profit before tax of the business segment. The operating profit and profit before tax of the segment is composed of the income and expenditure related to the segment. Other income and expenses not related to the segments are attributable to the activities of holding companies and are monitored at group level.

Additional information on the segments is provided in the Business activities chapter of the Management report.

In the segment reporting, all inter-segment income and expenses have been eliminated from the pre-tax profit of the segments and all unrealised internal profits have been eliminated from the segment assets.

2024 9 months	Construction service	Real estate development	Total segments
Revenue	339,064	56,036	395,100
Inter-segment revenue	(848)	(15,576)	(16,424)
<b>Revenue from clients</b>	<b>338,216</b>	<b>40,460</b>	<b>378,676</b>
incl. timing of revenue recognition at a point in time	1,362	36,534	37,896
timing of revenue recognition over time	336,854	3,926	340,780
<b>Operating profit (loss)</b>	<b>39,209</b>	<b>10,227</b>	<b>49,436</b>
<b>Profit (loss) before tax</b>	<b>42,586</b>	<b>9,598</b>	<b>52,184</b>
incl. interest income from operating activities	-	1,391	1,391
depreciation	(1,906)	(442)	(2,348)
recognition of provisions	(4,149)	(514)	(4,663)
reversal of provisions	196	-	196
finance income/costs from investments in subsidiaries	(3,119)	-	(3,119)
profit from joint ventures	6,161	473	6,634
other finance income (costs)	226	(1,092)	(866)
incl. interest income	1,116	44	1,160
interest expenses	(88)	(981)	(1,069)
<b>Assets 30.09.2024</b>	<b>146,213</b>	<b>241,453</b>	<b>387,666</b>
incl. joint ventures	17,399	8,150	25,549

2023 9 months	Construction service	Real estate development	Total segments
Revenue	209,530	163,757	373,287
Inter-segment revenue	(858)	(32,591)	(33,449)
<b>Revenue from clients</b>	<b>208,672</b>	<b>131,166</b>	<b>339,838</b>
incl. timing of revenue recognition at a point in time	730	109,492	110,222
timing of revenue recognition over time	207,942	21,674	229,616
<b>Operating profit (loss)</b>	<b>11,618</b>	<b>20,500</b>	<b>32,118</b>
<b>Profit (loss) before tax</b>	<b>14,447</b>	<b>22,072</b>	<b>36,519</b>
incl. interest income from operating activities	-	1,642	1,642
depreciation	(1,778)	(544)	(2,322)
impairment of inventories	-	(2,200)	(2,200)
recognition of provisions	(3,437)	(635)	(4,072)
profit from joint ventures	3,155	2,906	6,061
other finance income (costs)	(134)	(1,280)	(1,414)
incl. interest income	17	-	17
interest expenses	(73)	(1,093)	(1,166)
<b>Assets 30.09.2023</b>	<b>107,196</b>	<b>257,498</b>	<b>364,694</b>
incl. joint ventures	11,621	6,135	17,756

2024 III quarter	Construction service	Real estate development	Total segments
Revenue	159,848	19,546	179,394
Inter-segment revenue	(321)	(3,965)	(4,286)
<b>Revenue from clients</b>	<b>159,527</b>	<b>15,581</b>	<b>175,108</b>
incl. timing of revenue recognition at a point in time	674	14,777	15,451
timing of revenue recognition over time	158,853	804	159,657
<b>Operating profit (loss)</b>	<b>29,263</b>	<b>3,753</b>	<b>33,016</b>

2024 III quarter	Construction service	Real estate development	Total segments
<b>Profit (loss) before tax</b>	<b>28,477</b>	<b>3,479</b>	<b>31,956</b>
incl. interest income from operating activities	-	456	456
depreciation	(611)	(134)	(745)
recognition of provisions	(472)	(114)	(586)
reversal of provisions	51	-	51
finance income/costs from investments in subsidiaries	(3,119)	-	(3,119)
profit from joint ventures	2,899	80	2,979
other finance income (costs)	(485)	(379)	(864)
incl. interest income	328	1	329
interest expenses	(31)	(294)	(325)
<b>Assets' change in III quarter</b>	<b>14,348</b>	<b>192</b>	<b>14,540</b>
incl. joint ventures	2,899	80	2,979

2023 III quarter	Construction service	Real estate development	Total segments
Revenue	88,040	43,923	131,963
Inter-segment revenue	(316)	(9,156)	(9,472)
<b>Revenue from clients</b>	<b>87,724</b>	<b>34,767</b>	<b>122,491</b>
incl. timing of revenue recognition at a point in time	346	27,369	27,715
timing of revenue recognition over time	87,378	7,398	94,776
<b>Operating profit (loss)</b>	<b>6,941</b>	<b>5,729</b>	<b>12,670</b>
<b>Profit (loss) before tax</b>	<b>8,519</b>	<b>6,032</b>	<b>14,551</b>
incl. interest income from operating activities	-	523	523
depreciation	(658)	(196)	(854)
recognition of provisions	(1,603)	393	(1,210)
profit from joint ventures	1,659	583	2,242
other finance income (costs)	(12)	(269)	(281)
incl. interest income	17	-	17
interest expenses	(30)	(317)	(347)
<b>Assets' change in III quarter</b>	<b>19,924</b>	<b>4,947</b>	<b>24,871</b>
incl. joint ventures	1,658	584	2,242

2023 12 months	Construction service	Real estate development	Total segments
Revenue	299,338	208,332	507,670
Inter-segment revenue	(1,168)	(40,198)	(41,366)
<b>Revenue from clients</b>	<b>298,170</b>	<b>168,134</b>	<b>466,304</b>
incl. timing of revenue recognition at a point in time	2,418	141,098	143,516
timing of revenue recognition over time	295,752	27,036	322,788
<b>Operating profit (loss)</b>	<b>20,504</b>	<b>26,731</b>	<b>47,235</b>
<b>Profit (loss) before tax</b>	<b>26,200</b>	<b>29,344</b>	<b>55,544</b>
incl. interest income from operating activities	-	2,146	2,146
depreciation	(2,805)	(853)	(3,658)
impairment of inventories	-	(2,200)	(2,200)

2023 12 months	Construction service	Real estate development	Total segments
recognition of provisions	(5,659)	(1,128)	(6,787)
reversal of provisions	144	156	300
profit from joint ventures	5,771	4,449	10,220
other finance income (costs)	113	(1,743)	(1,630)
incl. interest income	259	-	259
interest expenses	(101)	(1,531)	(1,632)
<b>Assets 31.12.2023</b>	<b>96,111</b>	<b>249,513</b>	<b>345,624</b>
incl. joint ventures	14,238	7,677	21,915

In addition to the segment assets, as at 30.09.2024 the group holds assets in the amount of EUR 70,162 thousand (30.09.2023: EUR 34,160 thousand; 31.12.2023: EUR 79,636 thousand) that cannot be associated with a specific segment or the allocation of which to segments would be impracticable. The unallocated assets of the group comprise cash and cash equivalents, deposits, tax prepayments, other receivables and an unallocated portion of property, plant and equipment.

### RECONCILIATION OF THE PRE-TAX PROFIT OF SEGMENTS AND THE GROUP

in thousand euros

	2024 9 months	2023 9 months	2024 III quarter	2023 III quarter	2023 12 months
<b>Pre-tax profit from reporting segments</b>	<b>52,184</b>	<b>36,519</b>	<b>31,956</b>	<b>14,551</b>	<b>55,544</b>
Other operating profit (loss)	(2,385)	(2,046)	(677)	(691)	(2,752)
incl. recognition of provisions	-	-	-	-	(238)
reversal of provisions	-	-	-	-	900
finance income (costs)	(224)	(636)	(12)	(243)	(810)
incl. interest expenses	(171)	(581)	7	(225)	(735)
<b>Total profit before tax</b>	<b>49,575</b>	<b>33,837</b>	<b>31,267</b>	<b>13,617</b>	<b>51,982</b>

Other income and expenses, which are not directly associated with segments, are associated with holding companies.

### REVENUE BY CLIENT LOCATION

in thousand euros and percentages

	2024 9 months		2023 9 months		2024 III quarter		2023 III quarter		2023 12 months	
Estonia	151,203	40%	222,651	65%	65,562	37%	71,868	58%	283,147	61%
Latvia	18,530	5%	48,081	14%	11,560	7%	10,657	9%	61,843	13%
Lithuania	208,717	55%	63,835	19%	98,053	56%	37,472	31%	115,232	25%
Norway	226	0%	5,271	2%	-67	0%	2,494	2%	6,082	1%
<b>Total</b>	<b>378,676</b>	<b>100%</b>	<b>339,838</b>	<b>100%</b>	<b>175,108</b>	<b>100%</b>	<b>122,491</b>	<b>100%</b>	<b>466,304</b>	<b>100%</b>

### CONTRACT ASSETS AND LIABILITIES

in thousand euros

	30.09.2024	30.09.2023	31.12.2023
Accrued income from construction services (Note 6)	13,568	9,829	8,305
Prepayments for construction services (Note 13)	(55,320)	(21,945)	(34,584)
Advance payments received for construction contract works (Notes 13, 15)	(15,628)	(30,038)	(33,727)
Recognised provision for onerous construction contracts (Note 14)	(9)	(10)	(8)

### NON-CURRENT ASSETS (EXCEPT FOR FINANCIAL ASSETS) BY LOCATION OF ASSETS

in thousand euros

	30.09.2024	30.09.2023	31.12.2023
Estonia	46,175	38,975	42,317
Latvia	6,422	10,862	10,837
Lithuania	2,732	1,238	2,762
Norway	20	41	35
<b>Total</b>	<b>55,349</b>	<b>51,116</b>	<b>55,951</b>

## NOTE 3 COST OF GOODS SOLD

in thousand euros

	2024 9 months	2023 9 months	2024 III quarter	2023 III quarter	2023 12 months
Construction services and properties purchased for resale	233,680	202,230	104,171	76,469	279,421
Materials	33,293	40,699	15,102	12,229	47,970
Labour costs	21,962	23,224	7,274	7,573	32,999
Construction mechanisms and transport	5,901	7,245	2,506	2,531	8,881
Design	5,367	5,220	2,054	1,453	7,703
Real estate management costs	1,059	802	358	302	1,105
Depreciation	1,644	1,653	531	624	2,599
Impairment of inventories	-	2,200	-	-	2,200
Provisions	2,724	3,500	534	638	5,296
Other expenses	9,967	9,869	3,208	3,295	13,093
<b>Total cost of goods sold</b>	<b>315,597</b>	<b>296,642</b>	<b>135,738</b>	<b>105,114</b>	<b>401,267</b>

## NOTE 4 EARNINGS AND DIVIDENDS PER SHARE

Basic earnings per share for profit attributable to equity holders of the parent have been derived by dividing the net profit attributable to shareholders by the weighted average number of shares.

	2024 9 months	2023 9 months	2024 III quarter	2023 III quarter	2023 12 months
Net profit (loss) attributable to shareholders ( <i>in thousand EUR</i> )	44,781	32,148	27,302	12,698	46,048
Weighted average number of ordinary shares ( <i>thousand pcs</i> )	17,700	17,700	17,700	17,700	17,700
<b>Earnings (loss) per share (<i>in euros</i>)</b>	<b>2.53</b>	<b>1.82</b>	<b>1.54</b>	<b>0.72</b>	<b>2.60</b>

The group did not have any potential ordinary shares to be issued, therefore the diluted earnings per share equal the basic earnings per share.

Dividends payable are recognised after the approval of profit allocation by the shareholders. In accordance with the profit allocation decision, in 2024 the parent company AS Merko Ehitus paid dividends of EUR 23,010 thousand, i.e. EUR 1.30 per share (in 2023 were paid EUR 17,700 thousand). The income tax expense related to the payment of dividends, 1,538 thousand euros, which was recognised as deferred tax expense in the group in 2023, paid in third quarter. The group withheld an additional 7% income tax, in the amount of 70 thousand euros, on the part of the dividends paid to private shareholders taxable at 14/86 income tax rate.

Pursuant to IAS 12, the deferred income tax expense and liability will be recognized in AS Merko Ehitus group consolidated financial statements based on the share of net profit in the year ended that is planned to be paid out as dividends in the foreseeable future.

As at 30.09.2024 the balance of deferred income tax liability includes deferred income tax on dividends in the amount of 207 thousand euros (30.09.2023: EUR 328 thousand euros; 31.12.2023: EUR 2,894 thousand euros).

As of 30.09.2024, the parent company AS Merko Ehitus has EUR 9,296 thousand (30.09.2023: EUR 313 thousand; 31.12.2023: EUR 1,513 thousand) in dividends received from subsidiaries in previous periods and income from abroad, on which the income tax has been withheld.

As at 30.09.2024, it is possible to pay out dividends to shareholders from retained earnings in the amount of EUR 182,600 thousand (30.09.2023: EUR 151,943 thousand; 31.12.2023: EUR 162,969 thousand). Considering the dividends received and income tax withheld on foreign income totalling EUR 2,324 thousand (30.09.2023: EUR 78 thousand; 31.12.2023: EUR 378 thousand), the corresponding income tax on dividends would amount to EUR 43,326 thousand (30.09.2023: EUR 37,749 thousand; 31.12.2023: EUR 40,364 thousand). Regarding the additional income tax on dividends, the 14% tax rate on regularly payable dividends (14/86 on net dividends), which is applied on the average amount of the paid dividends taxed in Estonia during the previous 3 years, has been taken into consideration. Above that amount, a regular 20% tax rate is applied to the dividends (i.e. a 20/80 tax rate applied to the sum paid out as net dividends). The income tax related to disbursement of dividends is recognised as a liability and income tax expense upon the announcement of dividends.

## NOTE 5 CASH AND CASH EQUIVALENTS

in thousand euros

	30.09.2024	30.09.2023	31.12.2023
Bank accounts	54,222	28,826	61,545
Overnight deposits	1,893	2,456	785
Term deposits with maturities of 3 months or less	5,000	-	15,000
<b>Total cash and cash equivalents</b>	<b>61,115</b>	<b>31,282</b>	<b>77,330</b>

## NOTE 6 TRADE AND OTHER RECEIVABLES

in thousand euros

	30.09.2024	30.09.2023	31.12.2023
Trade receivables			
Accounts receivable	90,078	69,497	54,692
Allowance for doubtful receivables	(30)	(109)	(134)
	<b>90,048</b>	<b>69,388</b>	<b>54,558</b>
Tax prepayments excluding corporate income tax			
Value added tax	742	888	661
Other taxes	20	64	-
	<b>762</b>	<b>952</b>	<b>661</b>
Accrued income from construction services	13,568	9,829	8,305
Other short-term receivables			
Short-term loans	-	2,000	-
Interest receivables	-	176	-
Other short-term receivables	1,075	117	1,029
	<b>1,075</b>	<b>2,293</b>	<b>1,029</b>
Prepayments for services			
Prepayments for construction services	2,335	3,296	2,922
Prepaid insurance	961	1,003	1,137
Other prepaid expenses	181	134	142
	<b>3,477</b>	<b>4,433</b>	<b>4,201</b>
<b>Total trade and other receivables</b>	<b>108,930</b>	<b>86,895</b>	<b>68,754</b>
incl. short-term loan receivables from related parties (Note 16)	-	2,000	-
other short-term receivables and prepayments to related parties (Note 16)	4,453	12,749	10,743

## NOTE 7 INVENTORIES

in thousand euros

	30.09.2024	30.09.2023	31.12.2023
Materials	632	505	358
Work-in-progress	59,289	69,918	60,244
Finished goods	51,403	42,850	43,357
Goods for resale			
Registered immovables purchased for resale/development	87,387	89,578	89,434
Other goods purchased for resale	395	3,078	1,558
	<b>87,782</b>	<b>92,656</b>	<b>90,992</b>
Prepayments for inventories			
Prepayments for real estate properties	13	-	-
Prepayments for other inventories	509	674	484
<b>Total inventories</b>	<b>199,628</b>	<b>206,603</b>	<b>195,435</b>

## NOTE 8 OTHER LONG-TERM LOANS AND RECEIVABLES

in thousand euros

	30.09.2024	30.09.2023	31.12.2023
Long-term receivables from customers of construction services	21,580	21,104	24,490
<b>Total other long-term loans and receivables</b>	<b>21,580</b>	<b>21,104</b>	<b>24,490</b>

## NOTE 9 INVESTMENT PROPERTY

in thousand euros

	30.09.2024	30.09.2023	31.12.2023
Land	6,109	10,172	10,172
Right of superficies at carrying amount			
Cost	29	29	29
Accumulated depreciation	(16)	(15)	(15)
	<b>13</b>	<b>14</b>	<b>14</b>
Buildings at carrying amount			
Cost	8,148	6,606	8,012
Accumulated depreciation	(1,625)	(1,258)	(1,375)
	<b>6,523</b>	<b>5,348</b>	<b>6,637</b>
<b>Total investment property</b>	<b>12,645</b>	<b>15,534</b>	<b>16,823</b>

## NOTE 10 PROPERTY, PLANT AND EQUIPMENT

in thousand euros

	30.09.2024	30.09.2023	31.12.2023
Land	1,266	1,266	1,266
Buildings at carrying amount*			
Cost	8,289	8,322	8,322
Accumulated depreciation	(4,252)	(3,494)	(3,997)
	<b>4,037</b>	<b>4,828</b>	<b>4,325</b>
Machinery and equipment at carrying amount*			
Cost	18,856	18,404	18,588
Accumulated depreciation	(9,767)	(9,379)	(9,639)
	<b>9,089</b>	<b>9,025</b>	<b>8,949</b>
Other fixtures at carrying amount			
Cost	3,730	4,551	4,526
Accumulated depreciation	(2,440)	(3,047)	(3,085)
	<b>1,290</b>	<b>1,504</b>	<b>1,441</b>
Prepayments for property, plant and equipment	927	615	632
<b>Total property, plant and equipment</b>	<b>16,609</b>	<b>17,238</b>	<b>16,613</b>

\* As of 30 September 2024, the balance of buildings at carrying amount includes leased assets in a sum of EUR 407 thousand (30.09.2023: EUR 606 thousand; 31.12.2023: EUR 561 thousand). The balance of machinery and equipment at carrying amount includes leased assets in a sum of EUR 3,825 thousand (30.09.2023: EUR 3,494 thousand; 31.12.2023: EUR 3,708 thousand).

## NOTE 11 INTANGIBLE ASSETS

in thousand euros

	30.09.2024	30.09.2023	31.12.2023
<b>Goodwill</b>			
Cost	62	65	65
Impairment	(61)	(64)	(64)
	<b>1</b>	<b>1</b>	<b>1</b>
<b>Software at carrying amount</b>			
Cost	1,479	1,356	1,431
Accumulated depreciation	(1,209)	(1,097)	(1,097)
	<b>270</b>	<b>259</b>	<b>334</b>
Prepayments for intangible assets	195	248	185
<b>Total intangible assets</b>	<b>466</b>	<b>508</b>	<b>520</b>

## NOTE 12 BORROWINGS

in thousand euros

	30.09.2024	30.09.2023	31.12.2023
<b>Lease liabilities*</b>			
Lease liabilities balance	<b>4,308</b>	<b>4,254</b>	<b>4,402</b>
incl. current portion	997	1,147	1,092
non-current portion 2...5 years	3,311	3,107	3,310
<b>Bank loans</b>			
Loan balance	<b>34,163</b>	<b>49,391</b>	<b>44,356</b>
incl. current portion	10,490	16,121	12,524
non-current portion 2...5 years	23,673	33,270	31,832
<b>Loans from entities under common control</b>			
Loan balance (Note 16)	-	<b>6,000</b>	<b>6,000</b>
incl. current portion	-	6,000	6,000
<b>Loans from other entities</b>			
Loan balance	<b>427</b>	<b>57</b>	<b>57</b>
incl. current portion	54	57	57
non-current portion 2...5 years	373	-	-
<b>Total loans</b>			
Loans balance	<b>34,590</b>	<b>55,448</b>	<b>50,413</b>
incl. current portion	10,544	22,178	18,581
non-current portion 2...5 years	24,046	33,270	31,832
<b>Total borrowings</b>	<b>38,898</b>	<b>59,702</b>	<b>54,815</b>
incl. current portion	11,541	23,325	19,673
non-current portion 2...5 years	27,357	36,377	35,142

\* As of 30 September 2024, the lease liabilities include a balance of EUR 172 thousand to related parties (30.09.2023: EUR 230 thousand; 31.12.2023: EUR 216 thousand) (Note 16).

## NOTE 13 PAYABLES AND PREPAYMENTS

in thousand euros

	30.09.2024	30.09.2023	31.12.2023
Trade payables	69,928	47,798	42,472
Payables to employees	14,252	12,200	14,846
Tax liabilities, except for corporate income tax			
Value added tax	2,892	4,398	4,258
Personal income tax	519	479	769
Social security tax	1,230	1,295	2,075
Unemployment insurance tax	47	53	70
Contributions to mandatory funded pension	20	27	48
Other taxes	160	123	113
	<b>4,868</b>	<b>6,375</b>	<b>7,333</b>
Prepayments for construction services	55,320	21,945	34,584
Other liabilities			
Interest liabilities	41	134	98
Other liabilities	175	508	537
	<b>216</b>	<b>642</b>	<b>635</b>
Prepayments received *	17,115	35,325	34,028
<b>Total payables and prepayments</b>	<b>161,699</b>	<b>124,285</b>	<b>133,898</b>
incl. payables to related parties (Note 16)	27	1,260	173

\* As of 30 September 2024, the balance of prepayments received consists of prepayments received in connection with construction contracts (advance payments received for construction contract works) in a sum of EUR 13,860 thousand (30.09.2023: EUR 30,038 thousand; 31.12.2023: EUR 31,360 thousand) and of prepayments received in connection with residential properties (apartment buyers) in a sum of EUR 3,255 thousand (30.09.2023: EUR 5,287 thousand; 31.12.2023: EUR 2,668 thousand) (Note 2).

## NOTE 14 SHORT-TERM PROVISIONS

in thousand euros

	30.09.2024	30.09.2023	31.12.2023
Provision for warranty obligation for construction	4,684	4,936	5,954
Provision for costs of projects sold and work-in-progress projects	1,672	3,250	2,460
Provision for onerous construction contracts	9	10	8
Provision for legal costs and claims filed	760	2,072	1,706
Other provisions	200	-	323
<b>Total short-term provisions</b>	<b>7,325</b>	<b>10,268</b>	<b>10,451</b>

## NOTE 15 OTHER LONG-TERM PAYABLES

in thousand euros

	30.09.2024	30.09.2023	31.12.2023
Trade payables	5,099	2,841	3,128
Prepayments received *	1,768	-	2,367
Interest liabilities	58	-	-
<b>Other long-term payables total</b>	<b>6,925</b>	<b>2,841</b>	<b>5,495</b>

\* As of 30 September 2024, the balance of prepayments received consists of prepayments received in connection with construction contracts (advance payments received for construction contract works) in a sum of EUR 1,768 thousand (30.09.2023: EUR 0; 31.12.2023: EUR 2,367 thousand) (Note 2).

## NOTE 16 RELATED PARTY TRANSACTIONS

In compiling the group report, the following entities have been considered as related parties:

- parent company AS Riverito;
- shareholders of AS Riverito with significant influence over AS Merko Ehitus through AS Riverito;
- other shareholders with significant influence;
- other subsidiaries under control of AS Riverito shareholders or so-called sister companies, in the Note 'Entities under common control';
- associates and joint ventures;
- key members of the management (supervisory and management board), their close relatives and entities under their control or significant influence.

Significant influence is presumed to exist when the person has more than 20% of the voting power.

The parent of AS Merko Ehitus is AS Riverito. As at 30.09.2024, 30.09.2023 and 31.12.2023, AS Riverito owned 71.99% of the shares of AS Merko Ehitus. The ultimate controlling party of the group is Mr. Toomas Annus.

### AS MERKO EHITUS SUBSIDIARIES AND JOINT VENTURES

	Ownership and voting rights %			Location	Area of operation
	30.09.2024	30.09.2023	31.12.2023		
<b>Subsidiaries</b>					
AS Merko Ehitus Eesti	100	100	100	Estonia, Tallinn	Construction
OÜ Tähelinna Kinnisvara	100	100	100	Estonia, Tallinn	Real estate
OÜ Vahi Lastehoid	100	100	100	Estonia, Tallinn	Real estate
OÜ Merko Kaevandused	100	100	100	Estonia, Tallinn	Mining
OÜ Metsara-Metspere Kinnisvara	-	100	100	Estonia, Tallinn	Mining
Tallinna Teede AS	100	100	100	Estonia, Tallinn	Road construction
OÜ Merko Kodud	100	100	100	Estonia, Tallinn	Real estate
UAB Merko Statyba	100	100	100	Lithuania, Vilnius	Construction
UAB Timana	100	100	100	Lithuania, Vilnius	Real estate
UAB VPSP 2	100	100	100	Lithuania, Vilnius	Real estate
UAB VPSP Projektai	100	100	100	Lithuania, Vilnius	Real estate
OÜ Merko Property	100	100	100	Estonia, Tallinn	Real estate
UAB Balsiu Mokyklos SPV	100	100	100	Lithuania, Vilnius	Real estate
UAB Merko Bustas	100	100	100	Lithuania, Vilnius	Real estate
UAB MN Projektas	100	100	100	Lithuania, Vilnius	Real estate
UAB MN 2 Projektas	100	100	100	Lithuania, Vilnius	Real estate
UAB MB Projektas	100	100	100	Lithuania, Vilnius	Real estate
UAB Statinių Priežiūra ir Administravimas	100	100	100	Lithuania, Vilnius	Real estate
UAB MB 4 Projektas	100	100	100	Lithuania, Vilnius	Real estate
OÜ Merko Investments	100	100	100	Estonia, Tallinn	Holding
SIA Merks	-	100	100	Latvia, Riga	Construction
SIA Industrialais Parks	-	100	100	Latvia, Riga	Real estate
PS Merks-Ostas Celtnieks	-	65	65	Latvia, Riga	Construction
PS Merks Merko Infra	-	100	100	Latvia, Riga	Construction
SIA Merks Mājas	-	100	100	Latvia, Riga	Real estate
SIA Ropažu Priedes	-	100	100	Latvia, Riga	Real estate
SIA Zakusala Estates	-	100	100	Latvia, Riga	Real estate
SIA Merko Būve	100	100	100	Latvia, Riga	Construction
PS MB.MEE	100	-	-	Latvia, Riga	Construction
SIA Merko Management Latvia	100	100	100	Latvia, Riga	Real estate
OÜ Merko Residential Investments	100	-	-	Estonia, Tallinn	Holding
SIA Merks Mājas	100	-	-	Latvia, Riga	Real estate
SIA Ropažu Priedes	100	-	-	Latvia, Riga	Real estate
SIA Zakusala Estates	100	-	-	Latvia, Riga	Real estate
Merko Investments AS	100	100	100	Norway, Sofiemyr	Holding
Peritus Entreprenør AS (ex-Merko Bygg AS)	100	100	100	Norway, Sofiemyr	Construction
Løkenskogen Bolig AS	62	62	62	Norway, Sofiemyr	Real estate
OÜ Merko Ehitus Ventures	100	-	-	Estonia, Tallinn	Holding

	Ownership and voting rights %			Location	Area of operation
	30.09.2024	30.09.2023	31.12.2023		
<b>Joint ventures</b>					
Kodusadam OÜ	50	50	50	Estonia, Tallinn	Real estate
AS Connecto Eesti	50	50	50	Estonia, Tallinn	Construction

Additional information on the changes during the reported period is provided in chapter Corporate Governance in Management report.

## GOODS AND SERVICES

in thousand euros

	2024 9 months	2023 9 months	2023 12 months
<b>Provided services and goods sold</b>			
Parent company	-	6	6
Joint ventures	3,492	21,692	26,708
Entities under common control	30,966	67,705	82,058
Members of the management	-	109	161
<b>Total services provided and goods sold</b>	<b>34,458</b>	<b>89,512</b>	<b>108,933</b>
<b>Interest income</b>			
Joint ventures	13	189	215
<b>Purchased services and goods</b>			
Parent company	-	49	49
Joint ventures	8	88	268
Entities under common control	59	55	75
<b>Total purchased services and goods</b>	<b>67</b>	<b>192</b>	<b>392</b>
<b>Interest expense</b>			
Parent company	-	30	30
Entities under common control	130	262	362
Other related parties	-	1	1
<b>Total interest expense</b>	<b>130</b>	<b>293</b>	<b>393</b>

## BALANCES WITH RELATED PARTIES

in thousand euros

	30.09.2024	30.09.2023	31.12.2023
<b>Receivables from related parties</b>			
Loans granted (Notes 6,8)			
Joint venture	-	2,000	-
Receivables and prepayments (Note 6)			
Joint ventures	192	2,815	1,852
Entities under common control	4,261	9,934	8,862
Members of the management	-	-	29
<b>Total receivables and prepayments</b>	<b>4,453</b>	<b>12,749</b>	<b>10,743</b>
<b>Total receivables from related parties</b>	<b>4,453</b>	<b>14,749</b>	<b>10,743</b>

	30.09.2024	30.09.2023	31.12.2023
<b>Payables to related parties</b>			
Lease liabilities (Note 12)			
Entities under common control	172	230	216
Short-term loans received (Note 12)			
Entities under common control	-	6,000	6,000
Total Short-term loans received	-	<b>6,000</b>	<b>6,000</b>
Payables and prepayments (Note 13)			
Joint ventures	8	1	142
Entities under common control	19	1,259	31
Total payables and prepayments	<b>27</b>	<b>1,260</b>	<b>173</b>
<b>Total payables to related parties</b>	<b>199</b>	<b>7,490</b>	<b>6,389</b>

### REMUNERATION OF THE MEMBERS OF THE SUPERVISORY AND MANAGEMENT BOARDS

The cost of remuneration to members of the Supervisory Board and Management Board of AS Merko Ehitus incl. basic salaries and performance pay, as well as taxes and changes in reserves for the 9 months of 2024 were EUR 1,415 thousand (9 months of 2023: EUR 1,058 thousand; 12 months of 2023: EUR 1,843 thousand).

### TERMINATION BENEFITS OF MEMBERS OF THE SUPERVISORY AND MANAGEMENT BOARDS

Authorization agreements have been concluded with the Supervisory Board members, according to which no termination benefits are paid to them upon termination of the contract. In the 9 months of 2024, the Management Board members of AS Merko Ehitus did not receive benefits (9 months of 2023: EUR 0). In 2023, a member of the management was paid the compensation for non-competition observance in the amount of one year's service fee, EUR 120 thousand.

### MEMBERS OF THE SUPERVISORY AND MANAGEMENT BOARD

Track record and photographs of the members of the Supervisory Board can be found on AS Merko Ehitus website at [group.merko.ee/en/management-and-supervisory-board/](http://group.merko.ee/en/management-and-supervisory-board/).

Shares held by members of the Supervisory Board of AS Merko Ehitus as of 30.09.2024:

		NO OF SHARES	% OF SHARES
Toomas Annus (AS Riverito) *	Chairman of the Supervisory Board	12,742,686	71.99%
Indrek Neivelt (OÜ Trust IN)	Member of the Supervisory Board	31,635	0.18%
Kristina Siimar	Member of the Supervisory Board	-	-
		<b>12,774,321</b>	<b>72.17%</b>

\* Toomas Annus controls through a holding company the majority of the votes determined by shares in AS Riverito. Thus the shares of AS Riverito and the votes determined by it in AS Merko Ehitus (12,742,686 shares) are considered to be under the control of Toomas Annus.

The Management Board of the holding company AS Merko Ehitus has three members: Ivo Volkov Tõnu Toomik and Urmas Somelar.

Shares held by members of the Management Board of AS Merko Ehitus as of 30.09.2024:

		NO OF SHARES	% OF SHARES
Ivo Volkov	Chairman of the Management Board	4,137	0.02%
Tõnu Toomik	Member of the Management Board	-	-
Urmas Somelar	Member of the Management Board	-	-
		<b>4,137</b>	<b>0.02%</b>

## NOTE 17 CONTINGENT LIABILITIES

in thousand euros

The group has obtained the following guarantees from financial institutions and issued sureties to guarantee the group's obligations to third parties. These amounts represent the maximum right of claim by third persons against the group in case the group is unable to meet its contractual obligations. Management estimates that additional expenses related to these guarantees are unlikely.

	30.09.2024	30.09.2023	31.12.2023
Performance period's warranty to the customer	43,400	32,310	39,359
Tender warranty	6,540	17	32
Guarantee for warranty period	23,103	25,014	27,194
Prepayment guarantee	24,541	27,135	31,466
Payment guarantee	57	-	-
Contracts of surety	2,108	500	500
<b>Total contingent liabilities</b>	<b>99,749</b>	<b>84,976</b>	<b>98,551</b>

**Performance period's warranty to the customer** – warranty provider guarantees to the customer that the contractor's obligations arising from construction contract will be adequately fulfilled.

**Tender warranty** – warranty provider guarantees to the customer arranging the tender process that the tenderer will sign a contract as per tender conditions.

**Guarantee for warranty period** – guarantee provider guarantees to the customer that the construction defects discovered during the warranty period will be eliminated.

**Prepayment guarantee** – guarantee provider guarantees to the customer that advances will be reimbursed, if contractor fails to deliver goods or services agreed.

**Payment guarantee** – guarantee provider guarantees repayments of the customer's/developer's loan and/or guarantee provider guarantees to the customer payment for goods or services.

**Contracts of surety** – the group guarantees the timely fulfilment of group member's liabilities towards a third party (e.g. providing services by a certain date in the agreed amount).

## DEFINITION OF RATIOS

Gross profit margin (%)	=	$\frac{\text{Gross profit}}{\text{Revenue}}$
Operating profit margin (%)	=	$\frac{\text{Operating profit}}{\text{Revenue}}$
EBT margin (%)	=	$\frac{\text{Pre-tax profit}}{\text{Revenue}}$
Net profit margin (%)	=	$\frac{\text{Net profit (attributable to equity holders of the parent)}}{\text{Revenue}}$
Return on equity, ROE (%)	=	$\frac{\text{Net profit (attributable to equity holders of the parent) of the current 4 quarters}}{\text{Shareholders equity (average of the current 4 quarters)}}$
Return on assets, ROA (%)	=	$\frac{\text{Net profit (attributable to equity holders of the parent) of the current 4 quarters}}{\text{Total assets (average of the current 4 quarters)}}$
Return on invested capital, ROIC (%)	=	$\frac{(\text{Profit before tax} + \text{interest expense} - \text{foreign exchange gain (loss)} + \text{other financial income}) \text{ of the current 4 quarters}}{(\text{Shareholders equity (average)} + \text{interest-bearing liabilities (average)}) \text{ of the current 4 quarters}}$
Equity ratio (%)	=	$\frac{\text{Shareholders' equity}}{\text{Total assets}}$
Debt ratio (%)	=	$\frac{\text{Interest-bearing liabilities}}{\text{Total assets}}$
Current ratio	=	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Quick ratio	=	$\frac{\text{Current assets} - \text{inventories}}{\text{Current liabilities}}$
Accounts receivable turnover(days)	=	$\frac{\text{Trade receivables of the current 4 quarters (average)} \times 365}{\text{Revenue of the current 4 quarters}}$
Accounts payable turnover (days)	=	$\frac{\text{Payables to suppliers of the current 4 quarters (average)} \times 365}{\text{Cost of goods sold of the current 4 quarters}}$
EBITDA (million EUR)	=	Operating profit + depreciation
EBITDA margin (%)	=	$\frac{\text{Operating profit} + \text{depreciation}}{\text{Revenue}}$
General expense ratio (%)	=	$\frac{\text{Marketing expenses} + \text{General and administrative expenses}}{\text{Revenue}}$
Labour cost ratio (%)	=	$\frac{\text{Labour costs}}{\text{Revenue}}$
Revenue per employee (EUR)	=	$\frac{\text{Revenue}}{\text{Number of employees (average)}}$
Earnings per share, EPS (EUR)	=	$\frac{\text{Net profit (attributable to equity holders of the parent)}}{\text{Number of shares}}$
Equity/share (EUR)	=	$\frac{\text{Shareholders equity (average of the current 4 quarters)}}{\text{Number of shares}}$
Dividend per share (EUR)	=	$\frac{\text{Payable dividends}}{\text{Number of shares}}$
Dividend rate (%)	=	$\frac{\text{Payable dividends} \times 100}{\text{Net profit (attributable to equity holders of the parent)}}$
Dividend yield (%)	=	$\frac{\text{Dividends payable per share}}{\text{Share price 31.12}}$
P/E	=	$\frac{\text{Share price 30.09}}{\text{Earnings per share of the current 4 quarters}}$
P/B	=	$\frac{\text{Share price 30.09}}{\text{Equity per share (average of the current 4 quarters)}}$
Market value	=	Share price 30.09 x Number of shares